

India Carbon Limited

November 12, 2025

Facilities	Amount (₹ crore)	Ratings ¹	Rating Action
Long-term bank facilities	110.00	CARE BBB+; Stable	Downgraded from CARE A-; Negative
Long-term / Short-term bank facilities	71.40	CARE BBB+; Stable / CARE A2+	Downgraded from CARE A-; Negative / CARE A1
Short-term bank facilities	104.90	CARE A2+	Downgraded from CARE A1

Details of facilities in Annexure-1.

Rationale and key rating drivers

Revision in the ratings assigned to bank facilities of India Carbon Limited (ICL) take into account the continued moderation in financial performance in H1FY26, with company incurring operational loss in H1FY26 and cash loss in Q2FY26. The deterioration in the profitability margin is primarily on account of subdued demand scenario for calcined petroleum coke (CPC) and losses incurred from contracts entered at predetermined prices with some of the customers.

The ratings continue to derive strength from its experienced promoters with long track record of operations, being the pioneer in setting up a calcination plant in Asia in collaboration with US based leading Calcined Petroleum Coke (CPC) player, Oxbow Calcining LLC having equity stake in ICL and long-standing relationship with reputed clientele. Ratings also derive strength from its comfortable capital structure and nil debt repayment obligations supported by healthy net worth base.

Ratings also factor in the adequate liquidity with company having cash and unencumbered investments worth ₹501.61 crore as on September 30, 2025.

Further, the company also benefits from the locational advantage of the Guwahati unit resulting entitlement to goods and service tax (GST) refunds (29% IGST) under Northeast Industrial and Investment Promotion Policy, 2017, for 10 years until FY27.

However, ratings continue to remain constrained by the company's weak bargaining power with suppliers, volatility associated with raw material and finished goods prices, working capital intensive operations, regulatory risks, forex fluctuation risk associated with import of raw petroleum coke (RPC), weak debt-protection metrics in H1FY26 and substantial dependence on fortunes of the user industries, which are cyclical, making the company's profitability and cash flows highly volatile.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in scale of operation above ₹500 crore while maintaining PBILDT margin over 10% on a sustained basis.
- Reduction in working capital cycle below 120 days on a sustained basis.

Negative factors

- Reduction in scale of operation below ₹200 crore along with decline in PBILDT margin below 6% from FY27 on a sustained basis.
- Reduction in unencumbered investments below ₹250 crore.
- Deterioration in capital structure with overall gearing ratio going above 0.25x on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects company is expected sustain its financial risk over the medium term in absence of no debt funded capex or acquisition plans along with no term debt repayment obligations and sufficient unencumbered investments which shall support its adequate liquidity profile.

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

Detailed description of key rating drivers:

Key strengths

Experienced promoters with long track record of operations

ICL's founders, Late P D Himatsingka and his son, were actively involved in India's freedom movement. Rakesh Himatsingka, Chairman and Managing Director is the third-generation entrepreneur and an M. Tech from BITS, Pilani. Rakesh Himatsingka has over four decades' experience in manufacturing and trading CPC. He is duly supported by his son, Shaurya Veer Himatsingka, Deputy Managing Director who is an MBA from Carnegie Mellon University, Pennsylvania.

Pioneer in setting up calcination plant in Asia

ICL established its CPC plant in Guwahati in 1961, which was the first CPC manufacturing plant in Asia. The company is one of the leading players in manufacturing CPC, EPC and tamping paste with facilities in the Eastern belt of India (Guwahati, Assam and Budge Budge, West Bengal).

Equity stake from the US based leading CPC player, Oxbow Calcining LLC

Oxbow holds 30.66% stake in ICL's equity shares. It has four qualified and experienced representatives on ICL's board. Oxbow is one of the leading CPC players in the US.

Strategic location of the units

The Guwahati plant is adjacent (within 300 m) to the Guwahati refinery of Indian Oil Corporation Limited (IOCL), ICL's main supplier. Thus, the inward freight cost and lead time of RPC is almost negligible, providing an edge over competition. Under the Northeast Industrial Development Scheme (NEIDS), 2017, the Guwahati plant is entitled to GST refunds (29% IGST).

Long standing relationship with reputed clientele from diversified industries, despite high customer concentration risk

ICL supplies its end products mostly to the aluminium, graphite and ferro alloys players. Being the first calciner in India, ICL has long standing relationships with most big players of the aluminium industry and graphite industry. This ensures regular inflow of orders. Sale to the graphite industry which used to be ~52% in FY22 has reduced to ~13% in FY25 (10% in FY24), due to subdued demand of CPC in the graphite industry. Sales to top five customers continue to remain high at 82.03% in FY25 against 84.89% in FY24, exposing the company to client concentration risk. However, ICL sells goods majorly to the reputed players having strong credit risk profile and have long standing relations with them which partially reduces the client concentration risk.

Comfortable capital structure albeit weak debt protection metrics on account of moderation in profitability

The capital structure remained comfortable marked by overall gearing of 0.10x as on September 30, 2025 (0.10x as on March 31, 2025). This is expected to remain comfortable going forward as well in the absence of any debt-funded capex plans of the company. However, debt coverage indicators remained weak with total debt to gross cash accruals (TD/GCA) ratio of 10.20x as on September 30, 2025. This is expected to improve with improvement in the company's performance.

Key weaknesses

Moderation in financial performance in H1FY26 with cash losses in Q2FY26

In H1FY26, the company earned total operating income (TOI) of ₹108.62 crore compared to TOI of ₹94.37 crore in H1FY25. The improvement in TOI was primarily due to increase in volume. However, the PBILDT margin moderated from -14.18% in H1FY25 to -16.29% in H1FY26 due to subdued industry scenario and losses incurred by the company against execution of order from one of its customers.

The company continued to incur net loss of ₹17.69 crore in Q2FY26; however, it achieved a profit after tax (PAT) of ₹1.32 crore in H1FY26, primarily driven by ₹31.48 crore of other income recorded in Q1FY26. Gross cash accruals (GCA) stood at ₹2.50 crore compared to nil debt repayment obligation in H1FY26.

Moderate capacity utilisation

The capacity utilisation of CPC for Guwahati unit and Budge Budge Unit moderated from 48.62% in FY24 to 27.45% to FY25 and 99.91% in FY24 to 60.73% in FY25, respectively, considering subdued demand scenario.

Profitability susceptible to volatility in RPC and CPC prices and weak bargaining power with suppliers

RPC is the major raw material to produce CPC. The company sources RPC from domestic and international market (mostly from the US and a small portion from China). ICL's plant in Budge Budge being port-based, depends on the import of RPC due to the shortage of RPC supply in the domestic market. In the domestic market, ICL procures RPC from large domestic oil refineries (IOCL, Bongaigaon Refinery and Petroleum Ltd, Paradip Refinery, Numaligarh Refinery Ltd). Hence, ICL has low bargaining

power as the suppliers are large corporates in the industry. RPC's price is highly volatile due to the cyclical end user industries. Thus, the company's operating margin remains susceptible to sharp movement in raw material prices and ICL's weak bargaining power.

Working capital-intensive operations

The company's operations are working capital intensive due to high inventory holding requirements. The company's operating cycle increased to 181 days in FY25 against 154 days in FY24. The increase is on account of increase in inventory days from 131 days in FY24 to 163 days in FY25.

Substantial dependence on fortunes of the aluminium, graphite and ferro alloys industry

Two grades of CPC are majorly used – i) anode grade CPC used mainly in aluminium industry and ii) graphite grade CPC used majorly in graphite industry and a small percentage in the ferro alloy industry. ~80% world's production is used in the production of carbon anodes in the aluminium smelting process, and hence, the production of primary aluminium is one of the most important determinants of CPC demand and the CPC industry's growth. However, the aluminium industry being cyclical depends heavily on the world economy's health. Thus, slowdown in production and demand of aluminium can adversely affect the company's financial profile.

Forex fluctuation risk associated with the import of RPC

The company is exposed to the risk of adverse movements in forex rates, mainly USD/INR rates which has shown increased volatility in the recent times. The company also hedges its foreign exchange exposures depending on the market scenario to avoid the volatility in foreign exchange currency. In addition, the company is always exposed to the risk of imported raw materials upon arrival not conforming to expectations or specifications, which can lead to higher consumption and/or lower price realisation.

Exposure to risks associated with government regulations related to pollution control norms

Since pet coke is considered a pollutant and has been debated over from time to time, the company's operations are exposed to regulatory risks. Changes in the regulatory framework, such as duties or quotas on the import of raw materials and pollution norms may have a significant impact on the company's operating performance.

Liquidity: Adequate

The liquidity profile of the company continues to remain adequate marked by cash and investment (including mutual fund investments, quoted equity shares, equity instruments, AIFs, Bonds and Debentures) amounting to Rs.501.61 crore as on September 30, 2025. However, the investments remain susceptible to market risks. Furthermore, the company has fund based working capital limit of Rs.160 crore with low average utilization of around 17% during the last 12-months period ended May 2025. The company does not have any long-term debt repayment obligation in FY26.

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
Energy	Oil, Gas & Consumable Fuels	Petroleum Products	Refineries & Marketing

ICL was established in 1961 by late Prabhu Dayal Himatsingka and his son late Bhagwati Prasad Himatsingka, in collaboration with USA based Oxbow Calcining LLC (formerly Great Lakes Carbon LLC), a leading player in the international CPC industry. ICL is a pioneer in setting up calcination plant (Guwahati, Assam in 1962) in Asia. Currently, ICL is engaged in manufacturing CPC (installed capacity 100,800 MTPA), ECP (installed capacity 13,360 MTPA) and tamping paste at its manufacturing facilities in Guwahati (Assam) and Budge Budge (West Bengal). ICL is currently being managed by Rakesh Himatsingka, CMD (son of late B P Himatsingka), and his son, Shaurya Veer Himatsingka, DMD.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	420.39	174.64	108.62
PBILDT	-4.09	-23.09	-17.69
PAT	30.28	-12.74	1.32
Overall gearing (times)	0.00	0.10	0.10
Interest coverage (times)	-1.00	-13.06	-6.94

A: Audited; UA: Unaudited; 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 facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	110.00	CARE BBB+; Stable
Fund-based - LT/ ST-Working Capital Demand loan		-	-	-	60.00	CARE BBB+; Stable / CARE A2+
Fund-based - ST-Others		-	-	-	7.00	CARE A2+
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	11.40	CARE BBB+; Stable / CARE A2+
Non-fund-based - ST-Letter of credit		-	-	-	97.90	CARE A2+

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	110.00	CARE BBB+; Stable	1)CARE A-; Negative (08-Jul-25)	1)CARE A-; Stable (04-Jul-24)	1)CARE A-; Stable (07-Jul-23)	1)CARE A-; Stable (01-Jul-22)
2	Non-fund-based - ST-Letter of credit	ST	97.90	CARE A2+	1)CARE A1 (08-Jul-25)	1)CARE A1 (04-Jul-24)	1)CARE A1 (07-Jul-23)	1)CARE A1 (01-Jul-22)
3	Fund-based - LT/ ST-Working Capital Demand loan	LT/ST	60.00	CARE BBB+; Stable / CARE A2+	1)CARE A-; Negative / CARE A1 (08-Jul-25)	1)CARE A-; Stable / CARE A1 (04-Jul-24)	1)CARE A-; Stable / CARE A1 (07-Jul-23)	1)CARE A-; Stable / CARE A1 (01-Jul-22)
4	Fund-based - ST-Others	ST	7.00	CARE A2+	1)CARE A1 (08-Jul-25)	1)CARE A1 (04-Jul-24)	1)CARE A1 (07-Jul-23)	1)CARE A1 (01-Jul-22)
5	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	11.40	CARE BBB+; Stable / CARE A2+	1)CARE A-; Negative / CARE A1 (08-Jul-25)	1)CARE A-; Stable / CARE A1 (04-Jul-24)	1)CARE A-; Stable / CARE A1 (07-Jul-23)	-

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

Annexure-3: Detailed explanation of covenants of rated 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/ ST-Working Capital Demand loan	Simple
3	Fund-based - ST-Others	Simple
4	Non-fund-based - LT/ ST-Bank Guarantee	Simple
5	Non-fund-based - ST-Letter of credit	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

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Ankur Sachdeva Senior Director CARE Ratings Limited Phone: +91-22-6754 3444 E-mail: Ankur.sachdeva@careedge.in</p>	<p>Analytical Contacts</p> <p>Arindam Saha Director CARE Ratings Limited Phone: +91-33- 40181631 E-mail: arindam.saha@careedge.in</p> <p>Kamal Mahipal Assistant Director CARE Ratings Limited Phone: +91-33- 40181628 E-mail: kamal.mahipal@careedge.in</p> <p>Tridib Kundu Lead Analyst CARE Ratings Limited E-mail: Tridib.Kundu@careedge.in</p>
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