



Press Release
GOA CARBON LIMITED
May 16, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	85.00	ACUITE A- Stable Reaffirmed	-
Bank Loan Ratings	340.00	-	ACUITE A2+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	425.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating to ‘ACUITE A-’ (read as ACUITE A minus) and the short-term rating to ‘ACUITE A2+’ (read as ACUITE A two plus) on the Rs. 425.00 crore bank facilities of Goa Carbon Limited (GCL). The outlook is ‘Stable’.

Rationale for rating

The rating reaffirmation factors in the marginal recovery in the Calcinated Petroleum Coke (CPC) realisations in Q4FY25 led by international price hikes, its further rise expected in FY26 leading to improvement in scale of operations. The rating also factors the focus of the company towards sale of recently launched high performance carbon raiser products (branded as gcarb+) in sectors like steel and foundry industries which shall diversify the revenue streams. Moreover, the company’s operating performance remained subdued in FY25 with 52% decline in revenue and EBITDA loss of Rs.18.79 Cr, recovery of which in FY26 shall remain a key rating sensitivity. However, the rating continues to derive comfort from the established position of the company, healthy capital structure and adequate liquidity in the form of cash surplus. The operations remain susceptible to the high volatility in the CPC prices.

About the Company

Incorporated in 1967, GCL is engaged in manufacturing and marketing of Calcined Petroleum Coke (CPC). It has three manufacturing facilities located at Goa, Bilaspur and Paradeep with a combined capacity of 308,000 metric tonnes per annum. Mr. Shrinivas V Dempo is the chairman of the company. GCL is a part of Dempo Group which has an established presence in construction, publishing, ship building, travel and trade, etc.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of the Goa Carbon Limited (GCL) to arrive at the rating.

Key Rating Drivers

Strengths

Established track record of operations with experienced management

GCL has an established track record of operations of over five decades supported by an experienced management team. The company is a part of Dempo group of companies, promoted by Mr. Shrinivas Dempo, who has an extensive experience of over three decades in the industry. The company is into the manufacturing of CPC which is majorly used by aluminium smelters for making anodes. The company deals with reputed aluminium players in the country like Hindalco Industries, Vedanta, Bharat Aluminium, Kirloskar Ferrous, etc. On the other side the

company procures its raw material i.e Raw Petroleum Coke (RPC) majorly from foreign countries such as UAE, Oman, Kuwait, etc. Further, in FY25 the company has launched high performance carbon raiser products under its brand name 'gcarb+' for various customers operating in foundries, sponge iron plants, glass manufacturing units, steel plants and in other related applications.

Acuite believes that the established position in the industry and extensive experience of the management will help the company to maintain a stable business profile in the CPC segment.

Healthy capital structure

While the networth of the company declined due to operational losses, it stood healthy at Rs 217.61 crore as on March 31, 2025 (Rs. 247.55 crore as on March 31, 2024). Moreover, the gearing improved to 1.29 times as on March 31, 2025 as against 1.35 times as on March 31, 2024 due to reduced utilisation of working capital limits.

Acuite believes that while the operating performance in FY25 has affected the financial risk profile of the company to some extent, however, it is expected to remain comfortable over the medium term supported by recovery in the cashflows.

Weaknesses

Significant decline in operating performance

The company experienced a notable reduction in operating income in FY25 which reduced to Rs. 508.47 crore as compared to Rs. 1,057.31 crore FY24. This decline is primarily due to a decrease in both sales volume and realizations, adversely affected by downtrend in CPC and RPC prices in international markets during CY24. Furthermore, the company's EBITDA margins decreased to (3.70) percent in FY25, down from 12.23 percent in FY24, on conversion of relatively high cost RPC inventory into CPC leading to an increase in the raw material cost.

Moreover, with the increasing demand in China leading to rise in the realisation prices and consequent diversion of smelters to domestic CPC manufactures owing to increasing international prices, the revenue and margins of the company are expected to improve in FY26, shall be a key rating sensitivity.

Intensive working capital operations

The working capital operations of the company remained intensive marked by gross current asset (GCA) days of 321 days in FY25 as against 143 days in FY24. The GCA days comprise of high inventory and moderate debtors' levels. The inventory days increased to 163 days in FY25 as against 86 days in FY24 pertaining to purchase of fresh RPC material by the company towards the year end. The debtor days also increased and stood at 48 days in FY25 as against 21 days in FY24. However, the creditors days stood at 15 days in FY25 as against 7 days in FY24.

Profitability susceptible to price volatility and cyclicity of the industry

CPC is produced from "green" petroleum coke, which is a byproduct of oil refining and is extensively used to make anodes for the aluminium, steel and titanium smelting industry. The company's performance remains vulnerable to cyclicity in the aluminium and steel sector as demand for the same depends on the performance of the end user segments such as electronics, aviation, real estate etc. Further, the RPC and CPC prices are predominantly influenced by China market and other global factors. Additionally, the company operates in a highly restricted environment wherein import of pet coke by CPC manufacturers as well as smelters are based on the specific quota decided by Directorate General of Foreign Trade (DGFT). Thus, the operating performance of the company is exposed to fluctuations in the prices of raw materials, realization from finished goods and allocation of quota by DGFT.

Rating Sensitivities

- Continued decline in volume or price realizations affecting the business risk profile
- Inadequate cashflow generation impacting the financial risk profile
- Inefficient management of working capital operations.

Liquidity Position

Adequate

The company maintains adequate liquidity surplus which was utilised to repay the interest obligations on short term borrowings in FY25. The cash and cash equivalents stood at Rs. 107.41 crore as on March 31, 2025.

Outlook - Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	508.47	1057.31
PAT	Rs. Cr.	(22.03)	85.50
PAT Margin	(%)	(4.33)	8.09
Total Debt/Tangible Net Worth	Times	1.29	1.35
PBDIT/Interest	Times	(0.41)	5.96

FY25 numbers are based on abridged financials.

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
10 Feb 2025	Cash Credit	Long Term	5.00	ACUITE A- Stable (Downgraded from ACUITE A Stable)
	Cash Credit	Long Term	55.00	ACUITE A- Stable (Downgraded from ACUITE A Stable)
	Covid Emergency Line.	Long Term	5.00	ACUITE A- Stable (Downgraded from ACUITE A Stable)
	Proposed Long Term Bank Facility	Long Term	16.00	ACUITE A- Stable (Downgraded from ACUITE A Stable)
	Working Capital Term Loan	Long Term	4.00	ACUITE A- Stable (Downgraded from ACUITE A Stable)
	Letter of Credit	Short Term	185.00	ACUITE A2+ (Downgraded from ACUITE A1)
	Letter of Credit	Short Term	50.00	ACUITE A2+ (Downgraded from ACUITE A1)
	Letter of Credit	Short Term	55.00	ACUITE A2+ (Downgraded from ACUITE A1)
	Letter of Credit	Short Term	5.00	ACUITE A2+ (Downgraded from ACUITE A1)
	Letter of Credit	Short Term	45.00	ACUITE A2+ (Downgraded from ACUITE A1)
19 Nov 2024	Working Capital Term Loan	Long Term	4.00	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	55.00	ACUITE A Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	5.00	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE A Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	16.00	ACUITE A Stable (Reaffirmed)
	Letter of Credit	Short Term	50.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	55.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	5.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	45.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	185.00	ACUITE A1 (Reaffirmed)
05 Nov 2024	Cash Credit	Long Term	5.00	ACUITE A Stable (Assigned)
	Cash Credit	Long Term	55.00	ACUITE A Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	16.00	ACUITE A Stable (Assigned)
	Covid Emergency Line.	Long Term	5.00	ACUITE A Stable (Assigned)
	Working Capital Term Loan	Long Term	4.00	ACUITE A Stable (Assigned)
	Letter of Credit	Short Term	50.00	ACUITE A1 (Assigned)
	Letter of Credit	Short Term	55.00	ACUITE A1 (Assigned)
	Letter of Credit	Short Term	5.00	ACUITE A1 (Assigned)
	Letter of Credit	Short Term	45.00	ACUITE A1 (Assigned)

	Letter of Credit	Short Term	185.00	ACUITE A1 (Assigned)
20 Nov 2023	Letter of Credit	Short Term	204.00	ACUITE A2 (Reaffirmed & Withdrawn)
	Letter of Credit	Short Term	6.00	ACUITE A2 (Reaffirmed & Withdrawn)
	Working Capital Term Loan	Long Term	4.00	ACUITE BBB+ (Reaffirmed & Withdrawn)
	Working Capital Term Loan	Long Term	5.00	ACUITE BBB+ (Reaffirmed & Withdrawn)
	Cash Credit	Long Term	60.00	ACUITE BBB+ (Reaffirmed & Withdrawn)
	Proposed Short Term Bank Facility	Short Term	140.00	ACUITE Not Applicable (Withdrawn)
06 Mar 2023	Letter of Credit	Short Term	204.00	ACUITE A2 (Reaffirmed)
	Letter of Credit	Short Term	6.00	ACUITE A2 (Assigned)
	Proposed Short Term Bank Facility	Short Term	140.00	ACUITE A2 (Assigned)
	Working Capital Term Loan	Long Term	4.00	ACUITE BBB+ Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	5.00	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	60.00	ACUITE BBB+ Stable (Reaffirmed)
14 Apr 2022	Letter of Credit	Short Term	131.50	ACUITE A2 (Upgraded from ACUITE A3+)
	Bank Guarantee/Letter of Guarantee	Short Term	5.00	ACUITE A2 (Upgraded from ACUITE A3+)
	Proposed Short Term Bank Facility	Short Term	54.00	ACUITE A2 (Upgraded from ACUITE A3+)
	Cash Credit	Long Term	60.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB- Stable)
	Cash Credit	Long Term	13.50	ACUITE BBB+ Stable (Upgraded from ACUITE BBB- Stable)
	Working Capital Term Loan	Long Term	5.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB- Stable)
	Working Capital Term Loan	Long Term	4.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB- Stable)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Indusind Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	55.00	Simple	ACUITE A- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	30 Nov 2026	5.00	Simple	ACUITE A- Stable Reaffirmed
Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	185.00	Simple	ACUITE A2+ Reaffirmed
Canara Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE A2+ Reaffirmed
Indusind Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	55.00	Simple	ACUITE A2+ Reaffirmed
NKGSB Cooperative Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A2+ Reaffirmed
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	45.00	Simple	ACUITE A2+ Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	16.00	Simple	ACUITE A- Stable Reaffirmed
Bank of India	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Nov 2026	4.00	Simple	ACUITE A- Stable Reaffirmed

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About Acuité Ratings & Research

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