July 04, 2024

UltraTech Nathdwara Cement Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term/Short-term – Fund-based – Working capital facilities (CC/WCDL)	25.00	25.00	[ICRA]AAA(Stable)/[ICRA]A1+; Withdrawn
Long-term/Short-term – Non-fund based – Working capital facilities (LC/BG)	125.00	125.00	[ICRA]AAA(Stable)/[ICRA]A1+; Withdrawn
Total	**150.00**	**150.00**	

**Instrument details are provided in Annexure I*

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of UltraTech Nathdwara Cement Limited (UNCL) based on the No Objection Certificate (NOC) received from the banker and post its amalgamation into UltraTech Cement Limited (UCL), in accordance with ICRA's withdrawal policy.

The key rating drivers and their description, liquidity position and rating sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: Click here

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy on withdrawal of Credit Ratings Rating Methodology–Cement
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings of UNCL, ICRA had earlier taken a consolidated rating view on UltraTech Nathdwara Cement Limited (UNCL) and its parent company, UltraTech Cement Limited (UCL), given the common management and significant operational and financial linkages between the entities. UNCL was a wholly-owned subsidiary of UCL and operated as its captive unit, with UCL being its sole customer. List of entities forming part of UCL's consolidated financials are enlisted in Annexure II.

About the company

The erstwhile Binani Cements Limited (BCL), a flagship subsidiary of the Braj Binani Group, was admitted under the Insolvency and Bankruptcy Code for the corporate resolution process by the National Company Law Tribunal in July 2017. It became UCL's wholly-owned subsidiary with effect from November 20, 2018 and was renamed as UltraTech Nathdwara Cement Limited with effect from December 13, 2018. With this acquisition, UCL added a total capacity of 8.6 MTPA (6.3 MTPA in Rajasthan, 0.3 MTPA in China and 2.0 MTPA in the UAE), 70 MW of thermal power plant capacity and access to BCL's limestone reserves (~450 MT). UNCL has been amalgamated into UCL, effective April 20, 2024, after receiving necessary regulatory approvals.

About the parent company - UCL

UCL, an Aditya Birla Group company, along with its subsidiaries, manufactures Ordinary Portland, Portland Pozzolana and white cement and ready-mix concrete. UCL is the largest cement manufacturer in India with an installed capacity of 146.2 million tonnes (including 5.4-MTPA capacity overseas). As of March 2024, UCL and its subsidiaries together have 24

integrated units, 31 grinding units, one white cement and three wall putty units, five jetties and eight bulk terminals across India and overseas. As on March 31, 2024, Grasim Industries Ltd ([ICRA]AAA(Stable)/[ICRA]A1+, the flagship company of the Aditya Birla Group), held a 57.3% equity stake in UCL.

Key financial indicators (audited)

UCL Consolidated	FY2023	FY2024
Operating income	63,240.0	70,908.1
PAT	5,069.4	6,982.0
OPBDIT/OI	16.8%	18.3%
PAT/OI	8.0%	9.8%
Total outside liabilities/Tangible net worth (times)	0.7	0.7
Total debt/OPBDIT (times)	1.0	0.9
Interest coverage (times)	12.9	13.4

Source: Company, ICRA Research; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current rating (FY2025)			Chronology of rating history for the past 3 years			
		Type	Amount rated (Rs. crore)	Date & rating in FY2025	Date & rating in FY2024		Date & rating in FY2023	Date & rating in FY2022
				Jul 04, 2024	Dec 11, 2023	Aug 16, 2023	July 15, 2022	May 28, 2021
1	**Term loans**	Long term	-	-	-	-	**[ICRA]AAA (Stable); withdrawn**	**[ICRA]AAA (Stable)**
2	**Fund-based – Working capital facilities**	Long term and short term	25.00	**[ICRA]AAA (Stable)/ [ICRA]A1+; withdrawn**	**[ICRA]AAA (Stable)/ [ICRA]A1+**	**[ICRA]AAA (Stable)/ [ICRA]A1+**	**[ICRA]AAA (Stable)/ [ICRA]A1+**	**[ICRA]AAA (Stable)/ [ICRA]A1+**
3	**Non-fund based – Working capital facilities**	Long term and short term	125.00	**[ICRA]AAA (Stable)/ [ICRA]A1+; withdrawn**	**[ICRA]AAA (Stable)/ [ICRA]A1+**	**[ICRA]AAA (Stable)/ [ICRA]A1+**	**[ICRA]AAA (Stable)/ [ICRA]A1+**	**[ICRA]AAA (Stable)/ [ICRA]A1+**
4	**Long-term/Short-term – Proposed working facilities**	Long term and short term	-	-	-	-	-	**[ICRA]AAA (Stable)/ [ICRA]A1+**

Complexity level of the rated instruments

Instrument	Complexity Indicator
Fund-based – Working capital facilities	Simple
Non-fund based – Working capital facilities	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or

complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click Here

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund-based – Working capital facilities	NA	NA	NA	25.00	[ICRA]AAA (Stable)/[ICRA]A1+; withdrawn
NA	Non-fund based – Working capital facilities	NA	NA	NA	125.00	[ICRA]AAA (Stable)/[ICRA]A1+; withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis:

Company Name	UCL Ownership	Consolidation Approach
UltraTech Nathdwara Cement Limited (UNCL) (formerly known as Binani Cement Limited)	100.00% (rated entity)	Full Consolidation
Harish Cement Limited	100%	Full Consolidation
Gotan Limestone Khanij Udyog Private Limited	100%	Full Consolidation
Bhagwati Limestone Company Private Limited	100%	Full Consolidation
Ultra Tech Cement Middle East Investment Limited (UCMIL)	100%	Full Consolidation
Star Cement Co. LLC, Dubai, UAE	100%	Full Consolidation
Star Cement Co. LLC, RAK, UAE	100%	Full Consolidation
Al Nakhla Crusher Co. LLC, Fujairah, UAE	100%	Full Consolidation
Arabian Cement industry LLC, Abhu Dhabi	100%	Full Consolidation
Ultra tech Cement Bahrain Co. WLL, Bahrain	100%	Full Consolidation
Star Super Cement indutries LLC, UAE	100%	Full Consolidation
BC Tradelink Limited, Tanzania	100%	Full Consolidation
Binani Cement (Tanzania) Limited	100%	Full Consolidation
Binani Cement (Uganda) Limited	100%	Full Consolidation
Duqm Cement Project International LLC, Oman	70%	Full Consolidation
Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C, U.A.E including Modern Block Factory Establshment and Ras Al Khaimah Lime Co. Noora LLC	30%	Equity method
Ultra Tech Cement Lanka (Private) Limited	80%	Full Consolidation
Swiss Merchandise Infrastructure Limited	100%	Full Consolidation
Merit Plaza Limited	100%	Full Consolidation
Bhumi Resources PTE LTD, Singapore	100%	Full Consolidation
PT Anggana Energy Resources, Indonesia	100%	Full Consolidation
Madanpur (North) Coal Company Private Limited (MCCPL)	11%	Equity method
Aditya Birla Renewables SPV I Limited	26%	Equity method
Aditya Birla Renewables Energy Limited	26%	Equity method
ABReL (Odisha) SPV Limited	26%	Equity method
ABReL (MP) Renewables Limited	26%	Equity method
ABReL Green Energy Limited	26%	Equity method
Bhaskarpura Coal Company Limited	47%	Equity method

Source: Annual report and quarterly results of UCL, ICRA research

Note: ICRA had earlier taken a consolidated view of the parent (UCL), its subsidiaries, joint venture and associates while assigning the ratings

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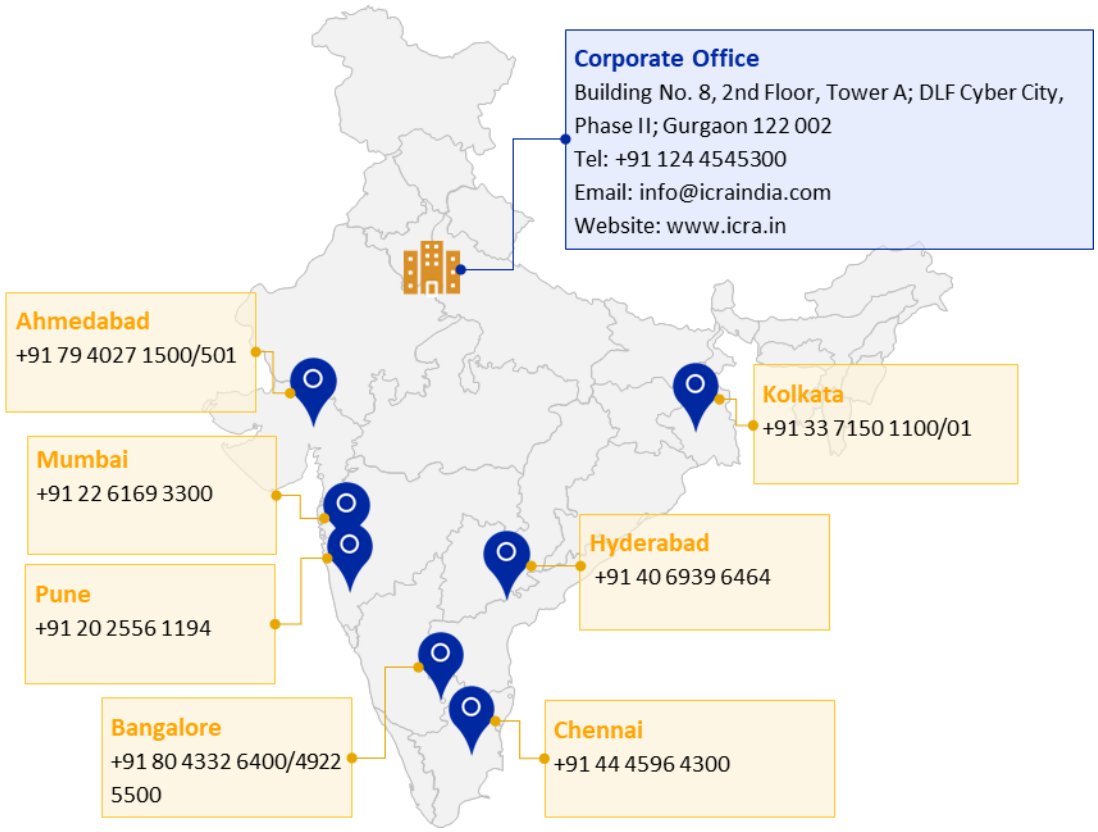
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