

Andhra Cements Limited

March 16, 2023

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	910.79	CARE D; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	28.00	CARE D; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. has been seeking information from Andhra Cements Limited (ACL) to monitor the ratings vide email communications/letters dated January 27, 2023, February 07, 2023, and February 20, 2023, among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on ACL's bank facilities will now be denoted as CARE D; ISSUER NOT COOPERATING*. Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.

The ratings of Andhra Cements Limited continues to take into account the delays in debt servicing obligation.

Detailed description of the key rating drivers

At the time of last rating on December 31, 2022, the following was the rating weakness.

Key Rating Weakness

Delay in Debt servicing obligation: The liquidity position of the company continues to remain weak on account of weak operational and financial performance leading to delay in debt servicing.

Liquidity: Poor

The liquidity of the company is poor, leading to delays in debt servicing.

Analytical approach: Standalone

Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Cement](#)

[Manufacturing Companies](#)

About the company and industry

Industry Classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Commodities	Construction Materials	Cement & Cement Products	Cement & Cement Products

Andhra Cements Limited (ACL) has cement manufacturing facilities at Dachehalli, Guntur District (Durga Cement Works) with a split grinding unit at Visakhapatnam, Andhra Pradesh (Visakha Cement Works). Jaypee Group, through Jaypee Development Corporation Ltd (JDCL, a wholly owned subsidiary of Jaypee Infra Ventures) acquired controlling stake in ACL in February 2012

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

from its earlier promoters, Duncan Goenka Group. ACL, under its erstwhile management, began a process of expanding its cement capacity from 1.42 mtpa (DCW – 0.8 mtpa and VCW – 0.62 mtpa) to 3.0 mtpa in July 2007 but it witnessed significant cost and time over runs. The Jaypee group, post-acquisition of the company, has undertaken renovation and augmentation of the existing capacity of 1.42 mtpa to 2.61 mtpa, which was commissioned on December 01, 2014. The company has also set up a captive power plant with 30 MW capacities, which was commissioned in FY16.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	9M FY23 (UA)
Total operating income	0.10	0.00	0.00
PBILDT	-28.98	-23.41	-12.47
PAT	-205.04	-236.30	-172.39
Overall gearing (times)	-1.41	-1.06	NA
Interest coverage (times)	-0.22	-0.15	NA

A: Audited, UA: Unaudited, NA: Not Available; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of the various 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 along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	45.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	March 2032	865.79	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	28.00	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for the 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 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	865.79	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (31-Dec-21)	1)CARE D (09-Feb-21)	1)CARE D (09-Mar-20) 2)CARE D (05-Apr-19)

2	Fund-based - LT-Cash Credit	LT	45.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (31-Dec- 21)	1)CARE D (09-Feb- 21)	1)CARE D (09-Mar- 20) 2)CARE D (05-Apr- 19)
3	Non-fund-based - ST-BG/LC	ST	28.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (31-Dec- 21)	1)CARE D (09-Feb- 21)	1)CARE D (09-Mar- 20) 2)CARE D (05-Apr- 19)

*Issuer did not cooperate; based on best available information.

*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

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About us:

Established in 1993, CARE 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 RBI. With an equitable position in the Indian capital market, CARE 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, CARE 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. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

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