

## Indica Conveyors Limited

March 27, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	6.21 (Reduced from 16.57)	CARE BB-; Stable	Reaffirmed
Short Term Bank Facilities	6.00 (Reduced from 19.00)	CARE A4	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Reaffirmation of the ratings assigned to the bank facilities of Indica Conveyors Limited (ICL) remain constrained by modest operational performance marked by modest scale of operations with moderate profitability margins and its elongated working capital cycle. Ratings also factor in the volatility in raw material prices due to geopolitical tensions, and the highly competitive and fragmented nature of the industry. Ratings draw strength from the moderate capital structure of the company and the experienced promoters. Ratings also draw comfort from its reputed customer base, which includes Public Sector Undertakings (PSUs) such as Southeastern Coalfields Limited, Western Coalfields Limited, and Eastern Coalfields Limited.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Improvement in scale of operations of the company marked by the total operating income (TOI) above ₹75 crore and profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin above 10.00% on a sustained basis.
- Improvement in the operating cycle of the company below 120 days on sustained basis.

#### Negative factors

- Decrease in scale of operations of the company marked by the total operating income below ₹40 crore and PBILDT margin below 7.00% on a sustained basis.
- Sustained Deterioration in the capital structure of the company marked by the overall gearing above 1.50x.
- Stretching of the operating cycle of the company above 225 days on sustained basis.

**Analytical approach:** Standalone

#### Outlook: Stable

The "Stable" outlook assigned to the bank facilities of ICL considers the likely continuation of a moderate capital structure and the company's long track record of operations, demonstrating its ability to mitigate inherent risks associated with the business, such as high working capital requirement and the highly competitive nature of operations.

### Detailed description of key rating drivers:

#### Key weaknesses

##### Modest operational performance

The scale of operations remains modest despite the company's long operational track record. The TOI increased by ~29% to ₹56.42 crore in FY25 (FY refers to April 01 to March 31), reflecting a healthy pickup in execution after certain government orders remained unexecuted in the previous year. The company had already booked revenue of ₹34.42 crore till 10MFY26 (refers to April 01 to January 31). Profitability remained moderate, with the PBILDT margin declining to 6.23% in FY25 (against 9.26% in FY24) due to higher freight cost from the Red Sea crisis, volatility in polyvinyl chloride (PVC) prices and write-off of non-recoverable debtors. However, the PAT margin improved marginally to 0.85% in FY25 (against 0.63% in FY24) but continues to remain modest. The overall moderation in operating profitability is attributable to the competitive intensity of the industry.

#### Working capital intensive nature of operations

The operations continue to remain working capital intensive, inherent to the conveyor belt manufacturing industry. The company's gross current asset (GCA) days improved to 138 days in FY25 Against 257 days in FY24, supported by better inventory management through streamlining its supply chain system. The company sourced raw material domestically, which resulted in lower lead times. The operating cycle also improved to 138 days in FY25 against 218 days in FY24. Inventory holding period

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

reduced significantly to 74 days (PY: 153 days), and the receivable period also improved to 66 days (PY: 74 days). However, the credit period from suppliers remained low at 3 days in FY25 (PY: 9 days), resulting in continued reliance on working capital borrowings to support operations.

**Susceptible volatility in raw material prices**

The business risk profile of ICL remains exposed to volatility in key raw material prices such as PVC, fabric and chemicals, which constituted almost 70 percent of the total revenue from operations, thereby making profitability sensitive to raw material prices, mainly since these raw materials are commodity in nature and witness frequent price fluctuations. Although the company has escalation clauses in its contracts, there can be a time lag between an increase in raw material prices and their pass-through to customers. Thus, any adverse change in raw material prices will directly affect the profitability margins of the company.

**Presence in highly competitive and fragmented nature of industry**

The conveyor belt manufacturing industry in India faces intense competition from both organised and unorganised players. The presence of organised players restricts the pricing policy of the company, resulting in low profitability for medium-sized and unorganised players. However, the long track record of the entity proves its ability to sustain in such a highly competitive and fragmented industry environment.

**Key strengths****Moderate capital structure**

The capital structure of the company continues to remain moderate, as reflected by the debt-to-equity ratio of 0.69x and overall gearing of 1.40x as on March 31, 2025, compared to 0.75x and 1.54x, respectively, as on March 31, 2024. The debt coverage indicators also remained moderate, marked by an interest coverage ratio of 1.76x in FY25 (FY24: 1.67x) and total debt to gross cash accruals (TD/GCA) of 15.19x as on March 31, 2025 (FY24: 15.41x). Going forward, the capital structure will remain moderate in the absence of any debt-funded capital expenditure.

**Experienced promoters**

ICL is promoted by Arvinder Singh, having over two decades of experience in the development, production, and marketing of conveyor belts for bulk material handling, with a focus on underground mining operations. The promoter is supported by a well-versed management team, which oversees the day-to-day operations of the company and comprises qualified and experienced industry professionals.

**Established and reputed customer base albeit customer concentration**

The client base of the company includes some reputed public sector undertakings such as Southeastern Coalfields Limited, Western Coalfields Limited, and Eastern Coalfields Limited. However, the company faces customer concentration risk as the top five customers account for ~80-90% of the total revenue. If the company loses any customer, the revenue of the company will be severely impacted, where continued association with key customers remains a key monitorable.

**Liquidity: Stretched**

The company has a total debt repayment obligation of ₹0.96 crore in FY26 against expected GCA of ₹1.47 crore in FY26. The working capital utilisation also remains high over the last 12-month period at 75%. However, the company had free cash and bank balances of ₹17.05 crore as on March 31, 2025. The current ratio also stood comfortable at 2.37x as on March 31, 2025.

**Assumptions/Covenants:** Not applicable

**Environment, social, and governance (ESG) risks:** Not applicable

**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
Industrials	Capital Goods	Industrial Products	Rubber

ICL was incorporated in 1998 by Ranbir Singh and his two sons, Arvinder Singh and Tarunjit Singh. The company manufactures and sells solid woven PVC-coated conveyor belts, which are primarily used in underground mining and are fire-retardant and antistatic. The company has a fully in-house manufacturing process, which involves yarn preparation, weaving, coating, and impregnation with FRAS compound, as well as the capability to supply rubber covers.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	10MFY26 (UA)
Total operating income	43.63	56.42	34.42
PBILDT*	4.04	3.52	NA
Profit after tax (PAT)	0.28	0.48	NA
Overall gearing (x)	0.69	0.61	NA
Interest coverage (x)	1.67	1.76	NA

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

\*PBILDT: Profit before interest, lease rentals, depreciation and tax

**Status of non-cooperation with previous CRA:** Brickwork and CRISIL have continued the ratings assigned to the bank facilities of ICL into 'Issuer not-cooperating' category vide press release dated June 18, 2025, and September 01, 2025, respectively, on account of non-availability of requisite information from the company.

**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-Term Loan	-	-	-	December 2027	0.21	CARE BB-; Stable
Fund-based - LT-Working Capital Limits	-	-	-	-	6.00	CARE BB-; Stable
Non-fund-based - ST-Bank Guarantee	-	-	-	-	6.00	CARE A4

**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-Working Capital Limits	LT	6.00	CARE BB-; Stable	-	1)CARE BB-; Stable (31-Mar-25)	1)CARE BB-; Stable (26-Mar-24)	-
2	Non-fund-based - ST-Bank Guarantee	ST	6.00	CARE A4	-	1)CARE A4 (31-Mar-25)	1)CARE A4 (26-Mar-24)	-
3	Fund-based - LT-Term Loan	LT	0.21	CARE BB-; Stable	-	1)CARE BB-; Stable (31-Mar-25)	-	-

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-Term Loan	Simple
2	Fund-based - LT-Working Capital Limits	Simple
3	Non-fund-based - ST-Bank Guarantee	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><b>Media Contact</b></p> <p>Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Saurabh Vaish Director <b>CARE Ratings Limited</b> Phone: 91-120-4452012 E-mail: <a href="mailto:saurabh.vaish@careedge.in">saurabh.vaish@careedge.in</a></p>	<p><b>Analytical Contacts</b></p> <p>Puneet Kansal Director <b>CARE Ratings Limited</b> Phone: 91-120-4452000 E-mail: <a href="mailto:puneet.kansal@careedge.in">puneet.kansal@careedge.in</a></p> <p>Rajan Sukhija Associate Director <b>CARE Ratings Limited</b> Phone: 91-120-4452000 E-mail: <a href="mailto:Rajan.Sukhija@careedge.in">Rajan.Sukhija@careedge.in</a></p> <p>Kritika Goyal Analyst <b>CARE Ratings Limited</b> E-mail: <a href="mailto:kritika.goyal@careedge.in">kritika.goyal@careedge.in</a></p>
--	---

### 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](http://www.careratings.com)

### Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to [https://www.careratings.com/privacy\\_policy](https://www.careratings.com/privacy_policy)

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

**For detailed Rating Report and subscription information, please visit [www.careratings.com](http://www.careratings.com)**