

Andhra Cements Limited (Revised)

December 31, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	910.79	CARE D (Single D)	Reaffirmed
Short Term Bank Facilities	28.00	CARE D (Single D)	Reaffirmed
Total Bank Facilities	938.79 (Rs. Nine Hundred Thirty-Eight Crore and Seventy-Nine Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale and Key Rating Drivers

The rating assigned to the bank facilities of Andhra Cements Ltd continues to factor in delays in debt servicing by the company.

Key rating sensitivities

Positive: Factors that could lead to positive rating action/upgrade

- Timely track record of debt servicing by the company for continuous 3 months
- Sustainable improvement in the operations of the company

Detailed description of the key rating drivers

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 on default recognition](#)

[Financial Ratios – Non-financial Sector](#)

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

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Manufacturing Companies](#)

[Policy On Curing Period](#)

[Cement](#)

About the Company

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 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 (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	30-09-2021 (UA)
Total operating income	143.59	1.55	0.28
PBILDT	-7.06	-27.54	-13.88
PAT	-168.32	-205.04	-57.61
Overall gearing (times)	-1.99	-1.41	NA
Interest coverage (times)	-0.06	-0.21	NA

A: Audited, UA: Unaudited

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

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

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

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of Instruments / Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	-	865.79	CARE D
Fund-based - LT-Cash Credit		-	-	-	45.00	CARE D
Non-fund-based - ST-BG/LC		-	-	-	28.00	CARE D

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	LT	865.79	CARE D	-	CARE D (09-Feb-21)	1)CARE D (09-Mar-20) 2)CARE D (05-Apr-19)	CARE D (06-Apr-18)
2	Fund-based - LT-Cash Credit	LT	45.00	CARE D	-	CARE D (09-Feb-21)	1)CARE D (09-Mar-20) 2)CARE D (05-Apr-19)	CARE D (06-Apr-18)
3	Non-fund-based - ST-BG/LC	ST	28.00	CARE D	-	CARE D (09-Feb-21)	1)CARE D (09-Mar-20) 2)CARE D (05-Apr-19)	CARE D (06-Apr-18)

* Long Term / Short Term

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

Annexure 4: Complexity level of various instruments rated for this company

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

Annexure 5: Bank Lender Details for this Company

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

Note on complexity levels of the rated instrument: 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

Media Contact

Name: Mradul Mishra
Contact no.: +91-22-6754 3573
Email ID: mradul.mishra@careedge.in

Analyst Contact

Name: S. Raja Raman
Contact no.: +91-9884896274
Email ID: Raja.Raman@careedge.in

Relationship Contact

Name: Swati Agrawal
Contact no.: +91-11-4533 3200
Email ID: swati.agrawal@careedge.in

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