

## Credit Update – Anjani Portland Cement Limited

August 23, 2023

### Update

CARE Ratings Limited (CARE Ratings) have taken cognizance of the approval by the board of Anjani Portland Cement Limited (APCL) of the proposal for Amalgamation of its Subsidiary Company i.e. Bhavya Cements Private Limited with the Company and their respective shareholders and creditors in the interest of the Company and its stakeholders. CARE Ratings is given to understand that the scheme and details of the amalgamation are currently being worked on by the company.

As of date, there is no impact on the credit profile of the company and the existing ratings of the company has been arrived at considering the consolidated financials of the company. However, CARE Ratings, would be continuously monitoring the developments in the said event along with the other factors driving the credit assessment of the company's rated facilities and instruments.

CARE Ratings continues to rate the company's bank facilities at "CARE A+; Stable/CARE A1+". The rating assessment takes into cognizance the experience of the promoter in the cement industry, synergies of operation between APCL and the parent company, Chettinad Cement Corporation Private Limited (CCCPL, rated 'CARE AA+; Stable/ CARE A1+'), integrated nature of operations with presence of captive power plant and limestone mines and comfortable financial risk profile. The ratings also factor in the expected benefits to be derived by APCL from acquisition of BCPL and it being part of the Chettinad group. The ratings are, however, constrained by relatively moderate size of the company, regional concentration risk with majority of sales coming from Andhra Pradesh and Telangana markets, exposure to volatility in the input costs, especially coal and its presence in a competitive and cyclical cement industry.

Please refer to the following link for the previous detailed rationale that captures key rating drivers and rating sensitivities of following companies.

Sr. No.	Entity Name	Link to press release
1.	Anjani Portland Cement Limited	<a href="#">Click here</a>

### Contact us

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#### Disclaimer:

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