



Press Release
GLOBAL SURFACES LIMITED (ERSTWHILE GLOBAL STONES PRIVATE LIMITED)
February 24, 2025
Rating Downgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	9.10	ACUITE BBB+ Stable Downgraded Negative to Stable	-
Bank Loan Ratings	134.00	-	ACUITE A2 Downgraded
Total Outstanding Quantum (Rs. Cr)	143.10	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BBB+**' (read as **ACUITE triple B plus**) from '**ACUITE A-**' (read as **ACUITE A minus**) and short-term rating to '**ACUITE A2**' (read as **ACUITE A two**) from '**ACUITE A2+**' (read as **ACUITE A two plus**) on the Rs. 143.10 Cr. bank facilities of Global Surfaces Limited (erstwhile Global Stones Private Limited). The outlook is revised to '**Stable**' from '**Negative**'.

Rationale for downgrade

The rating factors that the financial parameters of the group are deteriorating on a sequential quarter on quarter basis, EBITDA of the group stood at Rs. -5.31 Cr. in Q3FY2025 against Rs. 1.72 Cr. in Q2FY2025 and Rs. 7.45 Cr. in Q1FY2025. PAT stood at Rs. -10.43 Cr. in Q3FY2025 against Rs. -6.20 Cr. in Q2FY2025 and Rs. -1.26 Cr. in Q1FY2025. The reason for operating loss in Q3FY2025 due to the volatility in the prices of raw material. The benefits from operationalization of Dubai plant are expected from next quarter and will remain a key monitorable. However, the rating draws comfort from healthy financial risk profile and adequate liquidity position. Acuite believes that the group's ability to grow its scale of operations and profitability while maintaining a healthy capital structure remains a key rating monitorable. The rating is further constrained on account of intensive working capital requirement of operations.

About the Company

The company was incorporated as Swastik Niwas Private Limited on August 23, 1991 and its name was changed to Global Stones Private Limited in 2004. The company was renamed to Global Surfaces Private Limited on October 20, 2021 and subsequently converted to public limited company; Global Surfaces Limited on October 21, 2021. Global Surfaces Limited (GSL), erstwhile rated as Global Stones Private Limited was takeover in 2004 by Mr. Rajiv Shah. The company is a one Star export house engaged in producing and exporting of slabs made of granite, marbles and engineered quartz. The manufacturing units are located at Jaipur, Rajasthan. The company exports granite and marble slabs to USA, Canada, UK, UAE etc.

About the Group

Global Surfaces FZE is a company incorporated in the laws of United Arab of Emirates. The company was incorporated on 23rd December 2021. The company is engaged in the manufacturing of quartz slabs. Mr. Mayank Shah and Ms. Sweta Shah are the directors of the company.

Global Surfaces Inc. is a company incorporated in the laws of United States. The company was incorporated on 20th April 2020 and is engaged in trading of quartz slabs.

Superior Surfaces Inc. was incorporated on May 5, 2023, in the State of Texas, USA. SSI is involved in the business of distributing artificial stones, including engineered quartz.

Global Surfaces FZE, Global Surfaces Inc. and Superior Surfaces Inc. are subsidiaries of Global Surfaces Limited and together referred as Global Group.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has consolidated the business and financial risk profile of Global Surfaces Limited, Global Surfaces FZE, Global Surfaces Inc. and Superior Surfaces Inc. The consolidation is in view of the common ownership and strong operational and financial linkages within the group.

Key Rating Drivers

Strengths

Experienced promoters with established track record of operations

The promoters of Global Surfaces Limited (GSL) have long experience in marble industry. GSL's board of directors comprises of six directors namely Mr. Mayank Shah, Mrs. Sweta Shah, Mr. Ashish Kachawa, Mr. Yashwant Kumar Sharma, Mr. Sudhir Baxi, and Dr. Chandan Chowdhury. Mr. Mayank Shah is the managing director and has around two decades of experience in the industry. The other five directors who are professionally running the company ably support him.

Acuité believes that the group will continue to benefit from its experienced management and long track record of operation in the industry.

Healthy Financial Risk Profile

The financial risk profile of the group is marked by net-worth of Rs. 332.22 Crore in FY24 against Rs. 261.31 Crore in FY23. The total debt of the group stood at Rs. 144.63 Crore in FY24 against Rs. 166.20 Cr. in FY23. Further, the debt-equity ratio of the group stood at 0.44 times in FY24 against 0.64 times in FY23. Despite slight moderations, the interest coverage ratio of the group stood at 6.09 times in FY24 against 10.73 times in FY23 and DSCR of the group stood at 3.36 times in FY24 against 8.05 times in FY23 and TOL/TNW ratio stood at 0.51 times in FY24 against 0.69 times in FY23.

Acuité believes that the financial risk profile of the group will remain healthy in near to medium term.

Weaknesses

Decline in business profitability

The group has reported revenue of Rs. 225.29 Crore in FY24 against Rs. 179.26 Crore in FY23. However, the EBITDA Margin of the group stood at 16.61% in FY24 against 21.10% in FY23 due to the increase in price of raw materials and the PAT Margins of the group stood at 8.78% in FY24 against 13.52% in FY23. The 9MFY25 revenues and EBITDA margin were at Rs. 150.17 Cr. and 2.57% against 9MFY24 revenues and EBITDA margins of Rs. 116.67 Cr. and 16.09% respectively. Margins declined due to the volatility in the prices of raw material and other administrative expenses. The depreciation and finance cost are also high after the operationalisation of Dubai plant which impacted overall profitability of the group.

Acuité believes going forward stabilization of Dubai plant will impact the overall operating performance and margins that will remain a key monitorable.

Working capital intensive nature of operations

The working capital operations of the group is intensive marked by GCA days of 319 days in FY24 against 209 days in FY23. There is an increase in the GCA days due to the inventory days of the group which stood at 149 days in FY24 against 113 days in FY23, debtor days of the group stood at 178 days in FY24 against 90 days in FY23 and creditor days stood at 106 days in FY24 against 57 days in FY23.

Rating Sensitivities

- Movement in operating income and profitability
- Movement in Working capital operations

Liquidity Position

Adequate

The liquidity profile of the group adequate. The net cash accruals of group stood at Rs. 28.71 Cr. in FY 24 against the debt repayment of Rs. 4.08 Cr. The group has cash & bank position of Rs. 2.59 Cr. and current ratio stood at 2.24 times for FY 24. The average fund based bank limit utilization is at ~70% for the 6 months' period ending September 2024. It is expected that Rs. 150 Cr. additional capital against issue of share warrants would be received between March to June 2025.

Acuité believes that the liquidity position of the group will remain adequate on account of healthy net cash accruals against matured debt obligations over the medium term.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	225.29	179.26
PAT	Rs. Cr.	19.78	24.24
PAT Margin	(%)	8.78	13.52
Total Debt/Tangible Net Worth	Times	0.44	0.64
PBDIT/Interest	Times	6.09	10.73

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any Other Information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
22 Nov 2024	Working Capital Term Loan	Long Term	4.41	ACUITE A- Negative (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE A- Negative (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE A- Negative (Reaffirmed)
	Proposed Long Term Loan	Long Term	2.69	ACUITE A- Negative (Reaffirmed)
	PC/PCFC	Short Term	16.00	ACUITE A2+ (Reaffirmed)
	PC/PCFC	Short Term	23.80	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	6.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	0.20	ACUITE A2+ (Reaffirmed)
	PC/PCFC	Short Term	14.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	2.00	ACUITE A2+ (Reaffirmed)
	Stand By Line of Credit	Short Term	20.00	ACUITE A2+ (Reaffirmed)
	Stand By Line of Credit	Short Term	35.00	ACUITE A2+ (Reaffirmed)
	Stand By Line of Credit	Short Term	15.00	ACUITE A2+ (Assigned)
	Stand By Line of Credit	Short Term	2.00	ACUITE A2+ (Reaffirmed)
23 Aug 2024	Working Capital Term Loan	Long Term	5.80	ACUITE A- Negative (Reaffirmed)
	Term Loan	Long Term	3.30	ACUITE A- Negative (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE A- Negative (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE A- Negative (Reaffirmed)
	PC/PCFC	Short Term	16.00	ACUITE A2+ (Reaffirmed)
	PC/PCFC	Short Term	23.80	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	6.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	0.20	ACUITE A2+ (Reaffirmed)
	PC/PCFC	Short Term	14.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	2.00	ACUITE A2+ (Reaffirmed)
	Stand By Line of Credit	Short Term	20.00	ACUITE A2+ (Reaffirmed)
	Stand By Line of Credit	Short Term	35.00	ACUITE A2+ (Reaffirmed)
	Working Capital Term Loan	Long Term	5.80	ACUITE A- Negative (Reaffirmed)
	Term Loan	Long Term	3.30	ACUITE A- Negative (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE A- Negative (Reaffirmed)

02 Feb 2024	Cash Credit	Long Term	1.00	ACUITE A- Negative (Reaffirmed)
	PC/PCFC	Short Term	16.00	ACUITE A2+ (Reaffirmed)
	PC/PCFC	Short Term	23.80	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	6.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	0.20	ACUITE A2+ (Reaffirmed)
	PC/PCFC	Short Term	14.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	2.00	ACUITE A2+ (Reaffirmed)
	Stand By Line of Credit	Short Term	20.00	ACUITE A2+ (Assigned)
	Stand By Line of Credit	Short Term	35.00	ACUITE A2+ (Assigned)
17 Nov 2023	Working Capital Term Loan	Long Term	5.80	ACUITE A- Negative (Reaffirmed)
	Term Loan	Long Term	3.30	ACUITE A- Negative (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE A- Negative (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE A- Negative (Reaffirmed)
	PC/PCFC	Short Term	16.00	ACUITE A2+ (Reaffirmed)
	PC/PCFC	Short Term	23.80	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	8.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	0.20	ACUITE A2+ (Reaffirmed)
	PC/PCFC	Short Term	14.00	ACUITE A2+ (Reaffirmed)
19 Jun 2023	Working Capital Term Loan	Long Term	5.80	ACUITE A- Negative (Reaffirmed)
	Term Loan	Long Term	3.30	ACUITE A- Negative (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE A- Negative (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE A- Negative (Reaffirmed)
	PC/PCFC	Short Term	16.00	ACUITE A2+ (Reaffirmed)
	PC/PCFC	Short Term	23.80	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	8.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	0.20	ACUITE A2+ (Reaffirmed)
	PC/PCFC	Short Term	14.00	ACUITE A2+ (Reaffirmed)
31 Mar 2022	Cash Credit	Long Term	2.00	ACUITE A- Stable (Upgraded from ACUITE BBB+ Stable)
	Stand By Line of Credit	Long Term	5.80	ACUITE A- Stable (Upgraded from ACUITE BBB+ Stable)
	Term Loan	Long Term	6.00	ACUITE A- Stable (Upgraded from ACUITE BBB+ Stable)
	Proposed Long Term Bank Facility	Long Term	3.30	ACUITE A- Stable (Upgraded from ACUITE BBB+ Stable)
		Short		

	PC/PCFC	Term	16.00	ACUITE A2+ (Upgraded from ACUITE A2)
	Bills Discounting	Short Term	32.00	ACUITE A2+ (Upgraded from ACUITE A2)
	Letter of Credit	Short Term	8.00	ACUITE A2+ (Upgraded from ACUITE A2)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.20	Simple	ACUITE A2 Downgraded (from ACUITE A2+)
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE BBB+ Stable Downgraded Negative to Stable (from ACUITE A-)
Kotak Mahindra Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE BBB+ Stable Downgraded Negative to Stable (from ACUITE A-)
HDFC Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE A2 Downgraded (from ACUITE A2+)
Kotak Mahindra Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE A2 Downgraded (from ACUITE A2+)
HDFC Bank Ltd	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	16.00	Simple	ACUITE A2 Downgraded (from ACUITE A2+)
HDFC Bank Ltd	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	23.80	Simple	ACUITE A2 Downgraded (from ACUITE A2+)
Kotak Mahindra Bank	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	14.00	Simple	ACUITE A2 Downgraded (from ACUITE A2+)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.69	Simple	ACUITE BBB+ Stable Downgraded Negative to Stable (from ACUITE A-)
HDFC Bank Ltd	Not avl. / Not appl.	Stand By Line of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE A2 Downgraded (from ACUITE A2+)
HDFC Bank Ltd	Not avl. / Not appl.	Stand By Line of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A2 Downgraded (from ACUITE A2+)
Kotak Mahindra Bank	Not avl. / Not appl.	Stand By Line of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A2 Downgraded (from ACUITE A2+)
HDFC Bank Ltd	Not avl. / Not appl.	Stand By Line of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	35.00	Simple	ACUITE A2 Downgraded (from ACUITE A2+)
HDFC Bank Ltd	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	07 Feb 2027	4.41	Simple	ACUITE BBB+ Stable Downgraded Negative to Stable (from ACUITE A-)

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr.No.	Company Name
1	Global Surfaces Limited (erstwhile Global Stones Private Limited)
2	Global Surfaces FZE
3	Global Surfaces Inc.
4	Superior Surfaces Inc.

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