

March 26, 2026

## Carysilnox Limited: Ratings reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term Fund-based – cash credit	12.00	12.00	[ICRA]BBB+ (Stable); reaffirmed
Long-term – Fund-based - term loan	20.28	20.28	[ICRA]BBB+ (Stable); reaffirmed
Short-term – Fund-based - Pre Shipment Credit	1.20	1.20	[ICRA]A2; reaffirmed
Short-term – Non-fund based – foreign bill discounting	2.00	2.00	[ICRA]A2; reaffirmed
Short-term – Non-fund based – pre-settlement risk	1.00	1.00	[ICRA]A2; reaffirmed
Short-term – Non-fund based – letter of credit	0.60	0.60	[ICRA]A2; reaffirmed
<b>Total</b>	<b>37.08</b>	<b>37.08</b>	

\*Instrument details are provided in Annexure I

### Rationale

The ratings of Carysilnox Limited (CNL, formerly Carysil Steel Limited) continue to factor in the strong parentage and robust business linkages with Carysil Limited (CL, rated [ICRA]A (Stable)/[ICRA] A2+). ICRA also considers the expected operational as well as financial support from the parent, given the majority ownership. The ratings continue to factor in the vast experience of the promoters in the kitchen sink industry along with the company's comfortable capital structure and debt coverage metrics. Over the years, the company has demonstrated a healthy revenue increase with a CAGR of 26% between FY2020 and FY2025. In 9M FY2026, CNL reported revenues of Rs. 51.1 crore, reflecting a YoY growth of around 10%, supported by sustained demand from its key customers. Over the medium term, with the commissioning of incremental stainless steel sink capacity of 70,000 units by Q1 FY2027, revenues are expected to scale up further. The company's margins improved over the past few years on the back of scale-up of operations and cost efficiency and are likely to remain healthy at 14-15%, going forward. Further, the company has carried out rights issue of Rs. 10 crore in the current fiscal, which is likely to support the capex planned and the liquidity.

The ratings, however, continue to remain constrained by the company's modest scale of operations with revenues of around Rs. 67.0 crore in FY2025, along with the high working capital intensity of the business. The ratings also factor in the vulnerability of CNL's revenue and profitability to volatility in raw material prices and intense competition in the industry from organised and unorganised players, limiting the company's pricing power.

The Stable outlook on the long-term rating reflects ICRA's expectations that CNL will continue to record a healthy growth in revenues and earnings, on the back of demand in the domestic market, while maintaining a comfortable capital structure and coverage indicators.

### Key rating drivers and their description

#### Credit strengths

**Strong parentage and experience of the promoters in kitchen sink industry** – CNL is a subsidiary of Carysil Limited, which is a leading manufacturer of granite-based kitchen sinks (also known as composite quartz sinks) in India and, hence, benefits from

its established brand name. The company, apart from receiving operational and financial support from its parent, enjoys established relationships with suppliers as well as dealers and distributors. Further, the promoters have more than three decades of experience in the kitchen sink industry as the parent, CL, was incorporated in 1987. CNL carried out rights issue of Rs. 5 crore in FY2025 and Rs. 10 crore in the current fiscal, which were subscribed by the promoter and CL in the ratio of their existing shareholding. The proceeds have been utilised towards meeting capex and working capital requirements.

**Healthy capacity utilisation levels and stable profit margins** – The company’s manufacturing plant is located in Bhavnagar, Gujarat, with an installed capacity of manufacturing 1,00,000 kitchen sinks using the traditional pressing line and 80,000 kitchen sinks using the fabrication line. The company’s capacity utilisation has been healthy at 70-80% in the last three years and improved to above 85% in 9M FY2026 on the back of an increase in demand for its products. Given the high utilisation, the company is in the process of enhancing the capacity by 70,000 units, which is expected to commence operations from Q1 FY2027. The company’s operating margins remained largely stable in the last four years in the range of 12-15%, while the PAT margin remained at 5-7%.

**Comfortable gearing and debt coverage indicators** – The company’s gearing remained comfortable at 0.6 times in FY2025. Moreover, the debt coverage indicators were above average, with interest coverage at 4.9 times, NCA/total debt at 32% and DSCR at 1.3 times in FY2025. With no debt-funded capex plans, and improved profitability, the gearing and debt coverage metrics are likely to continue to improve, going forward.

### Credit challenges

**Modest scale of operations** – The company’s scale remained modest, as indicated by an operating income (OI) of Rs. 67.0 crore in FY2025. The company is expected to clock a healthy growth of 6-10%. Going forward, its scale is likely to remain modest despite the expected growth.

**Working capital intensive nature of business** – The working capital intensity remained high at 32% in FY2025 owing to high inventory days and reduced creditor days, as it is required to maintain an inventory of various designs to meet urgent requirements. The working capital intensity is expected to remain at similar levels over the medium term, given the design-led and order-driven nature of the business.

**Exposed to intense competition** – The presence of both large and organised players as well as numerous small-scale manufacturers, coupled with low entry barriers in the kitchen sink industry, increases competition. Nevertheless, comfort can be drawn from the strong brand presence, established distribution network of the parent company and higher focus on quadro sinks, which are considered value-added products with limited competition.

**Exposure of margin to volatility in raw material prices** – CNL’s profitability continues to be vulnerable to any price increase of the key raw material, stainless steel. This vulnerability was evident in FY2023, when margins fell owing to elevated steel prices.

### Liquidity position: Adequate

CNL’s liquidity position is Adequate, supported by retained cash flow of Rs. 7-8 crore in the next 12 months and undrawn working capital limit of Rs. 2.3 crore as of December 2025 against repayments of Rs. 3-4 crore and capex of Rs. 2-3 crore in FY2027. The average utilisation of the working capital limit stood at around 72% for the 12-month period ending in December 2025.

### Rating sensitivities

**Positive factors** – ICRA could upgrade CNL’s ratings if there is a significant scale-up of operations, coupled with an improvement in margins, leading to an overall enhancement in the liquidity and the financial risk profile. The improvement in the credit profile of the parent company could also be a positive rating trigger.

**Negative factors** – Pressure on the ratings may arise if there is a deterioration in the credit profile of the parent company or weakening of linkages with it. A significant decline in CNL’s scale and profitability or a stretch in the working capital cycle, resulting in a decline in cash accruals and overall weakening of the financial/liquidity profile may result in ratings downgrade.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Support Provider: Carysil Limited (CL) The ratings assigned to CNL factor in the likelihood of its parent company, CL [rated [ICRA]A(Stable)/[ICRA]A2+] extending financial support to CNL, as and when needed.
Consolidation/Standalone	The ratings are based on the standalone financials of Carysilnox Limited (formerly Carysil Steel Limited).

## About the company

Carysilnox Limited (CNL) is a subsidiary of Carysil Limited (CL), which manufactures stainless steel kitchen sinks. Mr. Chirag Parekh, the Director of CL, owns a 13.13% stake, and the remaining 84.99% equity shares of CNL are owned by CL. CNL’s plant is located in Bhavnagar, Gujarat. The installed manufacturing capacity of the traditional pressing line is 1,00,000 sinks and 80,000 quadro sinks. CNL began commercial production in FY2012 and caters to the domestic market.

### Key financial indicators (audited)

Standalone	FY2024	FY2025	9M FY2026*
Operating income	59.1	67.0	55.2
PAT	3.3	3.9	3.3
OPBDIT/OI	14.2%	15.1%	14.6%
PAT/OI	5.5%	5.8%	6.0%
Total outside liabilities/Tangible net worth (times)	1.6	1.0	NA
Total debt/OPBDIT (times)	2.9	2.3	NA
Interest coverage (times)	4.9	4.9	5.7

Source: Company, ICRA Research; \* Provisional numbers; All ratios as per ICRA’s calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Not available

### 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)	FY2026			FY2025		FY2024		FY2023	
			Mar 26, 2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based-Cash credit	Long Term	12.00	[ICRA]BBB+ (Stable)	Apr 07, 2025	[ICRA]BBB+ (Stable)	-	-	Mar 26, 2024	[ICRA]BBB+ (Stable)	Dec 29, 2022	[ICRA]BBB+ (Stable)
Fund-based-Term loan	Long Term	20.28	[ICRA]BBB+ (Stable)	Apr 07, 2025	[ICRA]BBB+ (Stable)	-	-	Mar 26, 2024	[ICRA]BBB+ (Stable)	Dec 29, 2022	[ICRA]BBB+ (Stable)
Non-fund based-Letter of credit	Short Term	0.60	[ICRA]A2	Apr 07, 2025	[ICRA]A2	-	-	Mar 26, 2024	[ICRA]A2	Dec 29, 2022	[ICRA]A2
Fund-based-Others	Short Term	1.20	[ICRA]A2	Apr 07, 2025	[ICRA]A2	-	-	-	-	-	-
Non-fund based-Others	Short Term	1.00	[ICRA]A2	Apr 07, 2025	[ICRA]A2	-	-	Mar 26, 2024	[ICRA]A2	Dec 29, 2022	[ICRA]A2
Non-fund based-Others	Short Term	2.00	[ICRA]A2	Apr 07, 2025	[ICRA]A2	-	-	Mar 26, 2024	[ICRA]A2	Dec 29, 2022	[ICRA]A2
Fund-based-Working capital term loan	Long Term	-	-	-	-	-	-	Mar 26, 2024	[ICRA]BBB+ (Stable)	Dec 29, 2022	[ICRA]BBB+ (Stable)

## Complexity level of the rated instruments

Instrument	Complexity indicator
Cash credit	Simple
Term loan	Simple
Pre shipment credit	Simple
Foreign bill discounting	Simple
Pre-settlement risk	Simple
Letter of credit	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	Cash credit	NA	NA	NA	12.00	[ICRA]BBB+ (Stable)
NA	Term loan	FY2018	NA	FY2030	20.28	[ICRA]BBB+ (Stable)
NA	Pre Shipment Credit	NA	NA	NA	1.20	[ICRA]A2
NA	Foreign bill discounting	NA	NA	NA	2.00	[ICRA]A2
NA	Pre-settlement risk	NA	NA	NA	1.00	[ICRA]A2
NA	Letter of credit	NA	NA	NA	0.60	[ICRA]A2

Source: Company

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

**Annexure II: List of entities considered for consolidated analysis: Not Applicable**

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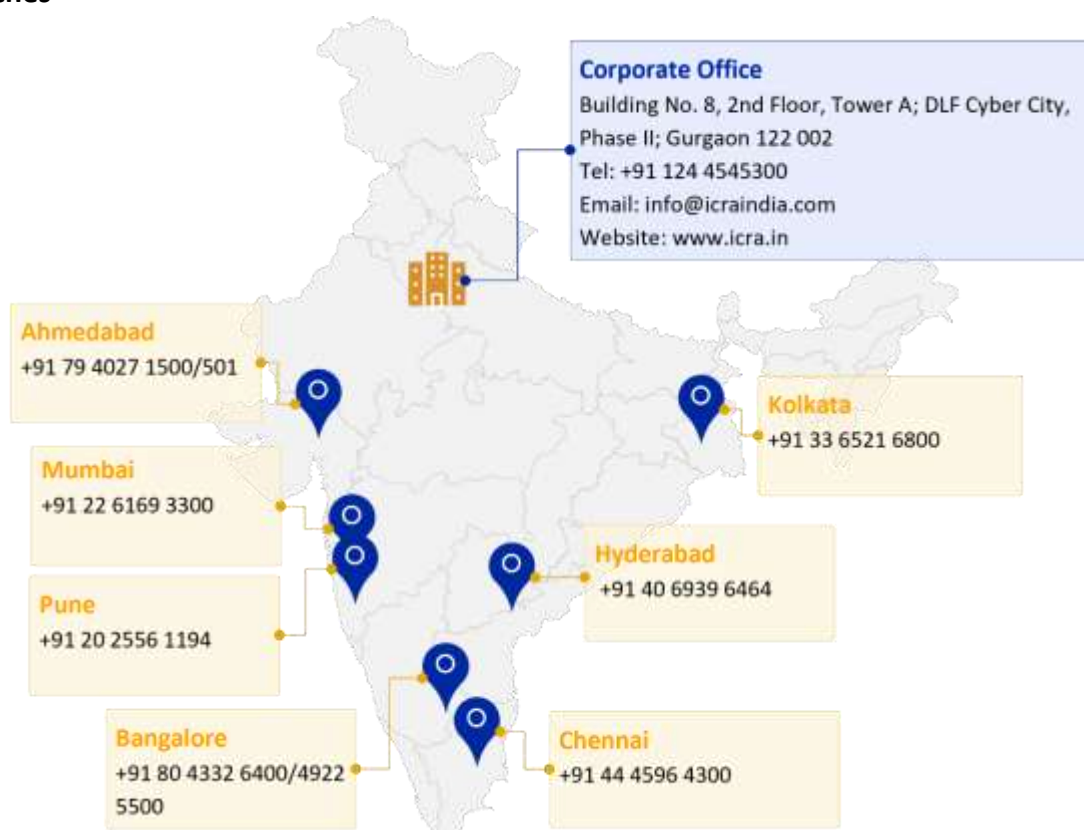
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