

March 26, 2026

## Carysil Limited: Ratings reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Fund-based Cash Credit/Working Capital Limit	122.50	128.00	[ICRA]A (Stable); reaffirmed
Fund-based Interchangeable Limit	(122.50)	(128.00)	[ICRA]A (Stable); reaffirmed
Fund-based Term Loan	59.50	55.00	[ICRA]A (Stable); reaffirmed
Non-fund Based Letter of Credit	10.00	10.00	[ICRA]A2+; reaffirmed
Non-fund Based Stand by Line of Credit	(10.00)	(10.00)	[ICRA]A2+; reaffirmed
Non-fund Based Bank Guarantee	(25.00)	(25.00)	[ICRA]A2+; reaffirmed
Unallocated Limits	1.40	0.40	[ICRA]A2+; reaffirmed
<b>Total</b>	<b>193.40</b>	<b>193.40</b>	

\*Instrument details are provided in Annexure I

### Rationale

The ratings on the bank facilities of Carysil Limited (CL; erstwhile Acrysil Limited) factor in the company's established leadership position in the composite quartz kitchen sink segment, extensive experience of the promoters in the industry, and its diversified product portfolio across quartz sinks, stainless steel sinks, kitchen appliances and bath products. The ratings draw comfort from CL's strong relationships with reputed clientele, along with its expanding domestic distribution network. CL has demonstrated a healthy revenue growth trajectory, with consolidated revenues increasing at a CAGR of around 24% during FY2020-FY2025, largely driven by inorganic expansion and improving scale across its subsidiaries.

The growth momentum has continued in the current fiscal, with consolidated revenues of around Rs. 690 crore in 9M FY2026, reflecting a YoY growth of about 13%, despite temporary headwinds from elevated tariffs on US exports during a part of the year. The company's revenue is likely to clock a healthy double-digit growth in FY2027 as well, supported by robust demand for quartz sinks, improving traction in the domestic appliances and faucets segment, and a turnaround in the US surfaces business. Its consolidated operating margins improved to 19.1% in 9M FY2026 from 17.2% in FY2025, supported by moderation in key raw material prices and better operating leverage. However, margins are expected to be impacted by higher raw material costs and potential production disruptions in the near term owing to conflict in West Asia. However, its financial profile is likely to remain comfortable with expected Total debt/OPBITDA of less than 1.5 times and DSCR of over 2.0 times in FY2026 and FY2027.

The ratings are constrained by working capital intensive operations, characterised by high inventory holding and relatively elongated receivable cycles. Moreover, the company's profitability remains exposed to fluctuations in raw material prices and foreign exchange rates. Further, the company has undertaken capex over the past few fiscals across quartz sinks, stainless steel sinks and appliances. Its ability to successfully scale up these investments and generate commensurate returns remain critical. ICRA notes that gas shortage owing to escalating conflicts in West Asia could impact the company's production. While the company has an option to switch to alternative fuel, the impact of the same on the company's cost of manufacturing and production disruptions while switching the fuel will be closely monitored.

The Stable outlook on the [ICRA]A rating reflects ICRA's opinion that CL will continue to maintain its business position in the composite quartz kitchen sink industry and will benefit from the rising penetration of composite quartz sinks in the domestic sector, which is expected to support revenues and earnings growth in the near-to-medium term.

## Key rating drivers and their description

### Credit strengths

**Extensive experience of promoters and established presence of the Group in kitchen sink industry** – CL was incorporated in 1987 and is the leading manufacturer of composite quartz kitchen sinks in India. The promoters have over three decades of experience in the kitchen sink industry. Their long experience, coupled with established relationships with key suppliers and customers, is expected to continue supporting the company's business profile.

**Diversified product portfolio** – The company has diversified into various products such as granite and stainless-steel kitchen sinks, kitchen countertop fabrication and bath segments. In addition, it is engaged in the trading of kitchen appliances and has also commenced manufacturing/assembly of kitchen chimneys with an installed capacity of 50,000 units p.a. The company also plans to commence manufacturing/assembly of hobs and other kitchen appliances in the near term. Product/segmental diversification is expected to result in operational synergies to support CL's future revenue growth.

**Financial profile continues to be comfortable, reflected by healthy debt coverage indicators and comfortable capital structure** – At the consolidated level, the company's revenues rose at a healthy CAGR of around 24% during FY2020–FY2025, largely driven by inorganic acquisitions and capacity expansions along with healthy demand. In 9M FY2026, CL reported a revenue growth of around 13% on a YoY basis, despite temporary headwinds in certain export markets. ICRA expects CL to continue its growth trajectory, supported by stabilisation and scale-up of operations of the overseas subsidiaries acquired over the past few fiscals. The company's margins improved in 9M FY2026 owing to softened raw material prices from the peak levels witnessed in FY2025. However, increasing crude prices may elevate raw material prices and exert pressure on margins in the near term. The company's capital structure is expected to remain comfortable, as the proceeds of the QIP raised in FY2025 were largely utilised towards reducing short-term borrowings and meeting capex requirements. With no large debt-funded capex envisaged, Total debt/OPBITDA is expected to improve from the level of 1.8 times as of FY2025.

### Credit challenges

**Working capital intensive business and negative free cash flows due to high capex** – The company's operations are working capital intensive with NWC/OI of 36% as on March 31, 2025 owing to high inventory holding and a relatively longer receivable cycle. Inventory levels are elevated as the company is required to maintain customer-specific SKUs, imported raw materials and appliances, especially amid ongoing supply chain disruptions and longer transit timelines.

**Vulnerability of profitability to fluctuation in raw material prices and foreign exchange rates** – CL's profitability remains vulnerable to adverse movements in the price of key raw materials, i.e. resins. Hence, its ability to pass on the rise in input costs remains critical. In FY2025, a sharp increase in raw material prices led to a moderation in the operating margin to 16.7% from 19.1% in FY2024. However, margins improved to around 19.1% in 9M FY2026, supported by easing raw material prices. That said, the recent rise in raw material and the fuel prices is expected to exert pressure on the margins in the near term. Further, the company's margins are exposed to forex fluctuations, given its large exports. CL faces competition from established players in the export markets in the international kitchen sink industry, though it benefits from better cost efficiency.

**Heightened business risks due to escalation in West Asia** – Escalation in West Asia conflict could result in high freight costs, longer shipping routes for exports, and increased fuel and raw material costs. Shortage of gas, a key input in the company's production process, also remains a key risk. While the company has an option of switching to alternative fuels such as Light

Diesel Oil (LDO), disruption to production to make the fuel switch and the impact of change in fuel on the company’s cost of production would be closely monitored.

### Environmental and social risks

**Environmental considerations:** The company primarily uses natural quartz and resins in its manufacturing process, which do not pollute air or water. However, the major environmental impact of granite sink manufacturing is caused by carbon dioxide emissions. The company has stated that it complies with the Gujarat Pollution Control Board’s norms and has not received any show cause/legal notices.

**Social considerations:** CL’s operations necessitate availability of manpower, including skilled labour, which exposes it to the risk of disruption from its inability to properly manage human capital in terms of their safety and overall well-being. It is also exposed to the shortage of a skilled workforce. However, according to the management, the company has taken several measures towards employee well-being and professional development, which are expected to mitigate these risks to an extent.

### Liquidity position: Adequate

CL’s liquidity position is Adequate, backed by healthy earnings and cash flows, which are expected to comfortably cover the debt repayments and the capex requirements in the near-to-medium term. The company had a cash and investment balance of Rs. 54 crore, and unutilised limits of ~Rs. 33 crore as on December 31, 2025. Further, the company’s retained cash flows are estimated at Rs. 90-100 crore in FY2027. Against these sources of funds, the company has repayment obligations of around Rs. 40 crore and capex plans of Rs. 50-60 crore in FY2027.

### Rating sensitivities

**Positive factors** – ICRA could upgrade the ratings if the company is able to significantly scale up its operations while sustaining its profitability or improving its working capital intensity and the overall liquidity profile.

**Negative factors** – Pressure on the ratings could arise if there is a decline in the scale of operations along with a moderation in profitability, or if a stretched working capital cycle or higher-than-expected debt-funded capex materially impacts its debt coverage indicators or liquidity profile. Further, TD/OPBDITA of more than 2.0 times on a sustained basis may result in ratings downgrade.

### Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the consolidated financial profile of the company. As on March 31, 2025, Carysil Limited had multiple subsidiaries, which are enlisted in Annexure II.

### About the company

Carysil Limited (CL) was incorporated on January 19, 1987, by the first-generation promoter Mr. Ashwin Parekh. CL manufactures granite-based kitchen sinks, which are known as composite quartz sinks. The company’s registered office is in Mumbai. The manufacturing plant of the company is in Bhavnagar, Gujarat, and is ISO: 9000:2001 certified. It was also listed among the 200 best under-a-billion companies by Forbes Asia in August 2020.

CL has also ventured into manufacturing stainless steel kitchen sinks to primarily cater to the domestic market through its subsidiary, Carysilnox Limited (CNL), wherein Carysil Limited holds a 84.99% stake. CL has expanded its presence to several

markets such as Germany, the UK, the US, and GCC nations through various acquisitions and subsidiaries. GCC markets include countries such as Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain and Oman.

CL also trades in kitchen appliances such as chimneys, cook-tops, wine-chillers and others. The product portfolio also includes bath segment products such as wash basins, quartz tiles and bath fittings, sold under the brand name, Sternhagen. All the kitchen products are sold in the domestic market under the brand name, Carysil.

#### Key financial indicators (audited)

Consolidated	FY2024	FY2025	9M FY2026*
Operating income	683.8	815.6	690.2
PAT	58.4	64.3	71.6
OPBDIT/OI	19.1%	17.2%	19.1%
PAT/OI	8.5%	7.9%	10.4%
Total outside liabilities/Tangible net worth (times)	1.4	0.9	NA
Total debt/OPBDIT (times)	2.4	2.0	NA
Interest coverage (times)	5.7	5.4	8.8

Source: Company, ICRA Research; \* Unaudited Results; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; NA – Not Available

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

Any other information: None

#### Rating history for past three years

Instrument	Type	Current rating (FY2026)				Chronology of rating history for the past 3 years					
		FY2026				FY2025		FY2024		FY2023	
		Amount rated (Rs crore)	Mar 26, 2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based-Cash credit	Long Term	128.00	[ICRA]A (Stable)	Apr 07, 2025	[ICRA]A (Stable)	-	-	Mar 26, 2024	[ICRA]A (Stable)	Apr 11, 2022	[ICRA]A (Stable)
				-	-	-	-	-	-	Dec 29, 2022	[ICRA]A (Stable)
Interchangeable limits-Others	Long Term	(128.00)	[ICRA]A (Stable)	Apr 07, 2025	[ICRA]A (Stable)	-	-	Mar 26, 2024	[ICRA]A (Stable)	Apr 11, 2022	[ICRA]A (Stable)
				-	-	-	-	-	-	Dec 29, 2022	[ICRA]A (Stable)
Fund-based-Term loan	Long Term	55.00	[ICRA]A (Stable)	Apr 07, 2025	[ICRA]A (Stable)	-	-	Mar 26, 2024	[ICRA]A (Stable)	Apr 11, 2022	[ICRA]A (Stable)
				-	-	-	-	-	-	Dec 29, 2022	[ICRA]A (Stable)
Interchangeable limits-Bank guarantee	Short Term	(25.00)	[ICRA]A2+	Apr 07, 2025	[ICRA]A2+	-	-	Mar 26, 2024	[ICRA]A2+	Apr 11, 2022	[ICRA]A2+

				-	-	-	-	-	-	Dec 29, 2022	[ICRA]A2+
<b>Non-fund based-Letter of credit</b>	Short Term	10.00	[ICRA]A2+	Apr 07, 2025	[ICRA]A2+	-	-	Mar 26, 2024	[ICRA]A2+	Apr 11, 2022	[ICRA]A2+
				-	-	-	-	-	-	Dec 29, 2022	[ICRA]A2+
<b>Interchangeable limits-Standby line of credit</b>	Short Term	(10.00)	[ICRA]A2+	Apr 07, 2025	[ICRA]A2+	-	-	Mar 26, 2024	[ICRA]A2+	Apr 11, 2022	[ICRA]A2+
				-	-	-	-	-	-	Dec 29, 2022	[ICRA]A2+
<b>Unallocated limits</b>	Short Term	0.40	[ICRA]A2+	Apr 07, 2025	[ICRA]A2+	-	-	-	-	-	-

### Complexity level of the rated instruments

Instrument	Complexity indicator
Fund-based Cash Credit/Working Capital Limits	Simple
Fund based Interchangeable Limit	Simple
Fund-based Term Loan	Simple
Non-Fund based Letter of Credit	Simple
Non-Fund based Stand by Line of Credit	Simple
Non-Fund based bank Guarantee	Simple
Unallocated Limits	Not Applicable

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	Fund-based- Cash Credit/Working Capital Limits	NA	NA	NA	128.00	[ICRA]A (Stable)
NA	Fund based Interchangeable Limit	NA	NA	NA	(128.00)	[ICRA]A (Stable)
NA	Fund-based Term Loan	FY2014	NA	FY2031	55.00	[ICRA]A (Stable)
NA	Non-Fund based Letter of Credit	NA	NA	NA	10.00	[ICRA]A2+
NA	Non-Fund based Stand by Line of Credit	NA	NA	NA	(10.00)	[ICRA]A2+
NA	Non-Fund based bank Guarantee	NA	NA	NA	(25.00)	[ICRA]A2+
NA	Unallocated Limits	NA	NA	NA	0.40	[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

Company Name	Ownership	Consolidation Approach
Carysilnox Limited (Erstwhile Carysil Steel Limited)	84.99%	Full Consolidation
Carysil Online Limited (Erstwhile Acrysil Appliances Limited)	99.99%	Full Consolidation
Sternhagen Bath Private Limited	84.90%	Full Consolidation
Carysil Gmbh, Germany (Erstwhile Acrysil Gmbh, Germany)	100.00%	Full Consolidation
Carysil UK Limited (Erstwhile Acrysil UK Limited)	100.00%	Full Consolidation
Carysil Ceramictech Limited (Erstwhile Acrysil Ceramictech Limited)	99.99%	Full Consolidation
Carysil USA Inc (Erstwhile Acrysil USA Inc)	100.00%	Full Consolidation
Carysil FZ- LLC	100.00%	Full Consolidation
Carysil Ankastre Sistemleri Ticaret Limited Şirketi	100.00%	Full Consolidation

Source: Company

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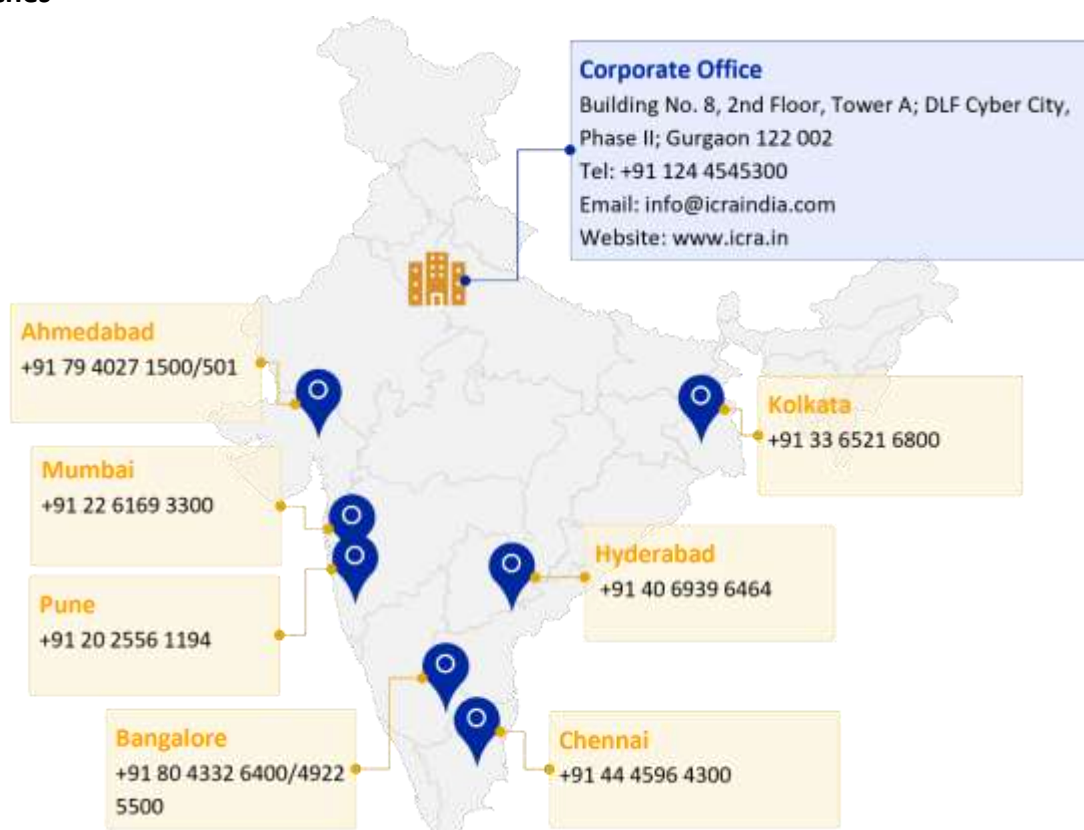
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### Branches



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