Orient Ceratech Limited

July 08, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	-	-	Reaffirmed at CARE BBB+; Stable and Withdrawn
Short-term bank facilities	-	-	Reaffirmed at CARE A2 and Withdrawn

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of financial sector regulators (FSRs), and the names of respective FSR has been disclosed under Annexure-7

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed and withdrawn the outstanding ratings of 'CARE BBB+; Stable / CARE A2' on bank facilities of Orient Ceratech Limited (OCL) with immediate effect. This action has been taken at the request of the company and based on the 'No Objection Certificate' received from the lender(s) that have extended the facilities rated by CareEdge Ratings, in accordance with CareEdge Ratings' withdrawal policy.

Ratings reaffirmation factors in company's healthy performance in FY26 as reflected in ~22% y-o-y revenue growth and sustenance of profit before interest, lease rentals, depreciation and taxation (PBILDT) margin above 10% translating into adequate accruals. Ratings remain supported by OCL's established operational track record and competitive position in the abrasives grain and refractory industry, its diversified product portfolio and an established customer base. Ratings also factor in OCL's adequate capital structure, with gearing of 0.13x as on March 31, 2026, and PBILDT interest coverage ratio of 8.40x in FY26. However, ratings remain constrained by the company's moderate scale of operations, high working capital intensity, vulnerability to raw material availability, past default history within the Ashapura Group, and exposure to cyclical end-user industries.

Analytical approach: Consolidated

While arriving at ratings, CareEdge Ratings has considered consolidated financial risk profile of OCL, and its subsidiaries, owing to the significant managerial, operational, and financial linkages between them, as detailed in Annexure-6.

Outlook: Stable

The Stable outlook reflects CareEdge Ratings' expectations that OCL will continue to maintain an adequate financial risk profile while benefitting from its established market position and relations with customers.

Detailed description of key rating drivers:

Key strengths

Diversified product portfolio and established customer base

The company has a diversified product portfolio of refractory raw materials and abrasives, including calcined products, alumina fused products, chamotte, proppant, and castable, among others. Its product mix is dominated by relatively high-margin proppant and castable accounting for 20-25% of revenue each, followed by calcined products, chamotte and alumina-fused products with 10-15% revenue contribution each. Over the years, the company's product mix varied depending on market conditions, which enables it to serve a large set of customers. OCL benefits from established relations with key customers in iron, steel, and oil and gas industries with a history of repeat orders from large customers, which provides some revenue visibility. Its customer base is fairly diversified with top 10 customers accounting for 35-45% revenue in the last three years.

Comfortable capital structure and adequate debt coverage indictors

Financial risk profile remains comfortable characterised by overall gearing and total outside liabilities to tangible net worth (TOL/TNW) at 0.13x and 0.35x, respectively, as on March 31, 2026 (PY: 0.27x and 0.44x, respectively) with an adequate net worth base of over ₹300 crore as on March 31, 2026 backed by sustained accruals. OCL's debt coverage indicators remained adequate with PBILDT interest coverage and total debt/PBILDT at 8.40x and 0.92x, respectively, in FY26 (PY: 4.26x and 2.19x, respectively).

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

Operational efficiency considering captive bauxite mines and power plants

Major raw materials used by OCL are raw bauxite and calcined alumina (for white-fused alumina), prices of which are subject to market dynamics. Manufacturing abrasive grains is a power-intensive activity. OCL owns captive mines of raw bauxite at Bhatia, Jamnagar, and Bhuj in Gujarat. The company also sources raw bauxite from its group entities and from open market based on cost efficiency parameters and depending on the availability and quality of plant grade raw bauxite. The company enjoys cost efficiency considering captive power plants and captive bauxite mines.

Experienced promoters and established track record of the company

OCL has an established track record in the abrasives industry of over four decades with operations across fused aluminium oxide grains (including calcined products, monolithic), proppant, and power generation. In July 2015, OCL's operations were acquired by Bombay Minerals Limited (BML, established in 1953), which is engaged in mining bauxite and manufacturing calcined bauxite. BML is a subsidiary of Ashapura Minechem Limited (AML), part of the Ashapura Group, which is engaged in mineral processing and exporting bauxite and bentonite. Thus, the company derives benefit from the long-standing promoter experience in the industry. OCL's day-to-day operations are managed by a team of qualified and experienced managers. Going forward, OCL is expected to benefit from experience of its promotors and managers.

Key weaknesses

Working capital intensive operations

The company's operations are working capital intensive due to the need to stock large quantities of raw materials and sizeable stores and spares inventory for plant maintenance. OCL's average working capital cycle improved at 144 days in FY26 compared to 184 days in FY25, primarily driven by improvement in inventory holding which decreased to 120 days in FY26 compared to 151 days in FY25. the operations remain working capital intensive. The company extends a credit period of ~90 days to its customers and receives a credit period of 50-60 days from its suppliers. High working capital intensity of operations translates to blockage of sizeable funds, impacting return metrics, pressurizing the company's liquidity profile.

Relatively moderate scale of operations and moderate return metrics

The company undertakes manufacturing calcined bauxite, fused aluminium oxide abrasive grains, refractory castables, monolithic, and proppant. Proppant, castables, calcined products, fused products, and chamotte are major contributors in the operating income and some part of income is derived from the monolithics and wind power division. Though OCL reported improved total operating income of ₹403 crore in FY26, scale of operations continues to be relatively moderate. OCL's return metrics remain constrained, despite some improvement in FY26, with return on capital employed and return on net worth at 9% and 7%, respectively, in FY26 (PY: 6% and 4%, respectively) indicating inefficient capital employment. CareEdge Ratings understands that a sizeable portion of fixed capital remains blocked in the captive thermal power plant and old manufacturing facility at Porbandar, which impact return ratios.

Weak credit profile of group entities

The company is owned by the Ashapura Group, whose entities have defaulted on debt repayment obligations in the past and continue to have a weak credit profile. As on March 31, 2026, BML and Ashapura International Limited (AIL) hold ~27% and ~5% shareholding, respectively, in Orient Cement Limited. BML continues to exhibit a weak financial risk profile, with total operating income of ₹72 crore and profit after taxation (PAT) margin of ~3.9% in FY24. CareEdge Ratings will continue to monitor substantial financial support extended by OCL to its group entities and significant increase in dividend payouts.

Cyclical nature of end-user industries

Abrasives grains division manufactures calcined bauxite and fused aluminium oxide abrasive grains. These products are used in manufacturing refractories, grinding wheels, and coated abrasives. Refractory monolithic division manufactures refractory castable and monolithic. These products have nature of capital goods and major customers for these products are companies in steel and cement sectors. Proppant caters to demand from oil and gas industry. Thus, demand for OCL's products is closely linked to demand emanating from industries, such as steel, cement, and abrasives (which depend on industrial growth in the economy). Demand of steel and cement is driven by government spending on infrastructure development, growth in real estate sector and demand from other steel-consuming sectors, such as automobiles, and consumer durables, among others. Steel and cement industry is sensitive to shifting business cycles including changes in general economy and seasonal changes in demand and supply conditions in market thus exposing OCL's performance to economic cycles

Liquidity: Adequate

OCL's liquidity is adequate marked by comfortable expected gross cash accruals (GCA) of ₹25-35 crore per annum in the next 2-3 years against scheduled debt repayments of ₹3-6 crore per annum and maintenance capex requirements of ₹3-5 crore per annum. Average utilisation of fund-based limits for nine months ending December 2025 was 23% of sanctioned limits, providing liquidity buffer. With a gearing of 0.13x as on March 31, 2026, OCL has sufficient gearing headroom, to raise additional debt. OCL's current ratio stood at 3.05x and quick ratio at 1.47x as on March 31, 2026.

Assumptions/Covenants: Not applicable

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

Applicable criteria

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios - Non Financial sector
Short Term Instruments
Withdrawal Policy

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Diversified	Diversified	Diversified	Diversified

Incorporated in 1971, OCL (erstwhile Orient Abrasives Limited) was acquired by the Ashapura Group of Companies in 2015 and is among India's largest producers of ceramic proppants, castables, and refractory raw materials including chamotte and fused alumina products. It operates in two segments, fused aluminium oxide grains (including calcined products, monolithic) and power generation. It was initially setup in a technical collaboration with Karborundum, Bentueky, Czechoslovakia by the Rajgarhia Group of industries. It offers a wide range of refractory and monolithic products for the iron and steel industry. It is headquartered in Mumbai with manufacturing facilities in Porbandar and Bhuj, Gujarat. The company is listed on the NSE and BSE.

Brief Financials (₹ crore) – Consolidated	FY25 (A)	FY26 (A)
Total Operating Income	329.65	403.6
PBILDT*	34.34	42.84
Profit After Tax (PAT)	9.93	21.86
Overall Gearing (x)	0.27	0.13
Interest Coverage (x)	4.26	8.40

A: Audited; 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-Working Capital Limits	-	-	-	-	0.00	Withdrawn
Non-fund-based-Short Term	-	-	-	-	0.00	Withdrawn
Term Loan-Long Term	-	-	-	Jan-2029	0.00	Withdrawn

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 2026-2027	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
1	Non-fund-based-Short Term	ST	-	-	1)CARE A2 (08- July-26)	1)CARE A2 (11-Mar-26) 2)CARE A2 (01-Oct-25)	1)CARE A2+ (09-Oct-24)	1)CARE A2+ (18-Sep-23)
2	Fund-based - LT-Working Capital Limits	LT	-	-	1)CARE BBB+; Stable (08- July-26)	1)CARE BBB+; Stable (11-Mar-26) 2)CARE BBB+; Stable (01-Oct-25)	1)CARE A-; Negative (09-Oct-24)	1)CARE A-; Negative / CARE A2+ (18-Sep-23)
3	Term Loan-Long Term	LT	-	-	1)CARE BBB+; Stable (08- July-26)	1)CARE BBB+; Stable (11-Mar-26) 2)CARE BBB+; Stable (01-Oct-25)	1)CARE A-; Negative (09-Oct-24)	-

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-Working Capital Limits	Simple
2	Non-fund-based-Short Term	Simple
3	Term Loan-Long Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Orient Advanced Materials Private Limited (OAMPL)	Full	Wholly Owned Subsidiaries
2	Orient Advanced Material FZE- UAE (OAM-FZE)	Full	Wholly Owned Subsidiaries

Annexure -7: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (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 Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA

[2] SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
24.	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.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the rating notes subsequent to issuance(s), CARE Ratings Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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.

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About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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