

Eros Gypsum LLP

January 21, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	49.90	CARE BB-; Stable	Assigned
Long Term / Short Term Bank Facilities	27.10	CARE BB-; Stable / CARE A4	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to the bank facilities of Eros Gypsum LLP (EGL) remain constrained on account of implementation and stabilization risk associated with on-going project, presence in competitive and fragmented industry, susceptibility of the profit margins to volatile raw material prices and stretched liquidity.

Ratings, however, derive strength from experienced and resourceful promoters group and location advantage of plant being present in Morbi.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Completion of the project in the envisaged time and cost parameter and achieving envisaged total operating income (TOI) and profitability.

Negative factors

- Delay in project execution, resulting in significant time and cost overrun exerting pressure on liquidity of the entity.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectations that EGL shall benefit from the extensive experienced of the promoters in the gypsum board manufacturing industry.

Detailed description of key rating drivers:

Key weaknesses

Implementation and stabilization risk associated with on-going project

EGL is implementing ₹86.04 crore capex for the manufacturing of gypsum boards at Morbi (Gujarat). The said capex is being funded through term loan of ₹49.90 crore and balance through promoter contribution implying debt: equity (D:E) of 1.38x.

As of November 25, 2025, EGL has incurred total cost of ₹21.83 crore (25% of total project cost) which has been funded through term loan of ₹10.99 crore and promoter contribution of ₹10.84 crore. Production is expected to commence by July 2026. Considering the nascent stage of implementation, completion of the project within the envisaged time and cost parameters remains crucial from a credit perspective. However, considering the track record of promoters in the same industry and achievement of the financial closure, execution risk is mitigated to some extent.

Susceptibility of profitability to fluctuations in raw material prices and cyclicity in real estate industry

The Indian gypsum board industry is fragmented and faces intense competition from few large established domestic players, restricting profitability to some extent. Additionally, majority of the gypsum board/powder finds applications in the real estate industry, which is inherently cyclical in nature. Although demand from the industrial segment has been increasing, its contribution remains relatively modest.

Key strengths

Experienced and resourceful promoter group

EGL is promoted by Purvarajsinh Zala, Devang Pandit, Sagar Sheth, Sumit Mendapara and Mahendra Dalsaniya, and their family. The promoters have over a decade of experience in gypsum board manufacturing through Eros Minerock Products LLP (EMPL), which supports execution capability and operational stability for EGL. CareEdge Ratings expects this experience to aid timely completion and efficient ramp-up of operations in FY27.

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

Favourable plant location

The proposed project is located in Morbi, a ceramic hub of India. Also, the project location is strategically chosen adjacent to the premises of EMPL, a group entity with common promoters, which has an operational plant manufacturing a similar product, thereby providing operational synergy in procurement, logistics, and marketing.

Liquidity: Stretched

The liquidity of EGL is expected to remain stretched since the project is at nascent stage of implementation. Of envisaged promotor contribution of ₹18.07 crore, promoters have infused ₹10.84 crore till November 25, 2025.

Going forward, it remains crucial for the firm to commence its operations in a timely manner and generate revenue as envisaged to serve repayment which would commence from February 2027.

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Project stage companies](#)

[Short Term Instruments](#)

About the firm and industry

Industry classification

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

Incorporated in February 2024, Morbi (Gujarat) based, EGL is promoted by Purvarajsinh Zala, Devang Pandit, Sagar Sheth, Sumit Mendapara and Mahendra Dalsaniya, along with their family members. EGL is undertaking a capex for manufacturing gypsum boards (regular, fire- and moisture-resistant) with the installed capacity of ~30,000 gypsum boards per day (~20 million sq. ft. per annum).

Brief financials: Not applicable for project stage 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-Term Loan	-	-	-	April 2034	49.90	CARE BB-; Stable
Fund-based - LT/ ST-Cash Credit	-	-	-	-	25.10	CARE BB-; Stable / CARE A4
Non-fund-based - LT/ ST-Bank Guarantee	-	-	-	-	2.00	CARE BB-; Stable / CARE A4

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/ST-Cash Credit	LT/ST	25.10	CARE BB-; Stable / CARE A4	-	-	-	-
2	Fund-based - LT-Term Loan	LT	49.90	CARE BB-; Stable	-	-	-	-
3	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	2.00	CARE BB-; Stable / CARE A4	-	-	-	-

LT: Long 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 - LT/ ST-Cash Credit	Simple
3	Non-fund-based - LT/ ST-Bank Guarantee	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 for clarifications.

Contact us

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About us:

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