

Raj Kesari Rocks Private Limited

February 11. 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	46.93	CARE B-; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE B; Stable and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	1.75	CARE A4; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. has been seeking information from Raj Kesari Rocks Private Limited (RKRPL) to monitor the rating vide e-mail communications dated February 04, 2025, January 03, 2025, December 30, 2024, December 18, 2024, December 10, 2024, and various telephonic interactions on the above subject and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the rating.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on RKRPL's bank facilities will now be denoted as **CARE B-; Stable; ISSUER NOT COOPERATING* & CARE A4; ISSUER NOT COOPERATING***

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings

The rating has been revised on account of non-availability of requisite information to conduct the review. The ratings continue to remain constrained on account of risk associated with scaling up of operations from its recently concluded green field project, susceptibility of profitability to volatility in prices of raw materials with limited finished goods pricing flexibility, exposure to forex fluctuations and strong linkages of its prospects with highly cyclical real estate sector.

The ratings, however, continue to derive strength from experienced promoters with established track record of operations in marble & granite industry along with location advantage and expected benefits through government incentives.

Analytical approach: Standalone

Outlook: Stable

The 'Stable' outlook reflects CARE Ratings' expectation that RKRPL will continue to benefit from its experienced promoters.

Detailed description of key rating drivers:

At the time of last rating on June 04, 2024, the following were the rating strengths and weaknesses (updated for the information available from Registrar of Companies):

Key weaknesses

Scaling up risk associated with recently concluded green field project

RKRPL has implemented a greenfield project in May 2023 for manufacturing of engineered Stone (i.e. Quartz slabs) with its manufacturing unit located in Rajsamand (Rajasthan) with installed capacity of 68.10 lakh square feet (sqft) per annum. Hence, scaling up of the project along with realization of the envisaged returns will be crucial for RKRPL's growth prospects and shall remain a key rating monitorable. For FY24, its first year of operations, RKRPL reported a TOI of Rs. 11.68 crore with net loss of Rs.4.21 crore.

Susceptibility of profit margins to volatile raw material prices with limited finished goods pricing flexibility and foreign exchange rate fluctuations

For manufacturing quartz slab, main raw materials include quartz's Grit and quartz's powder along with Resin and Catalyst, prices of which are volatile in nature. Hence, any adverse movement in raw material prices can put pressure on the profit margin. The company is proposing to sell majority of its products (>95%) to international markets, majorly USA. The company will also import

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

part of raw material requirement which will benefit in form of natural hedge to some extent. However, balance unhedged portion shall remain exposed to any volatility in foreign exchange rate.

Prospects linked to cyclical real estate sector

Demand for quartz tiles/ slabs is directly linked with the demand from its end-user industry i.e., real estate sector. Thus, slowdown in demand due to adverse macroeconomic environment or inherent cyclicity remains crucial from the credit perspective.

Key strengths

Experienced promoters with established track record of the group in marble and granite industry

Promoters of RKRPL have vast and long-standing experience of more than 30 years in business of manufacturing of marble and granite. Further, one of the group companies of RKRPL i.e., Raj Kesari Metals Private Limited is engaged in manufacturing of Marble Slabs/Tiles having well established export market in USA, Gulf, Europe, and the buyers also have demand for Engineered Stone, thereby providing market for RKRPL.

Location advantage with expected benefits through government incentives

RKRPL's plant situated on industrial land at Bapada, Rajsamand which is located near to Udaipur. Udaipur is considered as one of the major centres for natural stone/minerals business. Proximity to various supplier of raw material in the form of quartz and other mineral ensures easy availability of raw material. The plant is situated in industrial area so adequate infrastructure i.e., power, water, road, and transportation facility are available. Also, the plant is eligible for Interest Subsidy and RIPS-19 benefits offered by state government of Rajasthan.

Applicable criteria

[Definition of Default](#)

[Policy in respect of non-cooperation by issuers](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Nonfinancial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Construction Materials	Other Construction Materials	Other Construction Materials

Udaipur, Rajasthan based Raj Kesari Rocks Private Limited (RKRPL) was incorporated in September 2020 and is promoted by Mr. Ashish Pokharna, Mr. Pratap Singh Darda, Mr. Sanjay Darda and Mr. Hardev Sahu. RKRPL is engaged in manufacturing engineered stone with installed capacity of 68.10 lakh SQFT per annum. The manufacturing facility of RKRPL is located at Bapada, Rajsamand.

Brief Financials (₹ crore)	March 31, 2023 (A)*	March 31, 2024 (A)*
Total operating income	NA	11.68
PBILDT	NA	3.70
PAT	NA	-4.21
Overall gearing (times)	NA	4.65
Interest coverage (times)	NA	0.69

A: Audited; Note: these are latest available financial results, NA: Not available, Company began its operations in FY24 as its first year of operations, till FY23 it was project phase entity

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	12.00	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	May 31, 2030	32.93	CARE B-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - LT-Bank Guarantee		-	-	-	2.00	CARE B-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	1.00	CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-Credit Exposure Limit		-	-	-	0.75	CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Cash Credit	LT	12.00	CARE B-; Stable; ISSUER NOT COOPERATING*	1)CARE B; Stable (04-Jun-24)	1)CARE D (28-Dec-23)	1)CARE BB-; Stable (12-Jan-23) 2)CARE BB-; Stable (12-Dec-22)	-
2	Fund-based - LT-Term Loan	LT	32.93	CARE B-; Stable; ISSUER NOT COOPERATING*	1)CARE B; Stable (04-Jun-24)	1)CARE D (28-Dec-23)	1)CARE BB-; Stable (12-Jan-23) 2)CARE BB-; Stable (12-Dec-22)	-
3	Non-fund-based - LT-Bank Guarantee	LT	2.00	CARE B-; Stable; ISSUER NOT COOPERATING*	1)CARE B; Stable (04-Jun-24)	1)CARE D (28-Dec-23)	1)CARE BB-; Stable (12-Jan-23) 2)CARE BB-; Stable (12-Dec-22)	-
4	Non-fund-based - ST-Bank Guarantee	ST	1.00	CARE A4; ISSUER NOT COOPERATING*	1)CARE A4 (04-Jun-24)	1)CARE D (28-Dec-23)	1)CARE A4 (12-Jan-23) 2)CARE A4 (12-Dec-22)	-
5	Non-fund-based - ST-Credit Exposure Limit	ST	0.75	CARE A4; ISSUER NOT COOPERATING*	1)CARE A4 (04-Jun-24)	1)CARE D (28-Dec-23)	1)CARE A4 (12-Jan-23)	-

*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - LT-Bank Guarantee	Simple
4	Non-fund-based - ST-Bank Guarantee	Simple
5	Non-fund-based - ST-Credit Exposure Limit	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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