

February 9, 2026

## Amman Granites: Ratings reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund based – Export packing credit (EPC)	12.00	12.00	[ICRA]BBB- (Stable); reaffirmed
Long-term – Fund based – Cash credit (CC)^	(0.20)	(0.20)	[ICRA]BBB- (Stable); reaffirmed
Long-term – Fund based – Foreign bill discounting	15.00	15.00	[ICRA]BBB- (Stable); reaffirmed
Short-term – Non fund based	3.00	3.00	[ICRA]A3; reaffirmed
<b>Total</b>	<b>30.00</b>	<b>30.00</b>	

\*Instrument details are provided in Annexure I; ^Sub-limit of EPC limits

### Rationale

ICRA has taken a consolidated rating view of Amman Granites (AG) and AG Granites Private Limited (AGGPL), commonly referred to as the Group, while assigning the ratings, given their strong operational, financial and managerial linkages, along with their cross-default clauses and operations conducted as extended arms of each other.

The ratings reaffirmation on the bank lines of the Group considers the expected stability in the earnings over the medium term supported by established operational track record and extensive experience of promoters in the granite processing industry. The consolidated revenues declined by about 6.7% in FY2025 to about Rs. 175.4 crore from Rs. 188.0 crore in FY2024, owing to tepid demand conditions and pricing pressures in key export markets amid increasing competition. Further, the Group's operating profit margin (OPM) moderated to around 10.3% in FY2025 from around 11.2% in FY2024 due to absorption of overheads amid declining revenues and growing raw material costs. Nevertheless, net cash accruals have improved in FY2025 compared to FY2024 amid lower profit withdrawals by the partners. Going forward, the revenues and earnings are expected to be supported by the Group's established relationships with key customers, aiding in repeat orders and lending stability to the revenues. The ratings further factors in the sustained comfortable leverage of the Group characterised by TOL/TNW of 1.1 times as on March 31, 2025. The same is likely to remain comfortable, driven by the absence of any major debt-funded capex plans. The ratings further factor in the strong supplier network and increase in production from the Group's own quarries, which ensures timely availability of quality raw materials.

The ratings are, however, constrained by the moderation in the coverage indicators in the last 2-3 years and by the Group's high working capital-intensive nature of operations, with NWC/OI of about 50% in FY2025 on account of elevated inventory holding requirements due to large number of stock keeping units (SKUs). The Group's credit metrics moderated in FY2025, with an interest cover of 3.2 times (4.1 times in FY2024) and Total Debt/OPBDITA of 3.9 times (3.5 times in FY2024) and are likely to remain moderate in FY2026 as well. The ratings are also constrained by the high geographical concentration of about 90% of the Group's revenue generation from the European region during FY2023-FY2025, which exposes it to the risk of adverse macro-economic developments in those markets. Further, the ratings consider the susceptibility of the Group's margins remaining vulnerable to fluctuations in raw material prices and foreign exchange rates.

The Stable outlook on the long-term rating reflects ICRA's expectation that the Group will benefit from its healthy relationships with key customers in major markets, resulting in repeat orders and anticipated increase in raw material sourcing from its own quarries. Further, the outlook underlines ICRA's expectation that the entity's incremental capex/investments, if any, to further increase its capacity will be funded in a manner that enables it to maintain its debt protection metrics commensurate with the existing ratings.

## Key rating drivers and their description

### Credit strengths

**Extensive experience of promoters** – The Group’s promoter, Mr. Ramaswamy, has extensive experience of nearly three decades in the granite processing industry. He manages the Group’s day-to-day operations. His enduring presence in the industry supports the Group’s growth prospects by facilitating customer acquisition.

**Established relationships with key customers, along with strong supplier network** – The ratings derive comfort from the Group’s established relationships with its key customers, resulting in repeat orders that lend stability to its revenues. It has a strong supplier network as well, along with own quarries, which ensures timely availability of raw materials of desired quality.

### Credit challenges

**Moderation in debt protection metrics and higher working capital intensity** – The Group maintains a high inventory of rough granite blocks across a wide range of variants to promptly meet customer requirements. It also has an elongated receivables cycle due to high transit time for dispatched finished goods. As a result, its working capital intensity remains high, reflected in an NWC/OI of about 50% as on March 31, 2025, leading to increased reliance on working capital debt. Due to the increased finance cost and a reduction in earnings, the key coverage indicators have moderated, with interest coverage and DSCR declining to 3.2 times and 2.1 times, respectively, in FY2025. Further, total debt/OPBDITA increased to 3.9 times as on March 31, 2025, over 3.5 times as on March 31, 2024.

**Vulnerability of margins to raw material and foreign exchange fluctuations** – The OPM moderated to about 10.3% in FY2025 from about 11.2% and 11.8% in FY2024 and FY2023, respectively, due to fluctuation in raw material prices. Thus, the Group remains susceptible to fluctuations in input prices. With the Group deriving its entire revenues from exports, the margins are susceptible to fluctuations in foreign exchange fluctuations as well. Nonetheless, imports for sourcing rough granite blocks acts as a natural hedge to an extent.

**High geographical concentration** – The Group faces high geographical concentration risk, with more than 90% of its revenues derived from European markets such as Germany, France, Poland, Hungary and the Netherlands, which exposes its revenues to the risk of any adverse macro-economic developments in these markets.

### Liquidity position: Adequate

The Group’s liquidity is expected to remain adequate, supported by adequate buffer available in working capital limits and free cash and bank balances. The average utilisation of fund-based working capital limits stood at around 56% of its sanctioned limits during January-December 2025. The Group does not have any major debt-funded capex plans in the near to medium term. Against these sources, the Group has repayment obligations of about Rs. 4.1 crore each in FY2026 and FY2027. Going forward, ICRA expects the Group to be able to meet its near-term commitments through internal accruals and free cash and bank balances.

### Rating sensitivities

**Positive factors** – ICRA may upgrade the Group’s ratings if there is a material increase in revenues and earnings, along with improvement in the working capital intensity, leading to improvement in debt protection metrics on a sustained basis.

**Negative factors** – Negative pressure on the Group’s ratings could arise in the event of material weakening in its earnings, leading to moderation in debt coverage metrics, or an increase in working capital intensity that weakens its liquidity position. Specific credit metrics that could trigger a ratings downgrade include interest coverage below 3.0 times on a sustained basis.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated view of AG and AGGPL, given their common management, and close financial and operational linkages.

## About the company – AG

Amman Granites was established as a partnership firm by Mr. Muthu Gounder in 1986. Mr. Gounder's son, Mr. M. Ramasamy is the current managing partner of the firm. In the initial years, it was involved in quarrying as well as trading of rough blocks. Subsequently, it commenced exports of granite monuments including tombs, tombstones and other granite artefacts to European countries. The firm's manufacturing facility is situated in Harur Taluk, Dharmapuri district, in Tamil Nadu.

## About the company – AGGPL

AG Granites Private Limited was incorporated in 2000 by Mr. M. Ramasamy. The company was started as an export-oriented unit (EOU) to manufacture granite monuments. While most of the monuments are manufactured as tombs and tombstones, it also produces other granite objects such as monolithic sofas, garden benches, and specially crafted artefacts. Its manufacturing facility is at Harur Taluk in Dharmapuri district, Tamil Nadu.

## Key financial indicators (audited)

Consolidated	FY2024	FY2025
Operating income	188.0	175.4
PAT	5.6	4.8
OPBDIT/OI	11.2%	10.3%
PAT/OI	3.0%	2.7%
Total outside liabilities/Tangible net worth (times)	1.4	1.1
Total debt/OPBDIT (times)	3.5	3.9
Interest coverage (times)	4.1	3.2

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three years

Instrument	Current ratings (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	Feb 9, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund based – Export packing credit	Long-term	12.00	[ICRA]BBB-(Stable)	Dec 05, 2024	[ICRA]BBB-(Stable)	Jan 12, 2024	[ICRA]BBB-(Stable)	Dec 30, 2022	[ICRA]BBB-(Stable)
						Feb 29, 2024	[ICRA]BBB-(Stable)		
Fund-based – Cash credit (CC)^	Long-term	(0.20)	[ICRA]BBB-(Stable)	Dec 05, 2024	[ICRA]BBB-(Stable)	Jan 12, 2024	[ICRA]BBB-(Stable)	Dec 30, 2022	[ICRA]BBB-(Stable)
						Feb 29, 2024	[ICRA]BBB-(Stable)		
Fund-based – Foreign bill discounting (FBD)	Long-term	15.00	[ICRA]BBB-(Stable)	Dec 05, 2024	[ICRA]BBB-(Stable)	Feb 29, 2024	[ICRA]BBB-(Stable)	-	-
Non fund based	Short-term	3.00	[ICRA]A3	Dec 05, 2024	[ICRA]A3	Jan 12, 2024	[ICRA]A3	Dec 30, 2022	[ICRA]A3
						Feb 29, 2024	[ICRA]A3		
Fund based – FBD	Short-term	-	-	-	-	Jan 12, 2024	[ICRA]A3	Dec 30, 2022	[ICRA]A3

^Sub-limit of EPC limits

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund based – Export packing credit (EPC)	Simple
Long term – Fund based – Cash credit (CC)	Simple
Longterm – Fund based – Foreign bill discounting	Simple
Short term – Non-fund based	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

**Annexure I: Instrument details**

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long term – Fund based – Export packing credit (EPC)	NA	NA	NA	12.00	[ICRA]BBB- (Stable)
NA	Long term – Fund based – Cash credit (CC)*	NA	NA	NA	(0.20)	[ICRA]BBB- (Stable)
NA	Long term – Fund based – Foreign bill discounting	NA	NA	NA	15.00	[ICRA]BBB- (Stable)
NA	Short term – Non fund based	NA	NA	NA	3.00	[ICRA]A3

Source: Company; \*Sub-limit of EPC limits

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure II: List of entities considered for consolidated analysis**

Company Name	Ownership	Consolidation Approach
Amman Granites	NA*	Full Consolidation
AG Granites Private Limited	NA*	Full Consolidation

Source: Group, ICRA Research; \*both the companies are owned by common promoters

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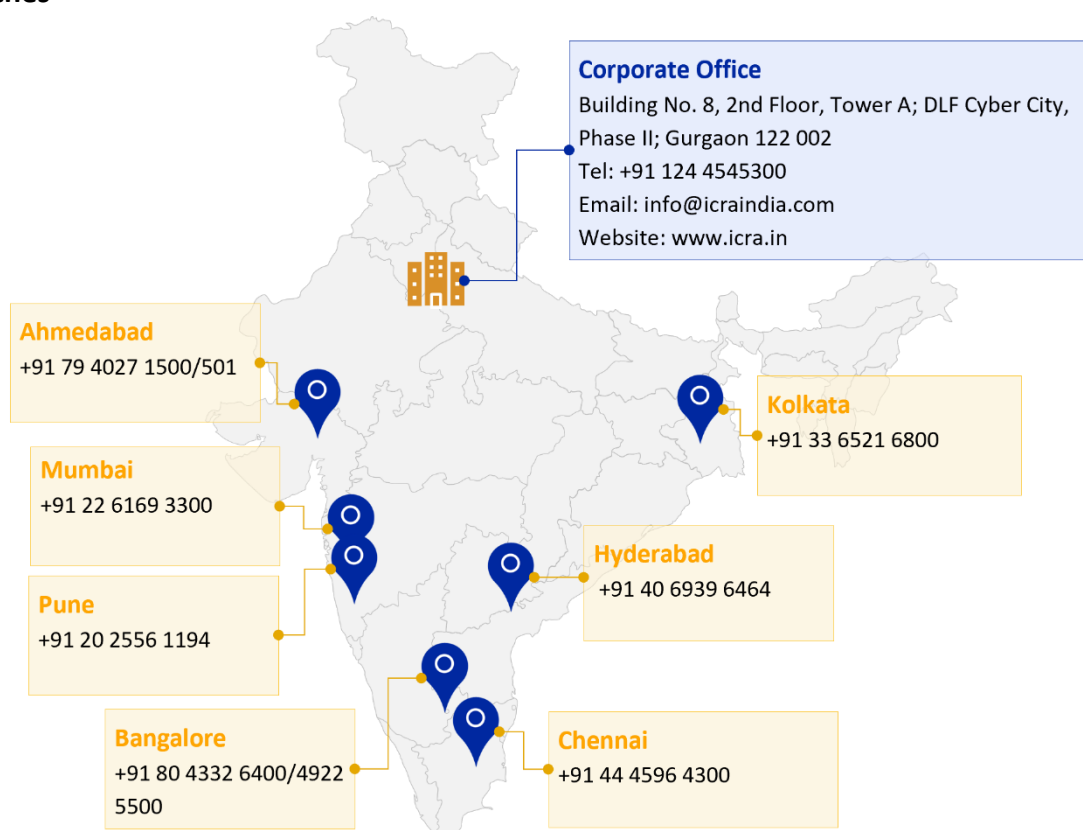
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