



**Press Release**  
**GYPELITE INDIA PRIVATE LIMITED**  
**July 09, 2025**  
**Rating Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	50.67	ACUITE B+   Stable   Reaffirmed	-
Bank Loan Ratings	8.33	-	ACUITE A4   Reaffirmed
Total Outstanding Quantum (Rs. Cr)	59.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has reaffirmed its long-term rating of ‘**ACUITE B+**’(read as **ACUITE B plus**) and short-term rating of ‘**ACUITE A4**’ (read as **ACUITE A Four**) to the Rs.59.00 Cr. bank facilities of Gypelite India Private Limited (GIPL). The Outlook is ‘**Stable**’.

**Rationale for rating reaffirmation:**

The reaffirmation of rating considers GIPL’s moderate financial risk profile, stable operating performance. However, the rating is constrained by intensive nature of working capital operations and susceptibility of margins to fluctuations in raw material prices and cyclicity in construction sector.

**About the Company**

Gypelite India Private Limited (GIPL) was incorporated in 2015 and has its registered office in Nellore, Andhra Pradesh, India. The company is promoted by Mr. Ramesh Chowdary Janarthanam, Mr. Jayanthi Ramesh Chowdary and Mr. Dagubati Lakshmi Madhusuthan. The company is into manufacturing of gypsum boards by using gypsum powder and gypsum liners. GIPL has the installed capacity to produce 15,000 gypsum boards in a single day. GIPL also supplies gypsum powder to major construction companies like Larsen and Toubro limited, Shapoorji Pallonji and company private limited amongst others.

**Unsupported Rating**

Not applicable

**Analytical Approach**

Acuite has considered the standalone business and financial risk profile of Gypelite India Private Limited (GIPL) to arrive at the rating.

**Key Rating Drivers**

**Strengths**

**Stable operations:**

GIPL's revenue stood at Rs.67.70 Cr. in FY2025 (Prov.) against Rs.68.14 Cr. in FY2024. The stagnant revenue is on account of sluggish demand from construction sector during the first two quarters followed by extended monsoon hindering the order flow during the Q3FY2025. Further, the operating profit margins stood healthy at 19.34 percent in FY2025 (Prov.), marginally declined from 22.31 percent in FY2024. The deterioration in margin

FY2025 is due to increased raw material costs and lower realization. Further, the PAT margin remained stable with marginal improvement to 2.79 percent in FY2025 (Prov) from 2.46 percent in FY2024. Acuite believes that, the revenue is expected to improve at a rate of 5-10 percent yearly, due to increasing demand for gypsum boards across the country.

### **Moderate financial risk profile:**

The company's financial risk profile is moderate marked by moderate network, high gearing and moderate debt protection metrics. The company's net worth stood at Rs. 10.13 Cr. as on March 31, 2025 (Prov.) as compared to Rs. 3.24 Cr. as on March 31, 2024. The improvement in network is due to addition in equity capital of Rs.5.00 Cr. and reserves with additional Rs.5.00 Cr. of securities premium. The total debt, primarily consisting of long-term loans, stood at Rs.48.03 Cr. as on March 31, 2025 (Prov.) against Rs.52.43 Cr. as on March 31, 2024. The improved network position led to improved gearing level and total outside liabilities to total net worth (TOL/TNW) of 4.74 times and 6.91 times respectively as on March 31, 2025 (prov.) from against 16.18 times and 21.53 times as on March 31, 2024. The debt protection metrics are moderate with DSCR and ICR of 1.09 times and 2.13 times respectively as on March 31, 2025 (Prov.) as against 1.33 times and 2.17 times as on March 31st 2024. Debt to EBITDA stood at 3.65 times as on March 31, 2025 (Prov.) against 3.43 times as on March 31, 2024.

Acuite believes that the financial risk profile of the company will improve marginally on account of expected growth in scale of operations, however, remain average over the medium term.

### **Weaknesses**

#### **Intensive nature of working capital operations:**

Working capital operations of the company are intensive in nature as reflected through the Gross Current Asset days (GCA) days of 268 days during FY2025 (Prov.), against 208 days in FY2024. The elongation of GCA is due to higher inventory days. The inventory holding days stood at 269 days during FY2025 (Prov.) against 192 days in FY2024. GIPL generally maintains its main raw material i.e. Gypsum rock inventory required for 3 months, other raw materials for 2 months and finished goods for 2 months, leading to higher inventory days. Debtor days stood at 21 days during FY2025 (Prov.) against 31 days in FY2024. GIPL allows credit period of around 30 days to its customers and enjoys an extended credit period of around 90 days from its suppliers. The current ratio stood moderate at 1.10 times as on March 31, 2025 (Prov.) against 1.09 times as on March 31, 2024. High inventory holding period resulted in full utilization of its fund based working capital facilities of Rs.13.50 Cr. during the past 8 months ending May 2025. Acuite believes that working capital operations of the company will remain intensive over the medium term.

#### **Susceptibility of margins to fluctuations in raw material prices and cyclical in construction sector:**

Indian gypsum board industry is largely fragmented and faces stiff competition from established domestic players which sometimes results in lower price quotations for the customers and yields less margins. Furthermore, the performance is susceptible to cyclical in the end user industries. GIPL products such as gypsum boards and gypsum powder are mainly used in construction sector, which is susceptible to the seasonal cyclical in and any adverse weather conditions may affect the demand and supply of gypsum boards.

### **Rating Sensitivities**

- Improvement in revenue while maintaining the profitability margins.
- Improvement in financial risk profile and liquidity position.

### **Liquidity position: Poor**

GIPL's liquidity position is poor as evident from the continuous over utilization of the fund based working capital limits. The fund based working capital limits were fully utilized during the past 8 months ending May 2025, with instances of over utilization. Besides, company's has nil unencumbered cash and bank balances as on March 31, 2025 (Prov.). However, the company has sufficient net cash accruals (NCA) to meet the debt repayment obligations. The company has reported Net Cash Accruals (NCA's) of Rs.7.65 Cr. on March 31, 2025 (Prov.) against debt repayment obligations of Rs.6.56 Cr. Going forward the cash accruals are estimated to remain in the range of Rs.9-16 Cr. in the medium term against expected moderate debt repayment range of Rs.5-6 Cr. for the same period. Acuite believes that liquidity position of the company will improve in the medium term on account of sufficient NCA generation and expected surplus to be maintained in the fund-based working capital limits.

### **Outlook: Stable**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	67.70	68.14
PAT	Rs. Cr.	1.89	1.68
PAT Margin	(%)	2.79	2.46
Total Debt/Tangible Net Worth	Times	4.74	16.18
PBDIT/Interest	Times	2.13	2.17

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

Not applicable

### Any other information

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
17 Apr 2024	Proposed Short Term Bank Facility	Short Term	4.33	ACUITE A4 (Reaffirmed)
	Letter of Credit	Short Term	4.00	ACUITE A4 (Reaffirmed)
	Funded Interest Term Loan	Long Term	11.17	ACUITE B+   Stable (Reaffirmed)
	Proposed Cash Credit	Long Term	4.00	ACUITE B+   Stable (Assigned)
	Funded Interest Term Loan	Long Term	0.80	ACUITE B+   Stable (Reaffirmed)
	Funded Interest Term Loan	Long Term	11.13	ACUITE B+   Stable (Reaffirmed)
	Funded Interest Term Loan	Long Term	7.02	ACUITE B+   Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	2.66	ACUITE B+   Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	3.04	ACUITE B+   Stable (Reaffirmed)
	Cash Credit	Long Term	9.50	ACUITE B+   Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	1.35	ACUITE B+   Stable (Reaffirmed)
17 Aug 2023	Letter of Credit	Short Term	4.00	ACUITE A4 (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	1.85	ACUITE A4 (Reaffirmed)
	Funded Interest Term Loan	Long Term	1.06	ACUITE B+   Stable (Reaffirmed)
	Cash Credit	Long Term	9.50	ACUITE B+   Stable (Reaffirmed)
	Funded Interest Term Loan	Long Term	11.19	ACUITE B+   Stable (Reaffirmed)
	Funded Interest Term Loan	Long Term	11.33	ACUITE B+   Stable (Reaffirmed)
	Funded Interest Term Loan	Long Term	7.09	ACUITE B+   Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	4.02	ACUITE B+   Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	3.52	ACUITE B+   Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	1.44	ACUITE B+   Stable (Reaffirmed)
14 Jul 2023	Letter of Credit	Short Term	4.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Proposed Short Term Bank Facility	Short Term	4.25	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	26.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Funded Interest Term Loan	Long Term	1.05	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Covid Emergency Line.	Long Term	8.68	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Working Capital Term Loan	Long Term	1.52	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	9.50	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Proposed Short Term Bank Facility	Short Term	4.25	ACUITE A4 (Assigned)

24 May 2022	Letter of Credit	Short Term	4.00	ACUITE A4 (Assigned)
	Cash Credit	Long Term	9.50	ACUITE B+   Stable (Assigned)
	Working Capital Term Loan	Long Term	1.52	ACUITE B+   Stable (Assigned)
	Covid Emergency Line.	Long Term	8.68	ACUITE B+   Stable (Assigned)
	Funded Interest Term Loan	Long Term	1.05	ACUITE B+   Stable (Assigned)
	Term Loan	Long Term	26.00	ACUITE B+   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.50	Simple	ACUITE B+   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Funded Interest Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Mar 2030	9.41	Simple	ACUITE B+   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Funded Interest Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Mar 2030	9.19	Simple	ACUITE B+   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Funded Interest Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Mar 2030	6.00	Simple	ACUITE B+   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Funded Interest Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Jul 2025	0.13	Simple	ACUITE B+   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE A4   Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.96	Simple	ACUITE B+   Stable   Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.33	Simple	ACUITE A4   Reaffirmed
State Bank of India	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Aug 2025	0.57	Simple	ACUITE B+   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Jul 2026	1.73	Simple	ACUITE B+   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Jul 2028	1.18	Simple	ACUITE B+   Stable   Reaffirmed



## Contacts

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