



# THE INDIA CEMENTS LIMITED

Corporate Office : Coromandel Towers, 93, Santhome High Road, Karpagam Avenue,  
R.A. Puram, Chennai - 600 028. Phone : 044-2852 1526, 2857 2100  
Fax : 044-2851 7198, Grams : 'INDCEMENT'  
CIN : L26942TN1946PLC000931

SH/SE/

14.02.2024

BSE Limited  
Corporate Relationship Dept.  
First Floor, New Trading Ring  
Rotunda Building  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
**MUMBAI 400 001.**

National Stock Exchange of India Ltd  
Exchange Plaza, 5<sup>th</sup> Floor  
Plot No.C/1, G Block  
Bandra-Kurla Complex  
Bandra (E)  
**MUMBAI 400 051.**

**Scrip Code: 530005**

**Scrip Code: INDIACEM**

Dear Sirs,


**Sub.: CREDIT RATING for Bank Facilities - Disclosure under Regulation 30  
of SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015**

This is to inform you that CARE Ratings Limited (CARE), vide its letter dated 13.02.2024, revised the ratings assigned to our bank facilities as under. A copy of the said letter received from CARE along with the relevant extract of rationale is enclosed.

Facilities	Rating	Rating Action
Long-term Bank Facilities	CARE BB+; Negative (Double B Plus; Outlook: Negative)	Revised from CARE BBB-; Negative (Triple B Minus; Outlook: Negative)
Short-term Bank Facilities	CARE A4+ (A Four Plus)	Revised from CARE A3 (A Three)

Thanking you,

Yours faithfully,  
for THE INDIA CEMENTS LIMITED

  
COMPANY SECRETARY

Encl.: As above



No. CARE/NRO/RL/2023-24/3030

**Shri Mr. Chakrapani**  
**Senior Vice President**  
**The India Cements Limited**  
Coromondal towers, 93, santhome high road  
Karpagam avenue, R.A Puram  
Chennai  
Tamil Nadu 600028



February 13, 2024

Confidential

Dear Sir,

Credit rating for bank facilities

Please refer to our rating letter no. CARE/NRo/RL/2023-24/2966 dated February 07, 2024, rating rationale and your representation letter/email dated February 08, 2024 on the above subject.

2. Our Rating Committee has carefully reconsidered the representation made by you regarding the revision in rating assigned to the above mentioned bank facilities. It has, however, not been found possible to upgrade the rating for the facilities and the rating stands at '**CARE BB+**; **Negative** for long-term facilities and '**CARE A4+** for short-term facilities. In this connection, we assure you that the facts mentioned in your letter under reference were considered while deciding the rating. |

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,  
Yours faithfully,

**Bhawna Rustagi**  
Assistant Director  
[bhawna.rustagi@careedge.in](mailto:bhawna.rustagi@careedge.in)

**Ravleen Sethi**  
Associate Director  
[ravleen.sethi@careedge.in](mailto:ravleen.sethi@careedge.in)

CARE Ratings Limited

Corporate Office :4th Floor, Godrej Coliseum,  
Somaiya Hospital Road, Off Eastern Express  
Highway, Sion (E), Mumbai - 400 022  
Phone: +91-22-6754 3456 • [www.careedge.in](http://www.careedge.in)

CIN-L67190MH1993PLC071691



Relevant extract from CARE Edge Press Release:

Press Release



The India Cements Limited

February 13, 2024

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	2,788.00	CARE BB+; Negative	Revised from CARE BBB-; Negative
Short Term Bank Facilities	893.00	CARE A4+	Revised from CARE A3

Details of instruments/facilities in Annexure-1.

**Rationale and key rating drivers**

The revision in the ratings assigned to the bank facilities of The India Cements Limited (ICL) is on account of continued weak operational performance and subdued cash accruals of the company in 9MFY24 (refers to the period April 01 to December 31). The subdued operating performance of ICL stems from the significantly higher power and fuel requirement compared to the industry average and also continued loss in market share in the southern region over the years. ICL's capital structure also remains leveraged and the repayment of debt in the light of subdued operational cash flows from business, has largely been done from recoupment of loans and advances from certain group companies and stretching of creditors. Further as CARE Ratings envisaged lower accruals in the near to medium term, the debt repayments remain largely dependent on the successful divestment from the non-core asset and realization of loans advanced to the group companies and related parties which will be a key monitorable. While the company has identified measures to improve the operational efficiency, the expected measures shall be fully implemented only over near to medium term going forward and is also contingent upon availability of funds so as to be able to implement them and derive the said benefits.

During 9MFY24, the company has been able to garner approx. ₹446 crore from its group companies and related parties towards the loans advanced by it in addition to realization of non-core assets, which were largely utilized to meet the debt repayments and payment to creditors. Further, the management proposes to take up incremental debt of Rs. 750 crores in the company out of which Rs. 250 will be towards working capital while remaining Rs. 500 crores will be towards efficiency and improvement capex which may further weaken the already leveraged capital structure. The ratings also take note of the search operations conducted by Enforcement Directorate (ED) at the premises of group entity 'India Cements Capital Limited' and any negative outcome of the same which may adversely impact financial risk profile of ICL shall remain imperative from credit perspective and will be closely monitored by CARE Ratings.

Despite the steps undertaken by the company, CARE Ratings Limited (CARE Ratings) believes that owing to the weak operating performance of the company, the net debt to EBITDA will remain stretched and over 6x in FY24 and FY25 unless management resorts to deleveraging by equity infusion or significant sale proceeds from non-core assets as guided earlier. The ratings continue to remain constrained on account of the susceptibility of the revenues and profitability to the demand-supply dynamics of the cement market, relatively high operating cost as compared to the other industry players, exposure to group entities, cyclical nature of the cement industry and inability of the company to increase its market share in the southern market. The ratings, however, derive strength from ICL's long standing position in the southern markets along with the financial flexibility of the promoter, integrated nature of operations with presence of captive power plants.