



Press Release
TECH AIC DRI PELLETS PRIVATE LIMITED
January 02, 2026
Rating Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	280.00	ACUITE BBB Stable Upgraded	-
Bank Loan Ratings	46.00	-	ACUITE A3+ Upgraded
Total Outstanding Quantum (Rs. Cr)	326.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded its long-term rating to '**ACUITE BBB**' (read as **ACUITE Triple B**) from '**ACUITE BBB-**' (read as **ACUITE Triple B minus**) on the Rs. 280.00 crore bank facilities and short-term rating to '**ACUITE A3+**' (read as **ACUITE A three plus**) from '**ACUITE A3**' (read as **ACUITE A three**) on the Rs. 46.00 crore bank facilities of Tech AIC Dri Pellets Private Limited. The outlook is '**Stable**'.

Rationale for Upgrade:

The rating upgrade reflects the commencement of commercial operations in May, 2025 with fully operational plant, which is expected to drive revenue visibility and improve cash flow generation. Further, the company registered revenue of Rs. 572.52 Cr. during the 8M of FY2026. The company's financial risk profile remains moderate, supported by a moderate capital structure. The rating is further supported by experienced management and extensive experience of the promoters in the industry over more than 2 decades and promoter's flexibility to bring in funds into the company and the strong support of AIC group. However, the rating remains constrained by its cyclical nature of the steel industry and the susceptibility of profitability to volatility in raw material prices.

About the Company

Kolkata – Based, Tech AIC Dri Pellets Private Limited (TADPPL) was incorporated in 2020. The company has set up a manufacturing plant of iron ore pellet with an installed capacity of 1000000 MT per annum. The directors of the company are Mr. Dinesh Adukia, Mr. Vivek Adukia, Mr. Gyan Adukia and Mr. Dipankar Dutta.

About the Group

AIC Iron Industries Private Limited (AIPL) was incorporated in December 2003. In February 2008, the company was taken over by Adukia group of West Bengal. The company is presently engaged in manufacturing sponge iron, billets, TMT steel and silico manganese ,MS Strips/pipes, grey and ductile iron castings.

Unsupported Rating

ACUITE BB+/ Stable

Analytical Approach

Acuité has taken a standalone view of the business and financial risk profile of Tech Aic Dri Pellets Private Limited (TADPPL) to arrive at the rating. While arriving at the rating of TADPPL,

Acuité has taken into account a strong level of support from the AIC Group, as it has a controlling stake in TADPPL, corporate guarantee provided for the bank facilities of TADPPL and strong operational linkages.

Key Rating Drivers

Strengths

Long operational track record of AIC Group and experienced management

The promoters of the AIC group, the Adukia family of West Bengal, have more than two decades of experience in the iron and steel industry. The extensive experience of the promoters has helped them understand market dynamics and establish strong relationships with their customers and suppliers. The overall affairs of the AIC group are being managed by Mr. Dinesh Adukia and his brothers. The promoters are resourceful and have also supported the group companies by infusing unsecured loans as and when required to support the business operations. Acuité believes that the long track record of operations will benefit the company going forward, resulting in steady growth in the scale of operations.

Commencement of operations and improved utilization of production capacity

The company commenced commercial operations in May 2025. During FY2026 (the current year), the plant is expected to be fully operational. In the H1FY2026, the plant has already achieved a capacity utilization of 80.2 percent in the Iron Ore Pellets segment. The operating income of the company stood at Rs.51.62 Cr. in FY2025. Further, the Tech AIC registered revenue of Rs. 572.52 Cr. during the 8M of FY2026. Comment on profitability. Acuité believes going forward, the company's scale is expected to improve on account of the commencement of operations and stabilization of capacities.

Moderate financial risk profile metrics

The company's financial risk profile remained moderate, marked by a moderate capital structure, gearing and below average debt protection metrics. The net worth of the company stood at Rs.117.15 Cr. and Rs.82.64 Cr. as on March 31, 2025, and 2024 respectively. The net worth improved and stood positive on account of quasi equity of Rs. 101.00 Cr. (USL has been considered as quasi equity). Gearing (debt-to-equity ratio) of the company stood at 3.28 times as on March 31, 2025, against 1.89 times as on March 31, 2024. The deterioration in gearing is on account of high debt levels. Debt protection metrics – Interest coverage ratio (ICR) and debt service coverage ratio (DSCR) stood low at 0.92 times and 0.74 times as on March 31, 2025, respectively. TOL/TNW (Total outside liabilities/Total net worth) stood at 3.41 times and 2.00 times as on March 31, 2025, and 2024 respectively. The debt to EBITDA of the company stood at 20.96 times as on March 31, 2025, as against (1521.05) times as on March 31, 2024. Acuité believes the company's financial risk profile would improve, though expected to remain moderate in the medium term on the back of stabilization of capacities leading to generation of steady net cash accruals.

Weaknesses

Working capital intensive operations

Company's operations are intensive in terms of working capital marked by Gross Current Asset (GCA) days of 1337 days in FY2025. The high GCA days on account of initial stage of operations. In the current year, with the plant being fully operational, the Gross Current Asset (GCA) days are expected to remain in the range of 180–190 days for FY2026. Furthermore, the average utilization of fund-based bank limits over the last 12 months ended November 2025 stood at approximately 94 percent. Acuité believes that the working capital intensity is likely to improve, supported by the full commencement of operations and stabilization of business risk profile.

Susceptibility of profitability to volatility in raw material prices in an intensely competitive and cyclical steel industry

The group faces strong competitive forces from both organized and unorganized participants, compounded by the cyclicity inherent in the steel industry. Moreover, the government's emphasis on steel-intensive sectors like railways and infrastructure increases vulnerability; any prolonged drop in demand would negatively affect steel group's

performance. Furthermore, the fluctuation in prices of raw materials and goods is considerably unstable. While any major fluctuation in prices can be passed on to the customers with a lag, the company would remain exposed to volatility in raw material prices in case of weak demand.

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the "CE" suffix)

Acuite takes into consideration the benefit derived by AIC group as it has a controlling stake in TADPPL, corporate guarantee provided by holding company for the bank facilities of TADPPL.

Stress Case Scenario

While the rating has been derived on the standalone credit risk profile and cash flows of the company, Acuite believes given the controlling stake in TADPPL by AIC group ; in case of any stress case scenario, the required support would come from the AIC group.

Rating Sensitivities

- Sustainability in revenue growth and profitability margins
- Elongation of working capital cycle
- Any deterioration of its financial risk profile owing to higher-than expected debt funded capex

Liquidity Position: Adequate

During FY2025, the company generated insufficient cash accruals against its debt repayment obligation. The company generated cash accruals of Rs.1.03 Cr. in FY2025, while its maturing debt obligations were Rs. 8.47 Cr. during the same period. However, the repayments were supported by AIC group, the holding company, which infused funds to bridge the gap and meet the shortfall in debt obligations. Going forward the company is expected to generate adequate net cash accruals of Rs. 43-51 Cr. in FY 2025-26 against Rs.23.21-31.23 Cr. debt obligations. The current ratio stood at 1.22 times as on March 31, 2025. Further, the average bank utilization limit for the fund-based limits stood at 94 percent, for the last twelve months ending in November 2025. The company maintains unencumbered cash and bank balances of Rs.8.45 Cr. as on March 31, 2025. Given the support by the holding company AIC group and commencement oof operations in current year FY2026, the liquidity position of the company is expected to be adequate and likely to improve over the medium term.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	51.62	0.03
PAT	Rs. Cr.	(28.99)	4.21
PAT Margin	(%)	(56.17)	13709.27
Total Debt/Tangible Net Worth	Times	3.28	1.89
PBDIT/Interest	Times	0.92	(0.51)

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>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité 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
04 Oct 2024	Letter of Credit	Short Term	25.00	ACUITE A3 (Assigned)
	Bank Guarantee (BLR)	Short Term	20.00	ACUITE A3 (Assigned)
	Forward Contracts	Short Term	1.00	ACUITE A3 (Assigned)
	Term Loan	Long Term	50.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	60.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	45.00	ACUITE BBB- Stable (Assigned)
	Working Capital Demand Loan (WC DL)	Long Term	125.00	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Canara Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A3+ Upgraded (from ACUITE A3)
Canara Bank	Not avl. / Not appl.	Forward Contracts	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE A3+ Upgraded (from ACUITE A3)
Canara Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A3+ Upgraded (from ACUITE A3)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	22.97	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
AXIS BANK LIMITED	Not avl. / Not appl.	Term Loan	09 Dec 2022	Not avl. / Not appl.	31 Mar 2031	43.28	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
INDUSIND BANK LIMITED	Not avl. / Not appl.	Term Loan	09 Feb 2023	Not avl. / Not appl.	31 Mar 2031	51.93	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Bajaj Finance Ltd.	Not avl. / Not appl.	Term Loan	23 Nov 2022	Not avl. / Not appl.	31 Mar 2031	36.82	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Canara Bank	Not avl. / Not appl.	Working Capital Demand Loan (WC DL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	125.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr no.	Company name
1	Tech AIC Dri Pellets Private Limited
2	AIC Iron Industries Private Limited

Contacts

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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.

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