

## Agrasenprime Overseas Private Limited

August 01, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	80.62 (Reduced from 81.74)	CARE BBB-; Stable	Reaffirmed
Short-term bank facilities	10.00	CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Ratings assigned to bank facilities of Agrasenprime Overseas Private Limited (AOPL) continue to derive strength from experienced promoters with long track record of operations in granite trading business, comfortable financial risk profile, and adequate liquidity. Ratings also continue to derive strength from location advantage with easy availability of raw material.

Ratings continue to remain constrained due to moderate scale of operations with high geographical and customer concentration in two key natural stone markets and working capital intensive operations. Ratings take into consideration marginal dip in operating profit margins, although it remained moderate and close linkages of its prospects to the cyclical real estate sector and global demand scenario for its products.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Significantly increasing scale of operations marked by total operating income (TOI) above ₹350 crore with improving operating margin above 10% on a sustained basis.
- Improving gross current asset days to less than 150 days on a sustained basis.
- Improving total debt to gross cash accruals (TD/GCA) below 2.5x on a sustained basis.

#### Negative factors

- Significantly declining scale of operations with TOI falling below ₹200 crore or decline in profit before interest, lease rentals, depreciation and taxation (PBILDT) margin below 7% on a sustained basis.
- Deteriorating overall gearing to over 1.50x on a sustained basis.
- Elongating operating cycle to over 120 days, leading to high reliance on working capital borrowings and stretched liquidity position of AOPL on a sustained basis.

### Analytical approach: Standalone

#### Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that AOPL will continue to benefit from promoters' extensive experience and its association with reputed clientele and favourable long-term demand prospects for granite and ceramic tiles in the export market.

### Detailed description of key rating drivers:

#### Key strengths

##### Experienced and resourceful promoters

AOPL was incorporated in 2014 by Ghanshyam Gupta, who has over two decades of experience in the granite industry, initially through his trading concern – Agrasen Granites and Marbles and later through AOPL. Currently, the business is managed by his son, Sourabh Gupta, who looks after the company's finance and overall operations. The company's overall operations, and marketing and distribution network in abroad are looked after by promoters, who are ably supported by second level of management represented by qualified professionals.

##### Location advantage with ease of availability of raw material and labour

AOPL is situated in Jaipur, Rajasthan, with its manufacturing facility in Andhra Pradesh and Karnataka, which is having largest reserves of granite in India. The granite industry in India is concentrated mainly in Karnataka, Andhra Pradesh, Tamil Nadu, and Rajasthan. Realising the huge potential of granite, many other states have set up granite units. The location is considered as one of the major centres for natural stone/minerals business. For ceramic tiles trading, AOPL procures tiles from Morbi, Gujarat, which is a ceramic hub of India. Proximity to supplier of raw material in the form of granite and other mineral ensures easy availability

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

of raw material. The manufacturing plant is situated in an industrial area, hence adequate infrastructure, power, water, road, and transportation facility are available.

### Comfortable capital structure and moderate debt coverage indicators

AOPL's capital structure although moderated owing to increased debt level mainly in form of working capital bank borrowing however remains comfortable marked by overall gearing of 1.05x as on March 31, 2025 (PY: 0.88x). Debt coverage indicators remained moderate with TD/GCA of 5.88x (PY: 4.34x) as on March 31, 2025, and PBILDT interest coverage at 4.07x in FY25 (PY: 4.28x).

### Key weaknesses

#### Moderate scale of operations and profit margins with high geographical and customer concentration

AOPL operates as an export-oriented unit in granite and ceramic tiles trading business with high concentration in two key markets, Vietnam and Turkey. Scale of operations marked by TOI de-grew marginally by 6.71% y-o-y to ₹245.97 crore in FY25 against ₹263.67 crore in FY24 owing to decline in sales of ceramic tiles. TOI for Q1FY26 remained at ₹44.14 crore and it is expected that company will achieve ~₹250 crore of TOI in FY26. While AOPL's export sales accounted for ~86% in FY25 against 84% in FY24, it remained geographically concentrated in Vietnam and Turkey. Export client concentration risk also remained high with top five customers constituted ~88% and ~94% of total export sales in FY25 and FY24, respectively. The company's PBILDT margin declined marginally by 36 bps and remain moderate at 8.80% in FY25 compared to 9.16% in FY24. PBILDT margin remained at 10.97% in Q1FY26. However, with decrease in finance charges and depreciation, profit after tax (PAT) margin improved marginally by 66 bps y-o-y to 4.84% in FY25 compared to 4.18% in FY24. Profit margins are expected to remain at similar levels going forward.

#### Working capital intensive operations

Companies operating in the granite/stone industry usually have elongated working-capital cycle. This is due to nature of the product necessitating storage of stocks of different types or shades as required by clients and maintaining adequate level of inventory to meet customer demands on a timely basis. In monsoons, production at quarries drop, which require the company to store raw material and finished goods for a longer period. However, as AOPL is largely in trading activity with increasing base of manufacturing operations, inventory holding period is on increasing trend. AOPL provides average credit period 60 days to its suppliers (distributors), however, AOPL's collection period remains elongated. It is stretched from 104 days in FY23 to 176 days in FY25 owing to more credit period providing to its export customers and more time in transit, which results in elongation in operating cycle from 96 days in FY24 to 132 days in FY25.

#### Prospects linked to cyclical real estate sector and risk associated with foreign exchange fluctuation

Demand for granite and ceramic tiles is directly linked with demand from its end-user industry, real estate sector in its key market (Vietnam and Turkey). Thus, slowdown in demand due to adverse macroeconomic environment or inherent cyclicity remains crucial from the credit perspective. AOPL is exposed to foreign exchange fluctuation risk, considering that the company generated ~86% of TOI from export in FY25. However, the company does follow hedging policy to a certain extent.

### Liquidity: Adequate

AOPL's liquidity remains adequate marked by sufficient cushion in cash accruals against debt repayment obligations, adequate free liquidity and comfortable liquidity ratios. The company has free cash and liquid investments of ₹9.82 crore and ₹9.77 crore as on March 31, 2025, and March 31, 2024. The current ratio and quick ratio stood at 1.39x and 1.26x as on March 31, 2025. AOPL is envisaged to generate cash accruals of ~₹15 crore in FY26 against committed repayment obligation of ~₹2.6 crore towards its debt obligations in FY26. However, average utilisation of fund-based working capital limit remained almost fully utilised for six-months ended June 30, 2025. The company has also reported negative cash flow from operating activities of ₹21.07 crore (PY: positive ₹22.48 crore) owing to increase in receivables.

### Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Wholesale Trading](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer durables	Consumer durables	Granites & marbles

Jaipur-based (Rajasthan) AOPL was incorporated in 2014, is engaged in trading and manufacturing granites and marbles and trading ceramic tiles (which started from FY22) largely for export markets. The company started manufacturing operations in Ongole, Andhra Pradesh in 2014, in proximity to rich mine resources of granites. From December 2022, the company started another manufacturing facility in Bangalore, for processing mosaic/granite slabs and tiles.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)	Q1FY26 (UA)
Total operating income	263.67	245.97	44.14
PBILDT	24.16	21.66	4.84
PAT	11.03	11.91	1.96
Overall gearing (times)	0.88	1.05	NA
Interest coverage (times)	4.28	4.07	3.16

A: Audited UA: Unaudited NA: Not available; Note: these are latest available financial results

**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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	01-09-2027	5.22	CARE BBB-; Stable
Fund-based- Working capital facilities		-	-	-	75.40	CARE BBB-; Stable
Non-fund-based - ST-Bank Guarantee		-	-	-	5.00	CARE A3
Non-fund-based - ST-Forward Contract		-	-	-	5.00	CARE A3

**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 2025-2026	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
1	Fund-based - LT-Term Loan	LT	5.22	CARE BBB-; Stable	-	1)CARE BBB-; Stable (27-Nov-24) 2)CARE BBB-; Stable (04-Jul-24)	1)CARE BBB-; Stable (03-May-23)	-
2	Fund-based-Working capital facilities	LT	75.40	CARE BBB-; Stable	-	1)CARE BBB-; Stable (27-Nov-24) 2)CARE BBB-; Stable (04-Jul-24)	1)CARE BBB-; Stable (03-May-23)	-
3	Non-fund-based - ST-Bank Guarantee	ST	5.00	CARE A3	-	1)CARE A3 (27-Nov-24) 2)CARE A3 (04-Jul-24)	1)CARE A3 (03-May-23)	-
4	Non-fund-based - ST-Forward Contract	ST	5.00	CARE A3	-	1)CARE A3 (27-Nov-24) 2)CARE A3 (04-Jul-24)	1)CARE A3 (03-May-23)	-
5	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	-	-	-	1)Withdrawn (04-Jul-24)	1)CARE BBB-; Stable / CARE A3 (03-May-23)	-

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-Term Loan	Simple
2	Fund-based-Working capital facilities	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple
4	Non-fund-based - ST-Forward Contract	Simple

**Annexure-5: Lender details**

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

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

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