

July 08, 2026

## Core Carbons Private Limited: Ratings downgraded to [ICRA]BBB+(Stable)/[ICRA]A2 and assigned to enhanced limit

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term fund based facilities – Cash credit	40.00	-	-
Long term/Short term - Interchangeable	(40.00)	-	-
Short Term – Non Fund Based - Forward contract limit/Forward Cover	-	7.00	[ICRA]A2; downgraded from [ICRA]A1; assigned to enhanced limits
Long-term - Fund-based facilities – Export Packing Credit	-	80.00	[ICRA]BBB+(Stable); downgraded from [ICRA]A-(Stable); assigned to enhanced limits
Long-term - Interchangeable – Cash credit (sublimit)	-	(1.00)	[ICRA]BBB+(Stable); downgraded from [ICRA]A-(Stable); assigned to enhanced limits
<b>Total</b>	<b>40.00</b>	<b>87.00</b>	

\*Instrument details are provided in Annexure II

### Rationale

The ratings action factors in the sharp decline in Core Carbons Private Limited's (CCPL) operating margins in FY2026, with the ~82% increase in raw material costs (key raw material - coconut shell-based charcoal) YoY leading to operating losses. The pressure on profitability continues in YTD FY2027 and the margins remain susceptible to fluctuation in key raw material.

The ratings continues to factor in the company's low debt levels and an adequate liquidity position. The gearing was 0.1x as on March 31, 2026, and the company had free cash and bank balances of Rs. 80.9 crore as on March 31, 2026, with an average utilisation of 39% of sanctioned working capital limits in FY2026. The ratings also consider the long track record of the promoters in activated carbon manufacturing and the favourable demand prospects for coconut shell-based activated carbon in the global markets on account of a growing population and the acute need for superior waste disposal management. CCPL is one of the early entrants in India in manufacturing activated carbon and is one of the largest players with an operational installed capacity of ~30,816 MTPA.

The ratings also constrained by high customer concentration risk and the intense competition in the export market from other tropical countries and large international players in the organised segment. The regulatory risks inherent in manufacturing activated carbon remain a rating concern.

The Stable outlook reflects ICRA's expectation that the company will continue to benefit from the extensive experience of the promoters in the activated carbon business and the favourable demand prospects for coconut shell-based activated carbon.

### Key rating drivers and their description

#### Credit strengths

**Favourable demand prospects for coconut shell-based activated carbon** – Activated carbon is widely used in the purification industry, namely the water, air and gas purification industries, and for gold extraction purposes. Regulations related to water and air pollution across the world have a major role to play in influencing the demand for activated carbon. A growing

population and the acute need for superior waste disposal management will generate demand for activated carbon in hazardous waste incineration and clinical waste incineration applications. Further, the demand for coconut shell-based activated carbon will be on the rise in the long term as manufacturing coal-based activated carbon has a detrimental effect on the environment.

**Experience of promoters in activated carbon industry for more than two decades** – CCPL, incorporated in 1998, is one of the early entrants in India in manufacturing activated carbon and is one of the largest players with an installed operational capacity of ~30,816 MTPA as on date. The company had incurred significant capex in FY2023 to enhance the capacity to 30,816 MTPA from 25,776 MTPA. The promoters have more than two decades of experience in activated carbon manufacturing.

**Comfortable capital structure** – The company's capital structure is robust, with gearing at 0.1 times and TOL/TNW of 0.2 times as on March 31, 2026. The company does not have any long-term debt, and as on March 31, 2026, it had working capital borrowings of Rs. 29.9 crore. The company had free cash and bank balances of Rs. 80.9 crore as on March 31, 2026 and working capital utilisation was at ~39% on an average in FY2026, with utilisation only post August 2025.

### Credit challenges

**Cyclical nature of business; margins exposed to volatility in raw material prices** – The supply of coconut shell-based charcoal is cyclical as the yield of coconut depends on the monsoons. Any scarcity in coconut shell supply will directly impact the production and the margins will be affected by an increase in charcoal prices. The supply of coconut shell generally lags by a year of producing the coconuts as coconut shells come last in the line of coconut use. There was excess supply of coconut shells in FY2024 due to a better monsoon, which brought down the prices of coconut shell and reduced charcoal prices during the fiscal. However, the company reported OPBDITA losses of Rs.3.6 crore in FY2026 on account of higher raw material prices due to insects and diseases affecting the crop, which was not passed on fully to the end clientele as the end product pricing depends on the global market.

**High customer concentration risk** - CCPL has increased its customer portfolio over the years and at present caters to clients across the globe. It has a well-diversified geographic portfolio, which includes the US, Germany, Africa, Sri Lanka, China, Switzerland, Belgium and Korea. However, the top five customers accounted for 48-54% of the total sales in FY2024-FY2026, resulting in high customer concentration risk.

**Intense competition in export market; exposure to regulatory risks** – Tropical countries such as the Philippines, Indonesia, Malaysia, Sri Lanka and India are the primary producers of coconut shell-based charcoal due to the abundance of the primary raw material. Numerous players from these countries give tough competition to the company, limiting its pricing flexibility. Further, the primary raw material, coconut shell-based charcoal, is conventionally obtained by burning coconut shells in large pits. As the burning of shells results in environmental pollution, there is a regulatory risk of possible restriction on its manufacturing using conventional methods.

### Liquidity position: Adequate

The liquidity position of the company is adequate, supported by a cash balance of Rs. 80.9 crore as on March 31, 2026. CCPL does not have any debt repayment obligations and any major capex plans in FY2027 and FY2028. It also has a comfortable buffer in fund-based working capital limits with average utilization of 39% in FY2026. The company uses its funds from the current account as and when needed to meet its working capital requirement. The company covers 50-60% of the EEFC account through forward contracts.

### Rating sensitivities

**Positive factors** – CCPL's ratings can be upgraded if the company shows a sustained improvement in profitability while maintaining healthy scale and liquidity position.

**Negative factors** – Pressure on CCPL’s ratings could arise if there is inability to improve profitability weakening the debt coverage indicators. Any major capex/investment that weakens CCPL’s liquidity position will also trigger a downgrade.

## Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology Chemicals</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

## About the company

Core Carbons Private Limited, incorporated in 1998, manufactures coconut shell-based activated carbon that finds application mainly in water and air purification and gold extraction. CCPL has an operational installed capacity to manufacture 30,816 MT of activated carbon a year from its manufacturing plant in Coimbatore, Tamil Nadu. The company had incurred significant capex in FY2023 to enhance the capacity to 30,816 MTPA from 25,776 MTPA. CCPL mainly caters to the export market and its primary export destinations are European Union countries, the US and Japan. Further, the carbon dust produced while manufacturing activated carbon is sold in the domestic market to agarbathi manufacturers and other food processing industries.

## Key financial indicators

CCPL	FY2025	FY2026 (Prov)*
Operating income	318.5	489.2
PAT	33.8	2.8
OPBDIT/OI	13.4%	-0.7%
PAT/OI	10.6%	0.6%
Total outside liabilities/Tangible net worth (times)	0.1	0.2
Total debt/OPBDIT (times)	0.2	-8.3
Interest coverage (times)	43.7	-2.2

Source: Company, ICRA Research; All ratios as per ICRA’s calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; \* Provisional Numbers

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

### Rating history for past three years

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	July 08, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund-based-Cash credit	Long Term	-	--	Nov 21, 2025	[ICRA]A-(Stable)	Dec 06, 2024	[ICRA]A-(Stable)	Sep 15, 2023	[ICRA]A-(Stable)
Interchangeable limits-Cash credit	Long Term	1.00	[ICRA]BBB+(Stable)	-	-	-	-	-	-
Fund-based-Export packing credit	Long Term	80.00	[ICRA]BBB+(Stable)	-	-	-	-	-	-
Interchangeable limits-Others	Long Tem/Short Term	-	-	Nov 21, 2025	[ICRA]A-(Stable)/[ICRA]A1	Dec 06, 2024	[ICRA]A-(Stable)/[ICRA]A1	Sep 15, 2023	[ICRA]A-(Stable)/[ICRA]A1
Non Fund Based - Forward contract limit/Forward Cover	Short Term	7.00	[ICRA]A2	-	-	-	-	-	-

### Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments that fall under the regulatory purview of various Financial Sector Regulators (FSR) are as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(\*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA that fall under the regulatory purview of various Financial Sector Regulators (FSR) are as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund based facilities – Export Packing Credit	Simple
Long term – Interchangeable – Cash Credit (sublimit)	Simple
Short Term – Non Fund Based - Forward contract limit/Forward Cover	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

## Annexure II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Packing Credit	NA	NA	NA	80.00	[ICRA]BBB+(Stable)
NA	Interchangeable limits	NA	NA	NA	(1.00)	[ICRA]BBB+(Stable)
NA	Forward Contract/Forward Cover	NA	NA	NA	7.00	[ICRA]A2

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure III: List of entities considered for consolidated analysis - Not applicable**

## ANALYST CONTACTS

**Girishkumar Kashiram Kadam**  
+91-22-61143441  
[girishkumar@icraindia.com](mailto:girishkumar@icraindia.com)

**Prashant Vasisht**  
+91 124 4545322  
[Prashant.vasisht@icraindia.com](mailto:Prashant.vasisht@icraindia.com)

**Kushal Kumar B**  
+91 40 45474829  
[kushal.kumar@icraindia.com](mailto:kushal.kumar@icraindia.com)

**Arvind Srinivasan**  
+91 44 4596 4323  
[arvind.srinivasan@icraindia.com](mailto:arvind.srinivasan@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**  
+91 22 6114 3406  
[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**  
Tel: +91 124 4545 860  
[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)  
[info@icraindia.com](mailto:info@icraindia.com)

## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



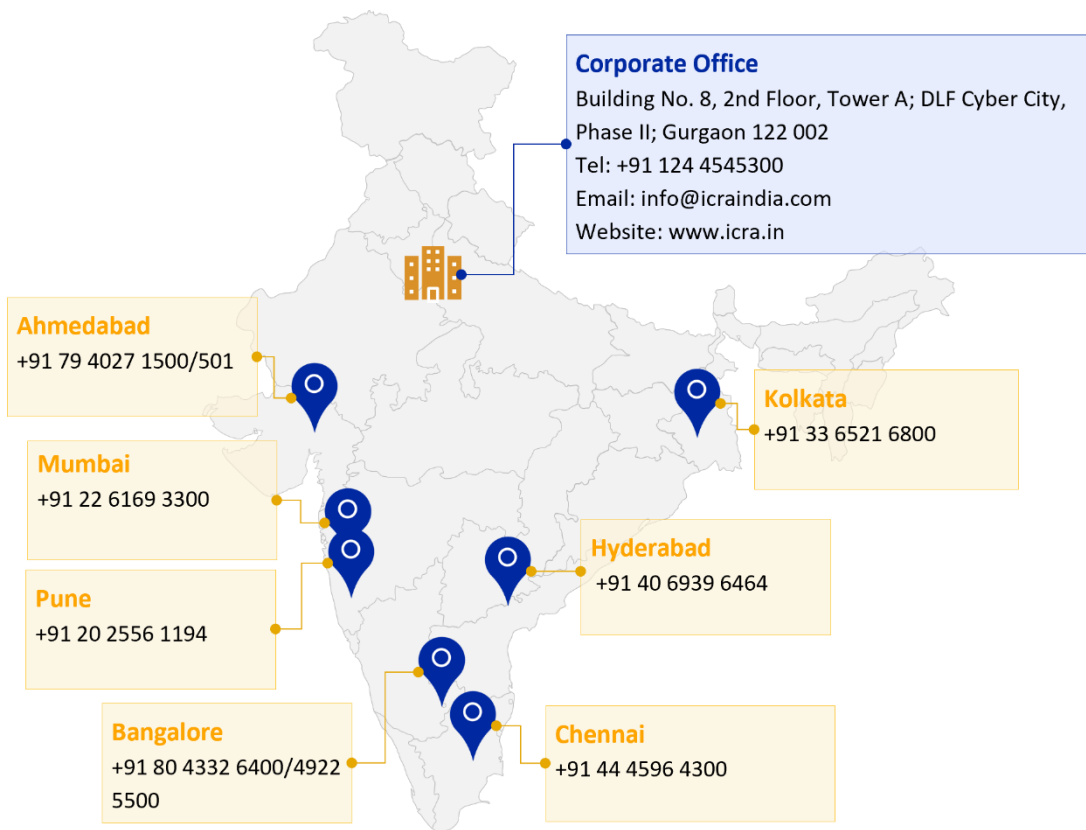
### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.