



**Press Release**  
**CRYSTAL SILICATES PRIVATE LIMITED**  
**September 04, 2024**  
**Rating Assigned**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	20.00	ACUITE B+   Stable   Assigned	-
Total Outstanding Quantum (Rs. Cr)	20.00	-	-

**Rating Rationale**

Acuite has assigned its long-term rating of '**ACUITE B+**' (read as **ACUITE B Plus**) on the Rs. 20 Cr. bank facilities of Crystal Silicates Private Limited (CSPL). The outlook is '**Stable**'.

**Rationale for the Rating Assigned**

The rating assigned considers CSPL's established track record of operations of over four years along with its experienced management. Further, the operating income of the company improved to Rs. 19.71 Cr. in FY2024 (Prov.) as against Rs. 14.56 Cr. in FY2023 and Rs. 13.26 Cr. in FY2022. The rating is further supported by moderate nature of working capital operations. However, the rating is constrained by below average financial risk profile, low net worth, high gearing (debt-equity), below average debt protection metrics and stretched liquidity.

**About the Company**

Maharashtra – Based, Crystal Silicates Private Limited is incorporated in 2020. The company is into the activities of Mining and items procured from mining of stones. The Product are aggregates (10MM/ 20MM/ Crushed Sand) & Artificial Sand. The directors of the company are Ms. Kiran Sampat Sakore, Mr. Sagar Dattatray Zurunge and Mr. Balasaheb Yashwantrao Mulik.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has considered standalone approach for Crystal Silicates Private Limited (CSPL) to arrive at the rating.

**Key Rating Drivers**

## **Strengths**

### **Improving operating performance**

The operating income of the company improved by 35% to Rs. 19.71 Cr. in FY2024 (Prov.), from Rs. 14.56 Cr. in FY2023, which can be attributed to an increase in the sale volume. Further, CSPL recorded revenue of ~Rs. 6 Cr. till 15th August 2024. The operating margins of the company have seen an improvement over the years. The operating margin for FY2024 (Prov.) improved marginally to 31.10%, compared to 30.79% in FY2023. The PAT margin for FY2024 (Prov.) witnessed a marginal increase, reaching 6.98% compared to 5.67% in FY 2023.

Further, the company is expected to commence its operations in another quarry located in Lonikand, Pune by January 2025 which is further expected to augment the scale of operations over the medium term.

Acuite believes that the company's ability to improve its scale of operations while improving its profitability will remain a key rating sensitivity.

## **Weaknesses**

### **Moderate Working Capital Management**

The working capital management of the company is moderate marked by GCA days of 80 days in FY2024 (Prov.) as against 110 days in FY2023 which is attributed to decline in inventory. The inventory days stood at 12 days in FY2024 (Prov.) as against 28 days in FY2023. In general, the inventory of finished goods is held for 10-15 days. Subsequently, the debtor's collection period stood at 35 days in FY2024 (Prov.) as against 26 days for FY2023. On an average, the credit period extended to the customers is between 30-60 days. The creditors' days stood at 55 days in FY2024 (Prov.) as against 375 days in FY2023. The working capital limits are marked by high utilizations of fund-based limit of 95-100% in the last 6 months ended June 2024.

Acuite believes that working capital operations may continue to remain moderate considering the nature of operation of the business.

### **Below average financial risk profile**

The financial risk profile of the company is below average, marked by low net worth, high gearing (debt-equity) and below average debt protection metrics. The tangible net worth increased to Rs. 4.71 Cr. as of 31st March 2024 (Prov.), reflecting sustained profitability and an increase from Rs. 3.34 Cr. as on 31st March 2023. The total debt of the company stood at Rs. 25.10 Cr. as on 31<sup>st</sup> March 2024 (Prov.) and includes short term loan (in terms of CC) of Rs. 9.59 Cr. and long-term loan of Rs. 15.51 Cr. as on 31st March 2024 (Prov.). The gearing (debt-equity) ratio improved to 5.33 times as on 31st March 2024 (Prov.) as compared to 7.88 times as on 31st March 2023. The debt protection metrics stood below average with Interest Coverage Ratio at 2.22 times for FY2024 (Prov.) as against 2.86 times for FY2023. Debt Service Coverage Ratio (DSCR) stood at 0.90 times in FY2024 (Prov.) as against 1.23 times in FY2023. Total outside Liabilities/Total Net Worth (TOL/TNW) improved to 5.97 times as on 31st March 2024 (Prov.) as against 9.03 times as on 31 March 2023. Net Cash Accruals to Total Debt (NCA/TD) stood at 0.13 times for FY2024 (Prov.) as against 0.10 times for FY2023.

Going forward, the ability of the company to improve its financial risk profile will remain a key monitorable.

### **Rating Sensitivities**

Improvement in scale of operation while improving the profitability margin.

Any significant elongation of working capital cycle leading to stretch in liquidity.

Commencement of operations at new quarry as per expected timelines and without any cost overruns.

### **Liquidity Position**

#### **Stretched**

The liquidity position remains stretched, marked by average net cash accruals offsetting maturing debt obligations. The Net cash accruals ranged from Rs. 2.07 Cr. to Rs. 3.37 Cr. between FY 2022 and FY 2024 (Prov.), against mature repayment obligations of Rs. 1.84 Cr. to 4.07 Cr. Projections indicate expected cash accruals ranging from Rs. 5.07 Cr. to Rs. 7.58 Cr. against maturing repayment obligations of Rs. 4.43 Cr. to Rs. 6.27 Cr. over the medium term. Further, the reliance on working capital limits high is high marked by average utilisation in the range of 95-100% over the last 6 months ended June 2024. The current ratio stood below unity at 0.23 times on March 31, 2024 (Prov.), as against 0.27 times on March 31, 2023.

Going ahead, the ability of the company to improve its liquidity position will remain a key monitorable.

**Outlook: Stable**

Acuité believes that the company will continue to maintain a 'Stable' outlook over near to medium term owing to improving scale of operations. The outlook may be revised to 'Positive' in case the company achieves higher than expected improvement in operating performance, working capital management, financial risk profile and liquidity profile. Conversely, the outlook may be revised to 'Negative' in case of any operating inefficiency by CSPL leading to deterioration in revenue and profitability along with working capital management, financial risk profile and liquidity position of the company.

**Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Provisional)	FY 23 (Actual)
Operating Income	Rs. Cr.	19.71	14.56
PAT	Rs. Cr.	1.38	0.83
PAT Margin	(%)	6.98	5.67
Total Debt/Tangible Net Worth	Times	5.33	7.88
PBDIT/Interest	Times	2.22	2.86

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

None

### Any other information

None.

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.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, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite'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 :

Not Applicable

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Abhyudaya Cooperative Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	9.00	ACUITE B+   Stable   Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.20	ACUITE B+   Stable   Assigned
Abhyudaya Cooperative Bank	Not avl. / Not appl.	Term Loan	09 Mar 2022	Not avl. / Not appl.	15 Sep 2029	Simple	0.68	ACUITE B+   Stable   Assigned
Abhyudaya Cooperative Bank	Not avl. / Not appl.	Term Loan	09 Mar 2022	Not avl. / Not appl.	15 Sep 2029	Simple	4.56	ACUITE B+   Stable   Assigned
Abhyudaya Cooperative Bank	Not avl. / Not appl.	Term Loan	09 Mar 2022	Not avl. / Not appl.	15 Sep 2029	Simple	4.56	ACUITE B+   Stable   Assigned

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### About Acuité Ratings & Research

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