

G. K. Founders Private Limited

March 13, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term / Short Term Bank Facilities	40.64	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	Downgraded from CARE BBB-; Stable / CARE A3 and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	9.36	CARE A4+; ISSUER NOT COOPERATING*	Downgraded from CARE A3 and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from G.K. Founders Private Limited (GKFPL) to monitor the ratings through email communications and letters dated March 05, 2026, March 02, 2026, February 26, 2026, February 24, 2026, February 18, 2026, and February 06, 2026, among others and numerous phone calls. However, despite repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with extant SEBI guidelines, CareEdge Ratings has reviewed the rating based on the best available information, which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. Ratings for GKFPL's bank facilities will now be denoted as CARE BB+; Stable; ISSUER NOT COOPERATING. and CARE A4+; ISSUER NOT COOPERATING.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s)

The ratings have been revised on account of non-submission of the requisite information for monitoring the ratings. The ratings continue to factor in the established relationships with its customers and its moderate financial risk profile. These strengths are offset by its presence in a highly competitive industry, susceptibility towards fluctuations in raw material prices and foreign exchange prices.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings believes GKFPL will continue to benefit from the vast experience of the promoters in the industry and their established relationships with customers.

Detailed description of key rating drivers:

At the time of last rating on February 03, 2025, the following were the strengths and weaknesses.

Key Strengths

Established market position and experienced management

The promoters have over three decades of experience in the non-ferrous metal industry. They have been in the aluminium recycling business for over 30 years through GKFPL, which has capacity of around 16,800 tonne per annum.

Established relationships with customers

GKFPL supplies aluminium ingots to automotive, electrical, power and consumer durable industries. Over the years, the company has built upon a strong network through its deliverables. The past track-record has helped the company in generating repeat business.

Moderate financial risk profile

The capital structure of the company is comfortable with overall gearing at 0.42x as on March 31, 2024 (PY: 0.49x) The interest coverage ratio increased marginally from 1.71x in FY23 to 2.25x in FY24 owing to increase in operating profitability and Total Debt/GCA improved from 6.96x in FY23 to 4.91x in FY24.

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

Key weaknesses

Competitive and fragmented nature of the secondary aluminium industry

Companies, which manufacture aluminium/aluminium alloys from aluminium scrap, are classified under the secondary aluminium producer's category, while companies manufacturing aluminium through bauxite are referred to as primary aluminium producers. The secondary players are small and are highly unorganized. Although the share of Asia over the years in the production of secondary aluminium is on the rise, the Asian landscape is majorly dominated by primary producers. In India major percentage of domestic aluminium production is attributed to primary producers, the secondary aluminium market is highly unorganized and has not been developed on account of poor scrap gathering. The aluminium alloy manufacturers not just face a severe threat from the primary producers but also face intense competition owing to the fragmented nature of the industry, leading to lower margins for the industry.

Highly susceptible to volatility in LME prices

The prices of aluminium are benchmarked with LME prices, which have been very volatile in the past years. For a secondary producer like GKFPL, volatility in aluminium prices can lead to fluctuations in profitability.

Exposure to volatility in raw material prices with low profitability margins

Key raw material is metal scrap. Since the cost of raw materials constitutes 88-90% of the total cost, the company remains exposed to volatility in input prices. Though any sharp rise in raw material prices is passed on to customers, it happens with a lag. Thus, the company is exposed to volatility in Aluminium prices in LME. The profitability margins declined in FY23 as the company incurred inventory loss due to significant decline in Aluminium prices within a short time span. During FY24 PBILDT margins improved to 2.90% as compared to 1.93% in FY23. The sales volume improved marginally during FY24 as compared to FY23.

Susceptible to foreign exchange fluctuation risk

The company is exposed to fluctuation in foreign exchange rates as it imports scrap from Middle East, China, UK, Europe, Australia. Thus, it is exposed to risk related to foreign exchange fluctuation. The company has no policy to hedge forex risk and takes need based forward cover. During FY24, company reported forex gain of Rs. 2.06 crore (Gain of Rs. 1.92 crore in FY23). However, GKFPL has availed a PSR facility from HDFC Bank to hedge the same for Rs. 3 crores. During FY24 there was foreign currency outflow of Rs. 165.53 crore (FY23- Rs. 192.33 crore) on account of import purchases and foreign currency inflow of Rs. 30.55 crore on account of export sales (FY23- Rs. 2.55 crore).

Liquidity: Adequate

The company's liquidity is adequate as marked by principal term loan repayment obligation of Rs. 0.99 crore in FY25 as compared to expected gross cash accruals of around 4-4.5 crores. It has cash and cash equivalent of Rs. 0.05 crore in FY24 (PY: Rs. 0.09 crore). The average utilisation of working capital facilities is 81% for 12 months ending December 2024 and provides some backup. The cash flow from operations increased from Rs. 1.16 crores in FY23 to Rs. 5.32 crores in FY24. The current ratio is comfortable at 2.07 times in FY24 (PY 2.15 times).

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Liquidity Analysis of Non-Financials Sector](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Non-Ferrous Metal](#)

[Financial Ratios – Nonfinancial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Metals & Mining	Non - Ferrous Metals	Aluminium

G. K. Founders Private Limited (GKFPL) was incorporated as a Private Limited Company by Sohanlal Ranka and Shantidevi Ranka on 11th October 1988. The company is engaged in the business of manufacturing Aluminium Alloy Ingots. The promoters have

thirty-four years of experience in the industry. The company has an installed capacity of 16,800 Metric Tonnes Per Annum (MTPA) at its manufacturing facility located in Wada. GKFPL primarily supply its products for electrical industry, automobile and consumer durable industry.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	260.81	260.13	281.63
PBILDT*	5.02	7.53	5.73
Profit after tax (PAT)	2.22	3.17	2.62
Overall gearing (x)	0.49	0.42	0.34
Interest coverage (x)	1.71	2.25	1.70

A: Audited UA: Unaudited; Note: these are latest available financial results

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

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/ ST-Cash Credit		-	-	-	40.64	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	0.86	CARE A4+; ISSUER NOT COOPERATING*
Non-fund-based - ST-Forward Contract		-	-	-	8.50	CARE A4+; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

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/ ST-Cash Credit	LT/ST	40.64	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE BBB-; Stable / CARE A3 (03-Feb-25)	1)CARE BBB-; Stable / CARE A3 (06-Feb-24)	1)CARE BBB-; Stable / CARE A3 (08-Feb-23)
2	Term Loan-Long Term	LT	-	-	-	1)Withdrawn (03-Feb-25)	1)CARE BBB-; Stable (06-Feb-24)	1)CARE BBB-; Stable (08-Feb-23)
3	Non-fund-based - ST-Bank Guarantee	ST	0.86	CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE A3 (03-Feb-25)	1)CARE A3 (06-Feb-24)	1)CARE A3 (08-Feb-23)
4	Non-fund-based - ST-Forward Contract	ST	8.50	CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE A3 (03-Feb-25)	1)CARE A3 (06-Feb-24)	1)CARE A3 (08-Feb-23)

*Issuer did not cooperate; based on best available information.

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/ ST-Cash Credit	Simple
2	Non-fund-based - ST-Bank Guarantee	Simple
3	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.

Contact us

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