

March 26, 2025

Kesoram Industries Limited: Rating withdrawn

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term Fund-based-Term loans	1530.00	1530.00	[ICRA]BBB-; Rating Watch with Developing Implications; withdrawn
Fixed deposits	81.00	81.00	[ICRA]BBB-; Rating Watch with Developing Implications; withdrawn
Long-term Fund based/Non-fund based - Others	300.00	300.00	[ICRA]BBB-; Rating Watch with Developing Implications; withdrawn
Total	1911.00	1911.00	

*Instrument details are provided in Annexure I

Rationale

The rating assigned to the borrowing programme of Kesoram Industries Limited (KIL) has been withdrawn due to the transfer of the rated instruments to another entity, Ultratech Cement Limited (UCL), as confirmed by the company and in accordance with ICRA's withdrawal policy. As per the NCLT order dated 14th November 2024 and BSE disclosures by KIL and UCL dated 25th February 2025, all assets and liabilities relating to the demerged undertaking (cement business of KIL) stand transferred to and vested in UCL with effect from the appointed date of March 01, 2025.

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description, liquidity position and rating sensitivities have not been captured as the rated instruments are being withdrawn.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	The rating is based on the standalone financial statement of the issuer. This is considering that there are restrictive clauses for extending support to Group companies without the prior approval from the lenders. ICRA is given to understand that KIL would not extend any incremental support to its subsidiaries.

About the company

Kesoram Industries Limited (KIL) was set up in 1919 and is a part of the B.K. Birla Group of Companies, which is a well-diversified conglomerate, having interests in rayon, transparent paper and chemicals.

KIL had two integrated cement manufacturing plants, one at Sedam (Karnataka) with a clinker capacity of 5.1 MTPA and cement grinding capacity of 9.0 MTPA and the other one at Basantnagar (Telangana) with a clinker capacity of 1.2 MTPA and cement grinding capacity of 1.8 MTPA. As on date, the combined capacity of the clinker is 6.3 MTPA and that of cement stood at 10.8 MTPA. The cement business of KIL is transferred to UCL, effective March 01, 2025, after receiving necessary regulatory approvals.

Key financial indicators (audited)

	FY2023	FY2024
Operating income	3,535.7	3,743.1
PAT	-115.7	- 331.7
OPBDIT/OI	8.6%	10.1%
PAT/OI	-3.3%	-8.9%
Total outside liabilities/Tangible net worth (times)	3.4	8.3
Total debt/OPBDIT (times)	5.7	5.4
Interest coverage (times)	0.7	0.8

Source: Company, ICRA Research; All ratios as per ICRA's calculations

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2025)			Chronology of rating history for the past 3 years								
			FY2025			FY2024		FY2023		FY2022	
Instrument	Type	Amount rated (Rs. crore)	Mar 26, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loan	Long term	1530.00	[ICRA]BBB-Rating Watch with Developing Implications; withdrawn	Jun 14, 2024	[ICRA]BBB-Rating Watch with Developing Implications	-	-	-	-	-	-
Fixed deposits	Long term	81.00	[ICRA]BBB-Rating Watch with Developing Implications; withdrawn	Jun 14, 2024	[ICRA]BBB-Rating Watch with Developing Implications	Dec 11, 2023	[ICRA]BB+ Rating Watch with Developing Implications	Jun 20, 2022	[ICRA]BBB-(Stable)	-	-
				-	-	Mar 08, 2024	[ICRA]BBB-Rating Watch with Developing Implications	Nov 22, 2022	[ICRA]BBB-(Negative)	-	-
				-	-	Mar 15, 2024	[ICRA]BBB-Rating Watch with Developing Implications	Mar 03, 2023	[ICRA]BB+(Stable)	-	-
Fund-based/Non-fund based	Long term	300.00	[ICRA]BBB-Rating Watch with Developing Implications; withdrawn	Jun 14, 2024	[ICRA]BBB-Rating Watch with Developing Implications	Mar 15, 2024	[ICRA]BBB-Rating Watch with Developing Implications	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Fund-based -Term loans	Simple
Fixed deposits	Simple
Fund-based /Non-fund based -Others	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	Long-term-Fund-based - Term loans	FY2024	11.25%	FY2034	1530.00	[ICRA]BBB-; Rating Watch with Developing Implications; withdrawn
NA	Fixed deposits	NA	NA	NA	81.00	[ICRA]BBB-; Rating Watch with Developing Implications; withdrawn
NA	Fund-based /Non-fund based -Others	NA	NA	NA	300.00	[ICRA]BBB-; Rating Watch with Developing Implications; withdrawn

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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