International Conveyors Limited

September 04, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	24.00 (Reduced from 31.00)	CARE BBB-; Stable	Reaffirmed
Long Term / Short Term Bank Facilities	25.00 (Reduced from 32.00)	CARE BBB-; Stable / CARE A3	Reaffirmed
Short Term Bank Facilities	30.91 (Enhanced from 8.91)	CARE A3	Reaffirmed
Long Term Bank Facilities	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation in ratings of International Conveyors Limited (ICL) continues to derive comfort from the long experience of the promoters in the industry, healthy investment portfolio, operation in a niche segment with few competitors in the domestic market, reputed clientele, and comfortable capital structure albeit moderation in debt coverage indicator.

The ratings, however, is constrained by modest scale of operations albeit improvement in operating margin, exposure to group companies, risk arising out of the volatility in raw material prices, exposure to foreign currency fluctuations and working capital-intensive nature of operations.

CARE Ratings Limited has withdrawn the rating assigned to bank facilities (working capital loan) provided by State Bank of India as the company has no amount outstanding as per NDC (No Due Certificate) received from lender dated Aug 21, 2025.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant improvement in order book position on a sustained basis.
- Significant increase in the scale of operation while maintaining existing PBILDT margins on a sustained basis.
- Improvement in Total Debt/PBILDT below 2.50x on a sustained basis.

Negative factors

- Any significant increase in exposure to group entities.
- Any major debt-funded capex plan, which will deteriorate the gearing above 0.50x on a sustained basis.
- Deterioration in Total Debt/PBILDT above 4.50x on sustained basis.

Analytical approach: Standalone

Outlook: Stable

The company is expected to sustain its operational performance in view of long experience of the promoters in the conveyor belt industry, and established relationships with its customers.

Detailed description of key rating drivers:

Key strengths

Experienced promoter:

ICL, incorporated in 1973, was promoted by Rajendra Kumar Dabriwala of Kolkata. Dabriwala is a second-generation entrepreneur, who started his career from his family-managed coal mining business. However, with the nationalisation of coal mines in India in the early 70s and the rising demand for polyvinyl chloride (PVC) conveyor belts in the mining industry, Dabriwala ventured into the manufacturing of PVC conveyor belts.

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

Healthy investment portfolio

The company has healthy investment portfolio marked by investment having market value of ~₹296.50 crore as on Mar 31, 2025 as compared to Rs. 249.61 crore as on March 31, 2024, with entire amount being invested in listed equities and mutual funds. As on March 31, 2025, the company has availed LAS of Rs.72.34 crore (sanction limit of ₹180 crore) from NBFCs. Although the security cover is 2x, it has already pledged listed equities having market value of ~Rs.244.20 crore. Unpledged equity share value stood at Rs.32.05 crore and mutual funds of Rs.20.27 crore.

Operating in a niche segment with few competitors in the domestic market

The company is engaged in a niche segment, i.e., the manufacturing and marketing of solid woven PVC conveyor belts, mainly used in underground mines (coal, potash). ICL is one of the major producers of PVC conveyor belts in the domestic market. The growth in demand is linked to the growth of underground mining operations.

Reputed clientele

ICL's PVC conveyor belt is mainly used in underground mining for transportation of minerals. In the domestic market, Coal India Ltd is the major client of the company. As the domestic mining industry is mainly on open-cast route, the majority of its product is sold in the international market (such as Canada, Australia, Europe, etc). Exports revenue accounted for about 65% of total sales of conveyor belts in FY25 (as against 63% in FY24). The clients in the international market are also established in their areas of operation.

Comfortable capital structure albeit moderation in debt coverage indicators

Capital structure of the company remained comfortable although slightly improved in FY25 mainly due to repayment of LAS (Loan Against Securities) which was utilised to invest in listed securities. Overall gearing improved from 0.48x as on March 31, 2024 to 0.29x as on March 31, 2025. TD/GCA has moderated to 6.15x in FY25 as against 5.69x in FY24. Interest coverage ratio has slightly improved to 2.80x in FY25 as compared to 2.40x in FY24 on account of decline in finance cost and slight increase in absolute operating profitability.

Key weaknesses

Modest scale of operation in FY25 albeit improvement in operating margin

ICL is a relatively modest player in the solid woven PVC conveyor belt market in the global context and faces stiff competition from well-established players both, in the domestic market as well as the international market. Total operating income of the ICL has remained modest at Rs. 142.21 crore in FY25 as compared to Rs. 139.03 crore in FY24 due to muted demand of conveyor belts in first half of the year and delay in renewal of agreement with Nutrien Ltd (major customer) from Sep 2024 to Jan 2025. Agreement has been renewed for 5 years. Currently, ICL has outstanding orderbook of Rs. 62 crores (excluding order of Q1FY26) and the management is expecting to achieve TOI of Rs. 70 crores in H1FY26 where in Q1FY26 ICL has already achieved TOI of Rs. 33.53 crore.

The company has received approval from Canada and Australia in June and Aug 2025 for a new product i.e., PVC with thick cover which is equally abrasion resistant while being significantly cost effective vis-à-vis PBG and rubber conveyor belts, hence expected to command higher margins. The management expects to start receiving trial orders for this product in H2FY26.
Operating margin witnessed improvement with PBILDT margin improving to 17.32% in FY25 as against 16.07% in FY24 on account of dip in raw material prices.

The company has earned PAT of Rs. 76.25 crore in FY25 as against Rs. 62.12 crore in FY24. The improvement in PAT is attributable to booking of non-operating income of Rs 104.66 crore which majorly pertains to profit arising from fair valuation of o/s equity investments of Rs 76.01 crore, profit on sale of investments of Rs 10.14 crore, interest income of Rs 15.18 crore on unsecured loans extended to group companies and remaining Rs. 3.33 crore from dividend income, foreign exchange gain and other miscellaneous receipts.

Exposure to group companies

ICL's exposure (in the form of investments and advances) to its group companies stood at Rs 131.92 crore (accounting for 37% of tangible net worth as on March 31, 2025) as compared to Rs 134.18 crore (accounting for 47% of tangible net worth as on March 31, 2024). The exposure is in the form of unsecured loans to IGE India Pvt Ltd (IGE) of Rs 95.60 crore, Rs. 22.22 crore and Rs. 4.36 crore to RCA Limited and Dabri Properties & Trading Co Ltd (DPTCL) respectively. As articulated by the management, the loans are interest bearing and carry interest rate of 10%-11%. Further, these loans can be called upon by ICL whenever required.

Risk arising out of volatility in raw material prices
The major raw materials used in the process of manufacturing conveyor belts are yarn (polyester, cotton and spun) and chemicals (PVC resin, phosphate plasticiser, and others). The major raw materials are derivatives of crude oil and the prices are volatile in nature. The profitability of the company remains exposed to the volatility in raw material prices. However, the company mainly bids for short-term fixed-price orders based on inventory in hand, thereby this risk is largely mitigated.

Exposure to foreign exchange fluctuations
ICL has exposure in foreign currency in the form of raw materials import like PVC Resin and export of the conveyor belts to US, Canada, etc. The company is a net exporter and the management as a policy does not hedge its forex exposure owing to lower risk in dollar receivables. The company reported foreign exchange gain of Rs. 1.18 crore in FY25 and Rs. 0.86 crore in FY24.

Working capital-intensive nature of operations
The company's operation is working capital intensive in nature due to requirement of holding inventories for lead time involved in import of raw material and the time involved in inspection of product quality by the customer and high credit period offered to its customers due to general practice in the industry. Therefore, it results in long operating cycle. However, the operating cycle has improved to 50 days in FY25 as against 59 days in FY24 primarily on account of reduction in inventory days from 67 days in FY24 to 52 days in FY25. The company takes call on inventory holding period based on their expectation of raw material price trend.

Liquidity: Adequate
The company has an adequate liquidity position marked by gross cash accruals of Rs. 16.75 crore vis-à-vis negligible debt repayment obligation in FY25. The company has healthy investment portfolio of Rs.296.5 crore and cash and bank balance of around Rs. 4.07 crore as on March 31, 2025. The average utilisation of fund based working capital limits stood at ~65% for 12 months ending April 2025. The average utilisation of non-fund based working capital limits stood at ~57% for 12 months ending April 2025.

Environment, social, and governance (ESG) risks: NA

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

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Diversified	Diversified	Diversified	Diversified

ICL, promoted in 1973 by Rajendra Kumar Dabriwala of Kolkata, is engaged in the manufacturing of PVC covered fire retardants and antistatic conveyor belts, which are mainly used in underground mining. ICL has two manufacturing facilities of conveyor belts – located in Aurangabad, Maharashtra (with a capacity of 700,800 Meters Per Annum [MPA]) and Falta, West Bengal (with a capacity of 425,000 MPA). The company is also engaged in wind power generation with five wind turbine generators (having a capacity of 4.65 MW) and the trading of steel cord conveyor belts and fasteners.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)	Q1FY26 (UA)
Total operating income	139.03	142.21	33.53
PBILDT	22.35	24.62	5.45
PAT	62.12	76.25	67.19
Overall gearing (times)	0.48	0.29	NA
Interest coverage (times)	2.40	2.79	2.75

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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	22.00	CARE BBB-; Stable
Fund-based - LT-Stand by Limits	-	-	-	-	2.00	CARE BBB-; Stable
Fund-based - LT-Working capital Term Loan	-	-	-	31-08-2024	0.00	Withdrawn
Fund-based - ST-EPC/PSC	-	-	-	-	25.00	CARE A3
Non-fund-based - LT/ ST-BG/LC	-	-	-	-	25.00	CARE BBB-; Stable / CARE A3
Non-fund-based - ST-Forward Contract	-	-	-	-	5.91	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	22.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (06-Aug-24)	1)CARE BBB; Stable (25-Sep-23) 2)CARE BBB; Stable	1)CARE BBB; Stable (05-Jul-22)

							(07-Jul-23)	
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	25.00	CARE BBB-; Stable / CARE A3	-	1)CARE BBB-; Stable / CARE A3 (06-Aug-24)	1)CARE BBB; Stable / CARE A3+ (25-Sep-23) 2)CARE BBB; Stable / CARE A3+ (07-Jul-23)	1)CARE BBB; Stable / CARE A3+ (05-Jul-22)
3	Non-fund-based - ST-Forward Contract	ST	5.91	CARE A3	-	1)CARE A3 (06-Aug-24)	1)CARE A3+ (25-Sep-23) 2)CARE A3+ (07-Jul-23)	1)CARE A3+ (05-Jul-22)
4	Fund-based - LT-Stand by Limits	LT	2.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (06-Aug-24)	1)CARE BBB; Stable (25-Sep-23) 2)CARE BBB; Stable (07-Jul-23)	1)CARE BBB; Stable (05-Jul-22)
5	Fund-based - LT-Working capital Term Loan	LT	-	-	-	1)CARE BBB-; Stable (06-Aug-24)	1)CARE BBB; Stable (25-Sep-23) 2)CARE BBB; Stable (07-Jul-23)	1)CARE BBB; Stable (05-Jul-22)
6	Fund-based - ST-EPC/PSC	ST	25.00	CARE A3	-	1)CARE A3 (06-Aug-24)	1)CARE A3+ (25-Sep-23) 2)CARE A3+ (07-Jul-23)	1)CARE A3+ (05-Jul-22)

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-Stand by Limits	Simple
3	Fund-based - LT-Working capital Term Loan	Simple
4	Fund-based - ST-EPC/PSC	Simple
5	Non-fund-based - LT/ ST-BG/LC	Simple
6	Non-fund-based - ST-Forward Contract	Simple

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CareEdge 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.

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