Amritesh Industries Private Limited

August 08, 2025

Facilities	Amount (₹ crore)	Ratings[1]	Rating Action
Long-term bank facilities	14.95 (Reduced from 15.52)	CARE BBB-; Negative	Reaffirmed; Outlook revised from Stable
Long-term / Short-term bank facilities	9.00	CARE BBB-; Negative / CARE A3	Reaffirmed; Outlook revised from Stable
Short-term bank facilities	10.29	CARE A3	Reaffirmed

Details of facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to the bank facilities of Amritesh Industries Private Limited (AIPL) derives comfort from its established relationship and ancillary status with National Aluminium Company Limited (NALCO) for supply of Calcined Petroleum Carbon (CPC), experienced promoters and satisfactory capital structure.

Ratings continue to remain constrained by its moderation in financial performance in FY25 (refers to the period April 01 to March 31) with modest scale of operations and company incurring operating loss due to decline in realisation of CPC, high customer concentration, volatility in prices of raw materials and finished goods, substantial dependence on the fortunes of aluminium industry for its growth and intense competition in the industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increasing total operating income (TOI) beyond ₹250 crore on a sustained basis.
- Sustenance of operating margin above 18%.

Negative factors

- Decline in sales volume of the company below 75% of the existing capacity of CPC.
- Any debt laden capex leading to deterioration in overall gearing ratio above 0.50x on a sustained basis.
- Reduction in existing liquidity (including investment in mutual funds and equity shares) below ₹10 crore on a sustained basis.

Analytical approach: Standalone

Outlook: Negative

The outlook of AIPL has been revised from 'Stable' to 'Negative' in view of likely continuation of pressure on the company's profitability amidst subdued demand and volatility in the CPC industry. The outlook may be revised to 'Stable' upon improvement in the scale of operation and company's operating profitability.

Detailed description of key rating drivers:

Key strengths

Experienced promoters

AIPL is managed by Goutam Kumar Das, Rashmi Ranjan Das and Vivek Verma, having long experience in the CPC industry. Therefore, AIPL is likely to benefit from the long experience of the promoters.

Satisfactory capital structure

The capital structure continued to remain satisfactory despite slight moderation in overall gearing ratio from 0.07x as on March 31, 2024, to 0.32x as on March 31, 2025. The moderation was mainly on account of increase in unsecured loans and working capital borrowings.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Established relationship and ancillary status with NALCO for supply of CPC

The company has an established relationship with NALCO for over a decade and has been given ancillary status by NALCO. Though, the company has to bid in tenders in order to avail the contracts, however, it enjoys certain benefits by virtue of its ancillary status which mitigates off-take risk to an extent. With regular demand inflow from NALCO, the company has been able to operate its CPC unit at full capacity for more than 3 years and is expected to continue to operate at similar levels going forward as well.

Key weaknesses

Moderation in financial performance in FY25 with modest scale of operations

The scale of operation remains limited on account of modest capacity of 24,000 MTPA for CPC and 10,000 MTPA for Electrode Carbon Paste (ECP). TOI moderated by ~49% in FY25 and stood at ₹72.29 crore as against ₹140.54 crore in FY24. This significant reduction in revenue was primarily driven by a sharp decline in sales realization of CPC which dropped by ~49% to ₹29,502/MT in FY25 from ₹58,192/MT in FY24, though volumes continued to remain at similar levels. Consequently, the company incurred operating loss in FY25 compared to PBILDT margin of 21.86% in FY24. Also, the ECP unit set up by the company in March 2024 has not yet picked up, which also led to fixed cost being incurred for the unit. The company incurred a cash loss of ₹3.08 crore which was funded by an infusion of unsecured loans by the promoters. The company achieved revenue of ~₹13 crore in Q1FY26. Going forward, with new orders in hand having better realisation of finished goods, the margins are expected to improve in FY26.

High customer concentration

The company has been awarded an ancillary status by NALCO for supply of CPC and accordingly it derived entire revenue from NALCO in FY25. However, customer concentration risk is mitigated to some extent on account of its established relationship and ancillary status by NALCO for supply of CPC.

Volatility in prices of raw materials and finished goods

Raw material expense, the major cost driver, constituted ~90% of cost of sales during the last three years. RPC, the end product of crude oil, is the only raw material required for producing CPC. Over the years, prices of crude oil have fluctuated and so have the prices of RPC. Considering the volatility associated with RPC prices and the limited ability of the company to pass on the increase in RPC prices to end customers, exposes the company's operating margins to fluctuations.

Substantial dependence on the fortunes of aluminium industry for its growth

CPC is used by aluminium industry for smelting (aluminium industry accounts for 75% of the consumption of CPC) and accordingly, the fortune of AIPL's business is substantially dependent on the aluminium industry, which is cyclical.

Intense competition in the industry

AIPL operates in an industry characterised by the presence of limited players in the organised sector and few unorganised players. AIPL, being a small player, faces stiff competition from both organised and unorganised players as the organised players enjoy benefit of strategic location by virtue of their proximity to the oil refineries and higher economies of scale. Furthermore, the tender-driven nature of business limits the upside in profitability to some extent and adds to volatility in revenues.

Liquidity: Adequate

Liquidity position of the company is marked adequate with company having free cash and liquid investments (including mutual funds) of ₹2.77 crore along with investment in equity shares of ₹7.49 crore as on March 31, 2025. The company incurred cash loss of ₹3.08 crore and had a debt repayment obligation of ₹0.57 crore in FY25. The cash loss and repayment obligation were met out of unsecured loans infused by promoters in the entity amounting to ₹4.15 crore. In FY26, the company has debt repayment obligation of ₹0.57 crore against which it is expected to generate sufficient cash accruals. Furthermore, the average fund-based limit utilisation stood at ~28% during the last 12 months period ended June 2025. Furthermore, the company does not plan to raise any new term loan in short to medium term.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Chemicals	Chemicals & Petrochemicals	Petrochemicals

AIPL was incorporated in 1987 as 'Zenith Carbon Private Limited'. In 2005, the company, was acquired by the present promoters and subsequently in 2008, it was rechristened to its present name. Since inception, the company has been engaged in manufacturing of CPC at its plant located at Angul, Odisha (with initial installed capacity of 3,000 MTPA). Over the years, the company expanded its CPC capacity to 24,000 MTPA and has setup a facility for manufacturing of ECP (capacity – 10,000 MTPA). The company has been awarded an ancillary status by NALCO for supply of CPC.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)	Q1FY26 (UA)
Total operating income	140.54	72.29	13.00
PBILDT	30.72	-2.78	NA
PAT	22.08	-3.95	NA
Overall gearing (times)	0.07	0.32	NA
Interest coverage (times)	25.83	-2.67	NA

A: Audited UA: Unaudited NA: Not Available; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	14.00	CARE BBB-; Negative
Fund-based - LT-Term Loan		-	-	November 2026	0.95	CARE BBB-; Negative
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	9.00	CARE BBB-; Negative / CARE A3
Non-fund-based - ST-Letter of credit		-	-	-	9.50	CARE A3
Non-fund-based - ST-Loan Equivalent Risk		-	-	-	0.79	CARE A3

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	14.00	CARE BBB-; Negative	-	1)CARE BBB-; Stable (05-Jul-24)	1)CARE BB+; Stable (05-Jan-24)	1)CARE BB; Stable (01-Mar-23)
2	Non-fund-based - ST-Letter of credit	ST	9.50	CARE A3	-	1)CARE A3 (05-Jul-24)	1)CARE A4+ (05-Jan-24)	1)CARE A4 (01-Mar-23)
3	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	9.00	CARE BBB-; Negative / CARE A3	-	1)CARE BBB-; Stable / CARE A3 (05-Jul-24)	1)CARE BB+; Stable / CARE A4+ (05-Jan-24)	1)CARE BB; Stable / CARE A4 (01-Mar-23)
4	Non-fund-based - ST-Loan Equivalent Risk	ST	0.79	CARE A3	-	1)CARE A3 (05-Jul-24)	1)CARE A4+ (05-Jan-24)	1)CARE A4 (01-Mar-23)
5	Fund-based - LT-Term Loan	LT	0.95	CARE BBB-; Negative	-	1)CARE BBB-; Stable (05-Jul-24)	1)CARE BB+; Stable (05-Jan-24)	1)CARE BB; Stable (01-Mar-23)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - LT/ ST-Bank Guarantee	Simple
4	Non-fund-based - ST-Letter of credit	Simple
5	Non-fund-based - ST-Loan Equivalent Risk	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please click here

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Arindam Saha Director **CARE Ratings Limited** Phone: +91-33-4018 1631 E-mail: arindam.saha@careedge.in
Relationship Contact Ankur Sachdeva Senior Director **CARE Ratings Limited** Phone: +91-22-6754 3444 E-mail: Ankur.sachdeva@careedge.in	Kamal Mahipal Assistant Director **CARE Ratings Limited** Phone: +91-33-4018 1628 E-mail: kamal.mahipal@careedge.in Rajat Tiwari Analyst **CARE Ratings Limited** E-mail: rajat.tiwari@careedge.in

About us:
Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

**For detailed Rating Report and subscription information,
please visit www.careratings.com**