

Anjani Portland Cement Limited

January 07, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	30.00	CARE A+; Stable	Reaffirmed
Short-term bank facilities	15.00 (Enhanced from 10.00)	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed ratings to the bank loan facilities of Anjani Portland Cement Limited (APCL). Ratings continue to factor in strong parentage of Chettinad Cement Corporation Private Limited (CCCPL, rated 'CARE AA+; Stable/CARE A1+') with track record of funding support from CCCPL. APCL has integrated cement units with significant captive limestone reserves and partial captive power sources and hence is strategically important for CCCPL. Ratings take comfort from APCL's limited external debt and continuous parent funding as and when needed. These strengths are partially tempered by its weakened operating efficiencies resulting in weakened debt coverage metrics. The company's operating margins are vulnerable to demand-supply dynamics of cement and volatility in input prices. The company operates at a relatively modest scale of operations with geographically concentrated revenues in southern Indian cement market, which is characterised with overcapacity.

CareEdge Ratings also takes a note that APCL has diluted 48% of its stake in Bhavya Cement Private Limited (BCPL) to CCCPL for a consideration of ₹254 crore, primarily to settle part of inter-corporate deposits extended by CCCPL to APCL. This stake represents 48% of BCPL's total paid-up equity share capital, while APCL will retain 51.09%, ensuring BCPL continues as its subsidiary.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Enhancement in APCL's total capacity without significantly impacting its capital structure.
- Improvement in the credit profile of the parent, CCCPL.

Negative factors

- Change in stance of funding support by the parent.
- Significant external debt-funded capital expenditure programme, which has an impact credit profile.
- Deterioration in the credit profile of the parent, CCCPL.

Analytical approach: Consolidated

For analysing APCL, consolidated financials have been considered due to the presence of common management, operational and financial linkages with the subsidiaries. Consolidated entities are mentioned in Annexure-6. CareEdge Ratings has also factored in the linkages with the parent entity, CCCPL (rated 'CARE AA+; Stable/CARE A1+').

Outlook: Stable

The 'stable' outlook reflects CareEdge Ratings' belief that APCL will derive benefit from the financial flexibility of its strong parent while improving its business profile over the medium term.

Detailed description of key rating drivers:

Key strengths

Strong parentage and strong track record of funding support by its Parent

APCL is a part of the Chennai-based Chettinad group, which was formed in 1935. CCCPL (rated 'CARE AA+; Stable/ CARE A1+'), which is the holding company of APCL, is the flagship company of the Chettinad group. CCCPL owns and operates seven cement manufacturing plants (including two split grinding unit) with an aggregate installed cement production (clinker backed) capacity of 19.75 MTPA (PY: 17.50 MTPA) on standalone basis, while 22.35 MTPA (PY: 20.10 MTPA) on a consolidated basis which, includes two integrated cement units in its subsidiaries as on September 30, 2025. In the past, APCL has received support from CCCPL in the form of inter corporate deposits (ICD). In H1FY22 (refers to April 01 to September 30), APCL had received funds from CCCPL in the form of ICDs of ₹460 crore (carrying rate of interest of 7%) to fund BCPL's acquisition. Additional funding support was also witnessed to APCL and BCPL (APCL's subsidiary). APCL has outstanding ICDs from CCCPL of ₹422.45 crore as on September 30,

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

2025, at consolidated level. However, this is expected to be reduced by ~₹170-180 crore as APCL is diluting its 48% stake out of 99.09% stake in BCPL to CCCPL to set off against the inter-corporate deposits. Hence, there is demonstrated track record by the ultimate parent to support its subsidiary. CCCPL has cash and cash equivalents of ₹901 crore as on March 31, 2025.

Integrated operations with presence of captive power plants and limestone mines

APCL sources limestone from its three captive mines within 2-8 km radius from the cement plant. Similarly, its subsidiary, BCPL sources limestone from its two captive mines, adjacent to the plant and within short radial distance. Such backward integration with limestone reserves ensures uninterrupted supply of quality limestone and is expected to provide operational efficiency. Its captive 16-MW thermal power plant helps meet most of APCL's integrated cement plant requirements, while the subsidiary's major portion of power requirements are met from electricity grid. However, BCPL's sole Waste Heat Recovery System (WHRS) of 4-MW capacity (before modification capacity was 7.2 MW), which was under modification, got commissioned in November 2024. This is expected to provide around one-third of the company's power requirements going forward.

Limited external debt

Though the company may seem to have leveraged capital structure, majority debt is from the parent company to fund BCPL's acquisition in the past. Of the total debt (including security deposits from dealers) of ₹495 crore as on March 31, 2025, ICDs from the parent company is ₹422.45 crore. The tangible net worth as on March 31, 2025, was ₹96.29 crore but this was after adjustment of net goodwill of ₹239 crore. The goodwill was generated after BCPL's acquisition which was funded largely through ICDs from the ultimate parent company, CCCPL.

Key weaknesses

Weakened operating margins due to vulnerability to demand-supply dynamics and volatility in input prices

The company's operating profitability margin weakened significantly in FY25 to -4.56% from 4.62% in FY24 mainly considering reduced volume and realisation considering weak demand and intensified competitive pressures in the Southern market, driven by the entry and expansion of large industry players in the region. Accordingly, profit before interest, lease rentals, depreciation and tax (PBILDT) per tonne reduced to ₹168 per tonne in FY25 against ₹186 per tonne in FY24.

However, in H1FY26, although the volume sales of the APCL remain muted, the company was able to improve its realisation by ₹260 per tonne to ₹3,939 per tonne. Accordingly, PBILDT per tonne of the company improved to ₹391 in H1FY26. Thus, the company is expected to achieve operating profitability in FY26 overall considering higher realisations which is expected to be further supported by additional cost savings from commissioning of four-MW WHRS in its subsidiary in November 2024. As the cost competitiveness increases, the company is expected to push more volumes which is evident from H1FY26 onwards.

Relatively modest size of operations and geographically concentrated revenue profile

With operational capacity of 2.6 MTPA (APCL – 1.2 MTPA and BCPL – 1.4 MTPA) of cement capacity, the company operates at a modest scale relatively. Since, the company and its subsidiary have manufacturing facilities in Telangana and Andhra Pradesh, significant portion of its revenue is generated from those regions. In FY23, the company, witnessed dip in cement plus clinker volume sales from 1.86 million tonnes (MT) in FY22 to 1.51 MT in FY23. This improved marginally to 1.55 MT in FY24. Volumes continued to be under pressure in FY25 and in H1FY26 as the company sold 1.17 MT in FY25 and 0.64 MT in H1FY26. Assembly and parliament elections, slowdown in construction activities in Andhra Pradesh, extended and at times severe rainfall, and festivities among others are among the key reasons hampering demand in its key area of operations. Going forward in FY26, the company is expected to benefit from lower base and hence observe high growth rates considering normalised construction activity in its area of operations and lower cost of production allowing wider market radius covered from its plants.

Weak debt coverage metrics

Due to significant moderation in profitability and increased debt, the interest coverage and net debt to PBILDT has been significantly weakened in FY23 and the trend continued in FY24 and FY25. ICDs are also of interest-bearing nature. Improvement is expected from FY26 onwards. However, comfort can be derived from the fact that majority debt is from the parent entity CCCPL. CareEdge Ratings notes that APCL is selling 48% of BCPL to settle part of CCCPL's inter-corporate deposits. Thus, post this transaction, debt of APCL is expected to reduce substantially which will lead to improvement in the leverage and debt coverage indicators of the company.

Presence in southern Indian cement market which is characterised with overcapacity

The southern Indian cement market is characterised by overcapacity considering significant limestone reserves and installed cement capacities in southern India against demand. The company has presence in southern India leading to moderately low capacity utilisation and limited bargaining power with the customers.

Liquidity: Adequate

APCL is a subsidiary of CCCPL. APCL's liquidity is adequate as it draws comfort from CCCPL's liquidity profile, which is strong. APCL is currently not having term loan from external lenders. Though the company has been incurring cash losses since FY23, it is expected the company may turnaround its operations backed by lower costs and higher sales realisation which the company demonstrated in H1FY26 leading to cash profits over the medium term. APCL's working capital limits were highly utilised at 88% in 12 months through September 2025 and its subsidiary's working capital limits were fully utilised in the same period. However, the company's liquidity is supported by significant cash buffer in its parent company, CCCPL, and has received financial support as and when required from its parent.

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Factoring Linkages Parent Sub JV Group](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

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About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Construction materials	Cement and cement products	Cement and cement products

APCL is a part of the Chettinad group and a subsidiary of CCCPL, the group's flagship company. APCL has an integrated cement unit in Suryapet, Telangana, at standalone level with installed capacity of 1.2 MTPA, while its wholly owned subsidiary, BCPL, has an integrated cement unit in Tangeda, Andhra Pradesh, with installed capacity of 1.4 MTPA as on September 30, 2025.

Brief Financials (₹ crore) - Consolidated	FY24 (A)	FY25 (A)	H1FY26 (UA)
Total operating income	623.90	430.03	252.08
PBILDT*	29.48	-19.62	22.35
Profit after tax (PAT)	-38.66	-81.22	-8.33
Overall gearing (x)	-25.81	-5.09	NA
Interest coverage (x)	0.92	-0.59	1.32

A: Audited UA: Unaudited; 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-Cash Credit		-	-	-	30.00	CARE A+; Stable
Non-fund-based - ST-BG/LC		-	-	-	15.00	CARE A1+

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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Non-fund-based - ST-BG/LC	ST	15.00	CARE A1+	-	1)CARE A1+ (09-Jan-25)	1)CARE A1+ (08-Jan-24)	1)CARE A1+ (06-Jan-23)
2	Fund-based - LT-Cash Credit	LT	30.00	CARE A+; Stable	-	1)CARE A+; Stable (09-Jan-25)	1)CARE A+; Stable (08-Jan-24)	1)CARE A+; Stable (06-Jan-23)

LT: Long term; ST: 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-Cash Credit	Simple
2	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender detailsTo 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	Bhavya Cement Private Limited	Full	Subsidiary

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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