

Press Release
GOA CARBON LIMITED
November 07, 2025
Rating Downgraded



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Total Withdrawn Quantum (Rs.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

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE BBB+**' (read as **ACUITE triple B plus**) from '**ACUITE A-**' (read as **ACUITE A minus**) and the short-term rating to '**ACUITE A2**' (read as **ACUITE A two**) from '**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 downgrade considers the continued decline in the operating profits of the company which increased to Rs. (17.69) crore in H1 FY26 as against Rs. (5.56) crore in H1 FY25. This decline is attributable to the reduction in calcined petroleum coke (CPC) realisations over the period as compared to the raw material – raw petroleum coke (RPC) prices. Moreover, the sales volume of the company has also moderated in Q2FY26 due to upgradation and maintenance shutdowns at all the locations for majority of the quarter. However, the rating continues to derive strength from its established track record and the extensive experience of the management. The rating also takes into account the moderate financial risk profile of the company marked by moderate net-worth and gearing. These strengths are however offset by the moderate working capital operations consisting majorly of inventory. Further, 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). The rating also factors in the customer concentration risk as ~80 percent of the revenue is marked from just three customers.

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

Acuité 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 and 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. RPC majorly from foreign countries such as UAE, Oman, Kuwait, etc. Further, the company has also 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.

Moderate capital structure

While the net worth of the company declined due to operational losses, it stood moderate at Rs.188.14 crore as on September 30, 2025 (Rs 217.61 crore as on March 31, 2025). However, the gearing increased to 2.08 times (Net-debt/Equity -1.23) as on September 30, 2025 as against 1.29 times (Net-debt/Equity - 0.88 times) as on March 31, 2025 due to increase in the short term working capital borrowings for the company.

Acuite believes that while the operating performance in the current year has affected the financial risk profile of the company to higher extent, however, it is expected to remain at similar level over the medium term.

Weaknesses

Significant decline in operating performance

While the company marked improvement in the operating income in H1 FY26 which increased to Rs. 301.60 crore as compared to Rs.246.51 crore in H1 FY25, the operating profits declined significantly to Rs. (17.69) crore in H1 FY26 as against Rs. (5.56) crore in H1 FY25. This decline is mainly attributed to falling CPC realisations and the conversion of RPC inventory into CPC, which has resulted in elevated raw material costs. Further, the volumes in Q2FY26 were also affected due to upgradation and maintenance shutdown at all three plants for majority period of the quarter. Furthermore, the rise in the CPC import quota combined with volatile international prices is prompting end users to source directly from global markets, thereby impacting the company's sales volume.

Going forward, any further decline in operating performance due to reduction in realisations shall remain 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 307 days in FY25 as against 117 days in FY24. The GCA days comprise of high inventory and moderate debtors' levels. The inventory days increased to 164 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
- Any improvement in the 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. As on September 30, 2025, the company has only short-term borrowings in the form of cash credit and buyer's credit. The cash and cash equivalents stood at Rs. 159.49 crore as on September 30, 2025, and the current ratio of the company stood healthy at 1.47 times as on March 31, 2025. The average bank limit utilisation for last 9 months ended September 2025 stood moderate at 86.10 percent on closing basis.

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

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

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
16 May 2025	Working Capital Term Loan	Long Term	4.00	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	55.00	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE A- Stable (Reaffirmed)
	Covid Emergency Line.	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	185.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	50.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	55.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	5.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	45.00	ACUITE A2+ (Reaffirmed)
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	Cash Credit	Long Term	5.00	ACUITE A Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	5.00	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	55.00	ACUITE A Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	4.00	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)
		Short		

	Letter of Credit	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)
	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+)

14 Apr 2022	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 LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB+ Stable Downgraded (from ACUITE A-)
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 BBB+ Stable Downgraded (from ACUITE A-)
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 BBB+ Stable Downgraded (from ACUITE A-)
BANK OF INDIA (BOI)	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	185.00	Simple	ACUITE A2 Downgraded (from ACUITE A2+)
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 Downgraded (from ACUITE A2+)
INDUSIND BANK LIMITED	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	55.00	Simple	ACUITE A2 Downgraded (from ACUITE A2+)
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 Downgraded (from ACUITE A2+)
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 Downgraded (from ACUITE A2+)
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 BBB+ Stable Downgraded (from ACUITE A-)
BANK OF INDIA (BOI)	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Nov 2026	4.00	Simple	ACUITE BBB+ Stable Downgraded (from ACUITE A-)

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Parth Patel Senior Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.