PCBL (TN) Limited

September 18, 2025

Facilities	Amount (₹ crore)	Ratings[1]	Rating Action
Long-term bank facilities	1,353.80 (Enhanced from 1,068.00)	CARE AA-; Stable	Reaffirmed
Short-term bank facilities	825.00 (Enhanced from 800.00)	CARE A1+	Reaffirmed

Details of facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of PCBL (TN) Limited (PCBLTN) primarily factor in its strong parentage, being a wholly-owned subsidiary of PCBL Chemical Limited (PCBL; *rated CARE AA; Stable / CARE A1+*) and strong managerial, operational, and financial support from its parent. PCBLTN largely acts as an extended arm of PCBL. CARE Ratings Limited (CareEdge Ratings) already has a consolidated analytical approach for PCBL's credit risk assessment.

Ratings also draw comfort from PCBL's leadership position in the domestic carbon black (CB) industry with satisfactory track record of operations, financial flexibility from being a part of established RP-Sanjiv Goenka (RP-SG) group, strategic location of plants, and geographically diversified sales with strong presence in export market.

Ratings take into cognisance the diversification of PCBL's existing product portfolio to specialty chemicals business, with wider geographical reach, following the acquisition of 100% equity stake in erstwhile Aquapharm Chemicals Pvt Limited (ACPL). The acquisition was majorly debt funded by PCBL, and PCBLTN. The consolidated capital structure and debt coverage indicators moderated in FY25 for PCBL, due to the largely debt-funded acquisition in FY24. Furthermore, comfort is drawn from PCBL's improved sales revenue in FY25 (refers to April 01 to March 31), enhanced capacity of carbon black (CB) and specialty black with recent completion of large capex and benefits from operational efficiencies, which are likely to result in superior financial performance going forward. Ratings derive further comfort from issue of convertible warrants of ₹448 crore to PCBL's promoters in FY25, of which balance ₹336 crore is expected to be received by PCBL in November 2025.

Ratings of PCBLTN continue to remain constrained by subdued financial performance of recently acquired business of ACPL by PCBL due to demand slowdown in US and Europe. Improvement in financial performance of Aquapharm Chemicals Ltd (ACL) shall remain a key rating monitorable for PCBL.

PCBLTN continues to remain exposed to the risk of volatility in raw material and finished goods prices and exposure to foreign exchange fluctuation risk given the significant dependence on imported raw material. Ratings are further tempered by cyclicality due to significant dependence on fortunes of tyre industry and threat of CB's imports.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in credit profile of PCBL.
- Stabilisation and ramp-up of operations, generating healthy returns.
- Improvement in external debt/profit before interest, lease rentals, depreciation and taxation (PBILDT) to below 3x on a sustained basis.

Negative factors

- Deterioration in PCBL's credit profile and/or delay in extension of required financial support by PCBL.
- Any regulatory change having the potential to materially impact the company's performance.
- Any sharp cost or time over-run in projects having a bearing in the company's financial risk profile or liquidity profile.

Analytical approach: Standalone

CareEdge Ratings has adopted a standalone analytical approach for PCBLTN while factoring in strong managerial, operational, and financial linkages with its parent, PCBL.

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

For assessing PCBL's credit risk profile, CareEdge Ratings has considered a consolidated view of PCBL with its subsidiaries due to strong operational and financial linkages among them.

Outlook: Stable

The 'Stable' outlook reflects that with stabilisation of operations post completion of its projects in PCBLTN, its performance is expected to improve, while as a fallback arrangement, it is expected to continue receiving managerial and financial support from PCBL. PCBL is expected to sustain a healthy business risk profile, given its established market position in CB industry.

Detailed description of key rating drivers:

Key strengths

Strong parentage of PCBL and financial support

PCBLTN derives significant benefit as PCBL's wholly-owned subsidiary, having long operations track record in CB industry. PCBLTN has spent ₹1,150 crore on greenfield project (excluding GST on equipment and working capital margin) in Tamil Nadu, financed by a ₹250 crore term loan (entirely drawn) and the balance from funds infused by PCBL as equity/preference share capital.

PCBL is a part of the RP-Sanjeev Goenka Group of Kolkata, which has interests across diverse business segments, such as power, carbon black, retail, education, BPO, media and entertainment, tea and rubber plantations and sports. The group's other major companies include CESC Limited (rated CARE AA; Negative/CARE A1+), Haldia Energy Limited (rated CARE AA-; Negative/CARE A1+), Saregama India Limited (rated CARE AA-; Stable/CARE A1+) and Noida Power Company Limited. Being part of a large and established group provides significant financial flexibility to PCBLTN.

Leadership position in the domestic CB segment and diversification in specialty chemicals business

PCBL commenced its operations in 1962 and achieved leadership position in domestic CB industry with its installed capacity gradually increasing from 14,000 million tonne per annum (MTPA) to 790,000 MTPA. It has established a strong relationship with its customers.

ACL enjoys a strong market position in manufacturing specialty water treatment solutions such as phosphonates, chemicals used in oil and gas sector, and polymer catering to reputed global customers across diverse end-markets. ACL's acquisition led to diversification of PCBL's product portfolio in specialty chemicals business, with wider geographical reach.

PCBL entered a joint venture (JV) with Australia-based Kindia Private Limited (Kindia) in September 2024, with 51% stake in the JV company Nanovace Technologies Limited. The JV company shall own intellectual properties of nano-silicon based products for battery applications.

Strong presence in export markets

PCBL is CB's largest exporter from India having presence in over 45 countries, though majority exports are to south-east Asian countries. In terms of volume, share of exports was ~37% in FY25 against ~35% in FY24. PCBL earns ~5%-7% of its revenue from exports to the US, which is now subject to a higher tariff. In July 2025, PCBL incorporated a wholly-owned US subsidiary—PCBL Chemical USA Inc, as a strategic move to navigate trade barriers and retain market access amid increasing uncertainties.

Strategic location of plant

PCBL's manufacturing units are situated across India, close to ports (for raw material import and CB export) and near major tyre manufacturing hubs which facilitates PCBL in optimising transportation cost. PCBLTN's unit at Tamil Nadu adds to locational advantage, as plants of major tyre companies are situated in south India. ACPL is PCBL's step-down subsidiary, and has two manufacturing units in Maharashtra, India and one each in Jeddah, Saudi Arabia, and Texas, USA, which gives it access to international markets, where ACL has strong presence.

Healthy financial performance of PCBL in FY25 and Q1FY26 despite subdued performance of ACL

In FY25, PCBL achieved growth in total operating income (TOI) by ~30%, mainly because of added sales revenue from ACL (acquired in FY24), with growth in sales volume of CB and speciality black (~12%) supported by enhanced capacity. Growth in turnover was also driven by increase in revenue from power segment by 17% y-o-y. CB's PBILDT/tonne in FY25 slightly decreased compared to FY24 because of the increase in raw material prices, despite the increase in sales of CB, leading to lower operating margins y-o-y.

With a large proportion of CB sales being made to tyre companies (~60% in FY25) where pricing is formula-driven and linked to movement in raw material prices, the company has been able to pass on increase in input prices to a large extent. Increase in sales of specialty CB, which is a value-added product and commands higher margin has contributed to the increase in spread. The financial performance of ACL's recently acquired business remained mute over the last few quarters due to demand slowdown in the US and Europe. Improvement in ACL's financial performance shall remain a key rating monitorable.

Going forward, with stable demand outlook and benefits derived from operational efficiencies, CareEdge Ratings expects operating profitability to remain healthy.

Improved operating performance of PCBLTN

In FY25, PCBLTN's TOI improved to ₹1,141 crore from ₹515 crore in FY24. The operations commenced in two phases in April 2023 and September 2023. Post that, as FY25 witnessed full year of operations, the production improved in FY25 compared to FY24. The company achieved net profits of ₹10.69 crore in FY25 against losses in FY24, while operating margins also improved from 10.87% in FY24 to 12.77% in FY25.

Stable industry outlook

With significant capacity addition of CB, India is emerging as a manufacturing hub for the globe. Stagnant capacity addition in western markets and sanctions on Russian exports by EU provided significant export opportunity to Asian players. The major use of CB is in tyre segment (~60% in FY25 for PCBL) followed by different other industrial uses. The demand outlook of tyre segment remains favourable and the tyre industry is seeing a revival in capex spend with significant capacity added recently. The demand from non-tyre segment is also expected to improve with increase in the industrial applications of this.

Liquidity: Adequate

PCBLTN has a debt repayment obligation of ₹109 crore in FY26, which is expected to be funded from internal accruals and fund support from PCBL. The company is undergoing brownfield capex of 90,000 MTPA with captive power plant of 12 MW, to be completed in two phases in FY26 and FY27. PCBLTN's liquidity is supported by unutilised working capital limit where average utilisation stood at 63% for sanctioned fund-based limits of ₹375 crore in the last 12 months ended May 2025. The company enjoys financial flexibility from being a part of RP-SG group.

Key weaknesses

Moderate capital structure and debt protection metrics for PCBL; despite improvement in FY25

PCBL's capital structure and debt protection metrics moderated due to debt funded acquisition in FY24. However, because of significant accretion of profits to reserves, there was improvement y-o-y in FY25. The company's overall gearing slightly improved from 1.61x as on March 31, 2024, to 1.57x as on March 31, 2025. Its total debt (TD)/PBILDT also improved to 4.33x as on March 31, 2025, from 5.07x as on March 31, 2024. With scheduled repayment of debt and incremental PBILDT from new ventures, operational efficiencies, capacity expansion and higher share of specialty black, capital structure and debt coverage indicators are expected to improve going forward. Debt funded expansion/acquisition leading to the company's inability to improve the total debt/PBILDT below 4x on a sustained basis shall remain a key rating monitorable.

Profitability susceptible to raw material price volatility and foreign exchange fluctuations

Carbon Black Feedstock (CBFS) is the key raw material for carbon black, accounting for ~90%-95% of PCBL's material costs in FY25. CBFS is a derivative of crude oil refining having strong correlation with crude oil prices and exhibits volatility. However, a significant portion of PCBL's sales is to the tyre segment which operates per pricing formulae, reducing volatility in profits, if sales volumes are maintained. Although favourable demand-supply dynamics in CB industry is envisaged to benefit PCBL in the short-term, sustained high prices of crude oil leading to inflationary pressure could impact demand in the medium-term. PCBL sourced 90% of its raw material requirement (CBFS) through imports, whereas it exported ~37% of its gross sales in FY25. PCBL is a net importer and is exposed to the risk of having foreign currency payables. However, exposure to volatility in profits considering foreign currency fluctuation is reduced to a certain extent as PCBL hedges most of its net forex exposure at all time as articulated by the company's management.

Dependence on fortunes of the cyclical tyre industry

Major portion of PCBL's revenue is from sale of CB to tyre manufacturers, aligned with overall application of CB produced across the globe. Over 60% of CB is used for tyre manufacturing. This leads to PCBL's dependence on fortunes of the tyre industry which depends on the cyclical auto industry. Tyre industry caters to original equipment manufacturers (OEMs) and replacement market. ~55% of the total tyre industry sales are in the replacement market which provides support in auto sector's cyclical downturn. Although degrowth in auto sales has the potential to impact the future replacement market.

PCBL has also been increasing its presence in specialty black range, which caters to diversified industries - paints, inks, and plastics among others. It operates research and development (R&D) centres in Palej (Gujarat) and Belgium where one of the objectives is to grow its portfolio in specialty black.

Inherent project risk associated with large-size ongoing projects

PCBLTN is increasing its capacity at Tamil Nadu by 90,000 MTPA and expansion of green power production by 12 MW. It is projected to be done in two phases. First phase of 30,000 MTPA is to be commissioned by Q3FY26 while the second phase of 60,000 MTPA by H1FY27, at a total cost of ~₹450 crore. This shall be funded by a mix of debt and equity, which is yet to be finalised.

In addition, PCBL is adding a 1,000 MTPA line dedicated to superconductive specialty carbon black grades at Palej which is expected to be operational by the end of FY26. 4,000 MTPA acetylene black facility is planned at Mundra by FY27. ACL is implementing a capacity expansion project of 38,000 MTPA at a cost of ~₹220 crore. This is expected to be completed by FY26. The company remains exposed to pre and post-implementation risks associated with these projects. Sizeable, planned capex apart from recently debt funded ACL's acquisition is expected to delay the meaningful improvement in its capital structure and debt coverage indicators in the near term.

Threat of CB's imports

Anti-dumping duty (ADD) had been imposed on CB's import (US$ 397/MT from China and US$ 36/MT from Russia) from November 2009 was removed in January 2021. As China accounts for a significant portion of the world's CB capacity and production, Chinese demand supply imbalance has the potential to impact market share and fortunes of domestic players. However, China majorly produces CB through carbon black oil (CBO)/coal tar route, prices of which are higher than that of CBFS prices. Imports from Russia have also been impacted due to the ongoing geo-political situation in the region. European Union (EU) imposed ban on CB's import from Russia which came into effect from July 01, 2024, leading to higher opportunities for exports to Europe for other countries.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Factoring Linkages Parent Sub JV Group
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Chemicals	Chemicals and petrochemicals	Carbon black

PCBLTN was incorporated in September 2020 and is a part of the Kolkata-based RPSG group. The company has set up a greenfield CB plant in Tamil Nadu with an installed capacity of 147,000 MTPA. The plant partially commenced operations with 63,000 MTPA capacity being operational from April 2023 and balance 84,000 MTPA capacity was commissioned in September 2023 at an approximate project cost of ₹1150 crore.

Brief Financials (₹ crore)	FY24 (A)	FY25 (A)	Q1FY26 (UA)
Total operating income	515.27	1141.49	302.89
PBILDT	56.02	145.72	45.80
PAT	-19.15	10.69	8.41
Overall gearing (times)	238.53	108.84	NA
Interest coverage (times)	1.45	1.94	2.16

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 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		-	-	-	375.00	CARE AA-; Stable
Non-fund-based - ST-BG/LC		-	-	-	825.00	CARE A1+
Term Loan-Long Term		-	-	January 2031	978.80	CARE AA-; Stable

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	Non-fund-based - ST-BG/LC	ST	825.00	CARE A1+	-	1)CARE A1+ (09-Oct-24)	1)CARE A1+ (25-Jan-24) 2)CARE A1+ (RWD) (07-Dec-23) 3)CARE A1+ (18-Aug-23)	-
2	Fund-based - LT-Cash Credit	LT	375.00	CARE AA-; Stable	-	1)CARE AA-; Stable (09-Oct-24)	1)CARE AA-; Stable (25-Jan-24)	-

							2)CARE AA- (RWD) (07-Dec-23) 3)CARE AA-; Stable (18-Aug-23)	
3	Term Loan-Long Term	LT	978.80	CARE AA-; Stable	-	1)CARE AA-; Stable (09-Oct-24)	1)CARE AA-; Stable (25-Jan-24) 2)CARE AA- (RWD) (07-Dec-23) 3)CARE AA-; Stable (18-Aug-23)	-

LT: Long term; ST: 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	Non-fund-based - ST-BG/LC	Simple
3	Term Loan-Long Term	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.

Contact us

Media Contact	**Analytical Contacts**
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Ranjan Sharma Senior Director **CARE Ratings Limited** Phone: +91-22-6754 3453 E-mail: Ranjan.sharma@careedge.in
Relationship Contact Saikat Roy Senior Director **CARE Ratings Limited** Phone: 912267543404 E-mail: saikat.roy@careedge.in	Hardik Manharbhai Shah Director **CARE Ratings Limited** Phone: +91-22-6754 3591 E-mail: hardik.shah@careedge.in Richa Bagaria Associate Director **CARE Ratings Limited** Phone: +91-33-4018 1653 E-mail: richa.jain@careedge.in

About us:

Established in 1993, CareEdge 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, CareEdge 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, CareEdge 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. CareEdge 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