

The India Cements Limited

March 31, 2020

Ratings

Facilities	Amount (Rs. crore)	Rating1	Rating Action
Proposed commercial paper issue	-	-	Withdrawn

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has withdrawn the rating assigned to the proposed Commercial Paper (CP) issue of The India Cements Ltd with immediate effect. The above action has been taken at the request of the company, as the company has not issued the proposed Commercial Paper and there is no amount outstanding under the said issue as on date.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company

ICL is the one of the largest producers of cement in South India and is one of the largest cement manufacturers in the country with a total installed cement manufacturing capacity of 15.55 mtpa as on March 31, 2019. ICL was established in 1946 by Mr Sankaralinga Iyer and Mr T S Narayanswami and is today headed by Mr N.Srinivasan, Vice Chairman and Managing Director. Including production facilities of TCL, ICL owns and operates ten cement manufacturing units (including two split grinding units) in the states of Telangana, Andhra Pradesh (AP), Tamil Nadu (TN), Maharashtra (MH) and Rajasthan. The company primarily manufactures two standard types of cement: Ordinary Portland Cement (OPC) and Portland Pozzolana Cement (PPC), the mix being 35:65.

Brief Financials (Rs. crore)	FY18(A)	FY19(A)
Total operating income	5,184	5,637
PBILDT	711	651
PAT	101	69
Overall gearing (times)	0.66	0.71
Interest coverage (times)	2.09	2.01

A: Audited

Analytical approach:

Standalone

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company

ICL is the one of the largest producers of cement in South India and is one of the largest cement manufacturers in the country with a total installed cement manufacturing capacity of 15.55 mtpa as on March 31, 2019. ICL was established in 1946 by Mr Sankaralinga Iyer and Mr T S Narayanswami and is today headed by Mr N.Srinivasan, Vice Chairman and Managing Director. Including production facilities of TCL, ICL owns and operates ten cement manufacturing units (including two split grinding units) in the states of Telangana, Andhra Pradesh (AP), Tamil Nadu (TN), Maharashtra (MH) and Rajasthan. The company primarily manufactures two standard types of cement: Ordinary Portland Cement (OPC) and Portland Pozzolana Cement (PPC), the mix being 35:65.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	5,184	5,637
PBILDT	711	651
PAT	101	69

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Overall gearing (times)	0.66	0.71
Interest coverage (times)	2.09	2.01

A: Audited

Status of non-cooperation with previous CRA:

Not Applicable

Any other information:

Not Applicable

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

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Commercial Paper	-	-	-	0.00	Withdrawn

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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1	Commercial Paper	ST	-	-	1)CARE A1 (05-Apr-19)	-	1)CARE A1 (15-Sep-17)	1)CARE A1 (17-Jan-17)

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact

Mradul Mishra
 Contact no. – +91-22-6837 4424
 Email ID – mradul.mishra@careratings.com

Analyst Contact

Group Head Name – Mr.Sudhakar P
 Group Head Contact no.- 044 – 2850 1000
 Group Head Email ID- p.sudhakar@careratings.com

Relationship Contact

Name: Mr.Pradeep Kumar V
 Contact no. : 044 – 2850 1000
 Email ID : pradeep.kumar@careatings.com

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**