

December 23, 2025

The Ramco Cements Limited: Ratings reaffirmed for existing facilities; rating assigned for Rs. 500.0-crore proposed NCDs

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Non-convertible debenture (NCD)	800.0	800.0	[ICRA]AA+ (Stable); reaffirmed
Non-convertible debenture	500.0	500.0	[ICRA]AA+ (Stable); reaffirmed
Proposed Non-convertible debenture	0.0	500.0	[ICRA]AA+ (Stable); assigned
Long-term – Fund-based – Term loan	3970.0	2902.0	[ICRA]AA+ (Stable); reaffirmed
Long-term – Fund-based – Unallocated limits	136.0	707.0	[ICRA]AA+ (Stable); reaffirmed
Long-term – Fund-based – Others	855.0	855.0	[ICRA]AA+ (Stable); reaffirmed
Short-term – Fund-based – Others	2615.0	3112.0	[ICRA]A1+; reaffirmed
Short-term – Non-fund based – Others	585.0	585.0	[ICRA]A1+; reaffirmed
Commercial paper (CP)	900.0	900.0	[ICRA]A1+; reaffirmed
Total	10361.0	10861.0	

*Instrument details are provided in Annexure I

Rationale

The rating action for The Ramco Cements Limited (TRCL) considers its strong business profile, backed by a healthy market share in South India, improvement in operational performance during H1 FY2026 which is expected to sustain in the near term. While the industry's operating margins came under pressure during FY2025 because of muted demand and consequent impact on realisation, the price hike taken by the company resulted in increase in cement realisations by 8% YoY during H1 FY2026, leading to higher profitability levels. As a result, the company's OPBIDTA/MT stood at Rs. 921/MT during H1 FY2026 (higher by 25% YoY) and is expected to be ~Rs. 900.0/MT in FY2026 and Rs. 900-950.0/MT during FY2027 (from Rs. 690/MT in FY2025). The operating income (OI) of the company is expected to improve by 9-11% during FY2026 and FY2027 each, (H1 FY2026 – Rs. 4,313.7 crore, 4% YoY growth), supported by demand from housing and infrastructure sectors and expected improvement in realisations.

The ratings also positively factor in the exceptional financial flexibility enjoyed by the company with a demonstrated track record of raising/refinancing debt at competitive terms. TRCL has sizeable repayment obligations in H2 FY2026 and FY2027, a portion of which is expected to be prepaid through expected monetisation of non-core assets (proceeds of Rs. 500-550 crore to be received in December 2025/January 2026) and part of the debt is expected to be refinanced through proposed NCDs. ICRA notes that TRCL has monetised around Rs. 501.0 crore of non-core assets (out of planned Rs. 1,000.0 crore) till September 2025. The ratings also factor in the company's strong operational efficiencies arising out of the integrated nature of the plants, access to captive limestone mines, waste heat recovery plant (WHRS), thermal capacity power plants and windmills leading to optimisation of freight and power costs.

The rating strengths are partially offset by the company's exposure to cyclical nature of the cement industry and susceptibility of operating profits to fluctuations in input prices. Further, TRCL has capex plans of Rs. 1,400-1,500.0 crore in H2 FY2026-FY2027, which are likely to be funded by a mix of debt and internal accruals. The capex is mainly attributable to expansion in Kurnool Line 2 plat and acquisition of land in Bommanahalli, Karnataka, which are likely to generate benefits over the long

term. While the Total Debt (TD)/OPBIDTA improved to 3.0 times as of September 2025 from 3.7 times in March 2025 driven by improvement in profitability levels, the same is still at elevated levels. The TD/OPBIDTA is projected to remain below 3.0 times in the medium term, driven by expected reduction in leverage through proceeds from divestments along with healthy profitability.

The ratings also consider the company's exposure to geographic concentration wherein its revenues remain skewed towards southern India accounting for 75% of its total revenues, exposing it to region-specific demand risks. Nevertheless, TRCL has been gradually expanding its presence in Orissa and West Bengal over the last few years by setting up grinding units closer to these markets along with planned entry into newer markets like Maharashtra over the medium term, which is expected to aid in diversification.

The Stable outlook on the [ICRA]AA+ rating reflects ICRA's opinion that TRCL's credit profile will be supported by its strong operational profile and the exceptional financial flexibility.

Key rating drivers and their description

Credit strengths

Strong operational efficiencies – The company has strong operational efficiencies arising out of the integrated nature of the plants, access to captive limestone mines, along with the split-grinding unit of 8.8 MTPA to optimise the freight costs. It has a captive thermal capacity of 193 MW and green power of 211 MW (includes windmill capacities of 166 MW and WHRS capacity of 45 MW) as on March 31, 2025. The company's share of utilisation of green power has been steadily increasing to 39% in H1 FY2026 from 22% in FY2023, which supports the profitability to an extent.

Favourable demand prospects; exceptional financial flexibility – The operating income of the company improved by 4% YoY to Rs. 4313.7 crore during H1 FY2026 and further, is expected to improve by 9-11% during FY2026 and FY2027 each (PY – Rs. 8,518.4 crore), supported by demand from housing and infrastructure sectors and expected improvement in realisations. While the sales volumes stood slightly lower by 3% YoY due to early monsoons, the cement realisations improved by 8% YoY during H1 FY2026 backed by price hike taken by the company, resulting in improved profitability levels. Thus, the company's OPBIDTA/MT stood at Rs. 921/MT during H1 FY2026 (higher by 25% YoY) and is expected to be ~Rs. 900.0/MT in FY2026 and Rs. 900-950.0/MT during FY2027 (from Rs. 690/MT in FY2025). The ratings take comfort from the exceptional financial flexibility enjoyed by the company with a demonstrated track record of raising/refinancing debt at competitive terms. TRCL has sizeable repayment obligations in H2 FY2026 and FY2027, a portion of which is expected to be prepaid through expected monetisation of non-core assets (proceeds of Rs. 500-550 crore to be received in December 2025/January 2026) and part of the debt is expected to be refinanced through proposed NCDs.

Strong market position in southern region – The Ramco brand is prominent in South India, along with other cement brands such as Ultratech, Dalmia, Chettinad and Coromandel. The company maintains a healthy market share in the southern region.

Credit challenges

Debt-funded capex expected to keep leverage at elevated levels – TRCL has capex plans of Rs. 1,400-1,500.0 crore in H2 FY2026-FY2027, which are likely to be funded by a mix of debt and internal accruals. The capex is mainly attributable to expansion in Kurnool Line 2 plant and acquisition of land in Bommanahalli, Karnataka, which are likely to generate benefits over the long term. While the TD/OPBIDTA improved to 3.0 times as of September 2025 from 3.7 times in FY2025 driven by improvement in profitability levels, the same is still at elevated levels. The TD/OPBIDTA is projected to remain below 3.0 times in the medium term, driven by expected reduction in leverage through proceeds from divestments along with healthy profitability level.

Geographical concentration in South India – The proportion of revenues remains skewed towards southern India accounting for 75% of its revenues, exposing it to region-specific demand risks. Nevertheless, TRCL has been gradually expanding its

presence in Orissa and West Bengal over the last few years by setting up grinding units closer to these markets along with planned entry into newer markets like Maharashtra over the medium term, is expected to aid in diversification.

Vulnerability of revenues to cyclicality in economy – TRCL remains exposed to demand and pricing dynamics in the cement industry, which are influenced by the cyclical economic trends and capacity addition by industry players. When the capacity addition exceeds the incremental demand, the prices and consequently, the profitability of the players are adversely affected. Moreover, TRCL’s operating profitability remains susceptible to fluctuations in input prices.

Environmental and social risks

Environmental considerations – As a cement producer, the fuel consumption of TRCL remains high, which results in greenhouse gas emissions and pollution. Hence, increasing regulatory requirements to reduce greenhouse gas emissions and stricter air pollution standards may lead to higher costs for cement producers. TRCL has taken several initiatives, such as increasing the usage of renewable energy and alternative raw materials at its clinker manufacturing units, which help in reducing the carbon footprint and save power costs.

Social considerations – The social risks associated with the company are primarily the health and safety of its employees involved in the mining of limestone and the production of clinker and cement.

Liquidity position: Adequate

TRCL’s liquidity position is adequate with positive retained cash flows over the last several years. The company’s unencumbered cash balance stood at Rs. 124.0 crore as of September 2025. Further, its average working capital utilisation as a percentage of drawing power was 69% for the 12 months that ended in October 2025. Given the increasing scale of operations and consequently higher working capital requirement, its ability to maintain liquidity cushion in working capital limits (with average utilisation below 75%) remains a monitorable. TRCL has sizeable repayment obligations of Rs. 400.0 – 450.0 crore in H2 FY2026 and Rs. 1,100.0 – 1,200.0 crore in FY2027, which can be serviced through its estimated cash flow from operations and funds from divestment of non-core assets. Additionally, the company has incurred a capex of ~Rs. 600.0 crore during H1 FY2026 and is expected to incur a capex of ~Rs. 550-600 crore in H2 FY2026 and Rs. 850-900.0 crore in FY2027, which will be funded by a mix of debt and internal accruals.

Rating sensitivities

Positive factors – ICRA may upgrade TRCL’s long-term rating if there is a significant increase in scale of operations and improvement in operating margins, resulting in an improvement in debt protection metrics and return indicators on a sustained basis.

Negative factors – Pressure on TRCL’s ratings could emerge if there is a sharp deterioration in earnings or significant rise in debt levels impacting its debt protection metrics on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Cement
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of TRCL.

About the company

The Ramco Cements Limited (TRCL) is a reputed cement manufacturer in India and markets its products under the Ramco brand. TRCL has an aggregate installed integrated cement capacity of 15.6 million tonnes per annum, across five facilities in Tamil Nadu and Andhra Pradesh. It has an additional grinding capacity of 8.8 million tonnes in South/East India as on March 31, 2025, and captive thermal and windmill capacities of 193 MW and 166 MW, respectively. The company has two modest-scale subsidiaries, Ramco Windfarms Limited (with a 40-MW windmill capacity) and Ramco Industrial and Technology Services Limited (which is into transport services, manpower services and IT). TRCL is one of the flagship companies of the larger Ramco Group founded in 1938 by the Late P.A.C. Ramasamy Raja. At present, the company is managed by his grandson, Mr. P.R. Venketrama Raja. The promoters own a 42.56% stake in the entity, of which, 22.05% of promoter's shares (9.38% of overall shareholding) has been pledged as on September 30, 2025.

The Ramco Group has interests in textiles, fibre cement sheets and information technology and is represented by key companies such as Ramco Industries Limited (rated [ICRA]AA- /Stable/[ICRA]A1+), Ramco Systems Limited (rated [ICRA]BBB+/Stable/[ICRA]A2) and Rajapalayam Mills Limited.

Key financial indicators (audited)

TRCL (consolidated)	FY2024	FY2025	H1FY2026*
Operating income	9,376.4	8,518.4	4,313.7
PAT	393.5	268.1	160.2
OPBDIT/OI	17.4%	14.8%	18.4%
PAT/OI	4.2%	3.1%	3.7%
Total outside liabilities/Tangible net worth (times)	1.3	1.2	1.2
Total debt/OPBDIT (times)	3.0	3.7	3.0
Interest coverage (times)	3.9	2.7	3.7

Source: Company, ICRA Research; * Provisional numbers; 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

Instrument	Current (FY2026)					Chronology of rating history for the past 3 years					
	FY2026					FY2025		FY2024		FY2023	
	Type	Amount rated (Rs. crore)	Dec 23, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Non-convertible debenture (NCD)	Long-Term	800.00	[ICRA]AA+ (Stable)	May 20, 2025	[ICRA]AA+ (Stable)	Dec 27, 2024	[ICRA]AA+ (Stable)	Dec 29, 2023	[ICRA]AA+ (Stable)	Mar 13, 2023	[ICRA]AA+ (Stable)
								Dec 08, 2023	[ICRA]AA+ (Stable)	Sep 30, 2022	[ICRA]AA+ (Stable)
								Jun 16, 2023	[ICRA]AA+ (Stable)	-	-
Non-convertible debenture (NCD)	Long-Term	-	-			Dec 27, 2024	[ICRA]AA+ (Stable); Withdrawn	Dec 29, 2023	[ICRA]AA+ (Stable)	Mar 13, 2023	[ICRA]AA+ (Stable)
								Dec 08, 2023	[ICRA]AA+ (Stable)	Sep 30, 2022	[ICRA]AA+ (Stable)
								Jun 16, 2023	[ICRA]AA+ (Stable)	-	-
Non-convertible debenture (NCD)	Long-Term	500.0	[ICRA]AA+ (Stable)	May 20, 2025	[ICRA]AA+ (Stable)	Dec 27, 2024	[ICRA]AA+ (Stable)	Dec 29, 2023	[ICRA]AA+ (Stable)	-	-
Non-convertible debenture (NCD)-Proposed	Long-Term	500.0	[ICRA]AA+ (Stable)	-	-	-	-	-	-	-	-
Term loan	Long-Term	2902.0	[ICRA]AA+ (Stable)	May 20, 2025	[ICRA]AA+ (Stable)	Dec 27, 2024	[ICRA]AA+ (Stable)	Dec 29, 2023	[ICRA]AA+ (Stable)	Mar 13, 2023	[ICRA]AA+ (Stable)
								Dec 08, 2023	[ICRA]AA+ (Stable)	Sep 30, 2022	[ICRA]AA+ (Stable)
								Jun 16, 2023	[ICRA]AA+ (Stable)	-	-
Unallocated limits	Long-Term	707.0	[ICRA]AA+ (Stable)	May 20, 2025	[ICRA]AA+ (Stable)	Dec 27, 2024	[ICRA]AA+ (Stable)	Dec 29, 2023	-	Mar 13, 2023	[ICRA]AA+ (Stable)
								Dec 08, 2023	-	Sep 30, 2022	[ICRA]AA+ (Stable)

Instrument	Current (FY2026)					Chronology of rating history for the past 3 years					
	FY2026					FY2025		FY2024		FY2023	
	Type	Amount rated (Rs. crore)	Dec 23, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
								Jun 16, 2023	[ICRA]AA+ (Stable)	-	-
Fund-based – Others	Long-Term	855.00	[ICRA]AA+ (Stable)	May 20, 2025	[ICRA]AA+ (Stable)	Dec 27, 2024	[ICRA]AA+ (Stable)	Dec 29, 2023	[ICRA]AA+ (Stable)	Mar 13, 2023	[ICRA]AA+ (Stable)
								Dec 08, 2023	[ICRA]AA+ (Stable)	Sep 30, 2022	[ICRA]AA+ (Stable)
								Jun 16, 2023	[ICRA]AA+ (Stable)	-	-
Fund-based – Others	Short-Term	3112.00	[ICRA]A1+	May 20, 2025	[ICRA]A1+	Dec 27, 2024	[ICRA]A1+	Dec 29, 2023	[ICRA]A1+	Mar 13, 2023	[ICRA]A1+
								Dec 08, 2023	[ICRA]A1+	Sep 30, 2022	[ICRA]A1+
								Jun 16, 2023	[ICRA]A1+	-	-
Proposed fund-based	Short-Term	0.0	-			-	-	Dec 29, 2023	[ICRA]A1+	-	-
								Dec 08, 2023	[ICRA]A1+	-	-
Non-fund based – Others	Short-Term	585.00	[ICRA]A1+	May 20, 2025	[ICRA]A1+	Dec 27, 2024	[ICRA]A1+	Dec 29, 2023	[ICRA]A1+	Mar 13, 2023	[ICRA]A1+
								Dec 08, 2023	[ICRA]A1+	Sep 30, 2022	[ICRA]A1+
								Jun 16, 2023	[ICRA]A1+	-	-
Commercial paper	Short-Term	900.00	[ICRA]A1+	May 20, 2025	[ICRA]A1+	Dec 27, 2024	[ICRA]A1+	Dec 29, 2023	[ICRA]A1+	Mar 13, 2023	[ICRA]A1+
								Dec 08, 2023	[ICRA]A1+	Sep 30, 2022	[ICRA]A1+
								Jun 16, 2023	[ICRA]A1+	-	-

Instrument	Current (FY2026)					Chronology of rating history for the past 3 years					
	FY2026					FY2025		FY2024		FY2023	
	Type	Amount rated (Rs. crore)	Dec 23, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Non-convertible debenture (NCD)	Long-Term	-	-			-	-	Dec 29, 2023	[ICRA]AA+ (Stable); Withdrawn	Mar 13, 2023	[ICRA]AA+ (Stable)
								Dec 08, 2023	[ICRA]AA+ (Stable)	Sep 30, 2022	[ICRA]AA+ (Stable)
								Jun 16, 2023	[ICRA]AA+ (Stable)	-	-
Non-convertible debenture (NCD)	Long-Term	-	-			-	-	Dec 29, 2023	-	Mar 13, 2023	[ICRA]AA+ (Stable)
								Dec 08, 2023	-	-	-
								Jun 16, 2023	[ICRA]AA+ (Stable); Withdrawn	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Non-convertible debenture (NCD)	Simple
Non-convertible debenture (NCD)	Simple
Non-convertible debenture (NCD)- Proposed	Simple
Long-term – Fund-based – Term loan	Simple
Long-term – Fund-based – Unallocated limits	Not Applicable
Long-term – Fund-based – Others	Simple
Short-term – Fund-based – Others	Simple
Short-term – Non-fund based – Others	Simple
Commercial paper	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 loan	FY2018	8.1%	FY2028	2902.0	[ICRA]AA+ (Stable)
NA	Long-term – Fund-based – Unallocated limits	-	-	-	707.0	[ICRA]AA+ (Stable)
NA	Long-term – Fund-based – Others	-	-	-	855.00	[ICRA]AA+ (Stable)
NA	Short-term – Fund-based – Others	-	-	-	3112.00	[ICRA]A1+
NA	Short-term – Non-fund based – Others	-	-	-	585.00	[ICRA]A1+
NA	Commercial paper*	-	-	-	700.00	[ICRA]A1+
INE331A14O18	Commercial paper	26-11-2025	6.00%	26-12-2025	100.00	[ICRA]A1+
INE331A14OH0	Commercial paper	10-10-2025	5.99%	29-12-2025	100.00	[ICRA]A1+
INE331A07265	Non-convertible debenture	24-03-2022	6.90%	24-12-2026	150.00	[ICRA]AA+ (Stable)
INE331A07273	Non-convertible debenture	24-03-2022	6.90%	24-03-2027	150.00	[ICRA]AA+ (Stable)
INE331A07281	Non-convertible debenture	29-03-2023	7.90%	29-09-2027	150.00	[ICRA]AA+ (Stable)
INE331A07299	Non-convertible debenture	29-03-2023	7.90%	29-03-2028	200.00	[ICRA]AA+ (Stable)
INE331A07307	Non-convertible debenture	29-03-2023	7.90%	29-03-2027	150.00	[ICRA]AA+ (Stable)
INE331A07315	Non-convertible debenture	12-03-2024	7.80%	12-09-2028	150.00	[ICRA]AA+ (Stable)
INE331A07323	Non-convertible debenture	12-03-2024	7.80%	12-12-2028	150.00	[ICRA]AA+ (Stable)
INE331A07331	Non-convertible debenture	12-03-2024	7.80%	12-03-2029	200.00	[ICRA]AA+ (Stable)
NA	Proposed Non-convertible debenture	-	-	-	500.00	[ICRA]AA+ (Stable)

Source: Company; *yet to be placed

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

Annexure II: List of entities considered for consolidated analysis

Company Name	TRCL ownership as on March 31, 2025	Consolidation Approach
Ramco Windfarms Limited – Subsidiary	71.50%	Full Consolidation
Ramco Industrial and Technology Services Limited – Subsidiary	94.11%	Full Consolidation
Ramco Industries Limited – Associate	0.10%	Equity Method
Ramco Systems Limited - Associate	16.05%	Equity Method
Rajapalayam Mills Limited – Associate	0.46%	Equity Method
Madurai Trans Carrier Limited – Associate	29.86%	Equity Method

Source: Company data, ICRA Research

Note: ICRA has considered the consolidated financials of The Ramco Cements Limited, its subsidiaries and associates while assigning the ratings. ICRA has also evaluated the adjusted leverage and coverage metrics while including the debt of Madurai Trans Carrier Limited (MTCL).

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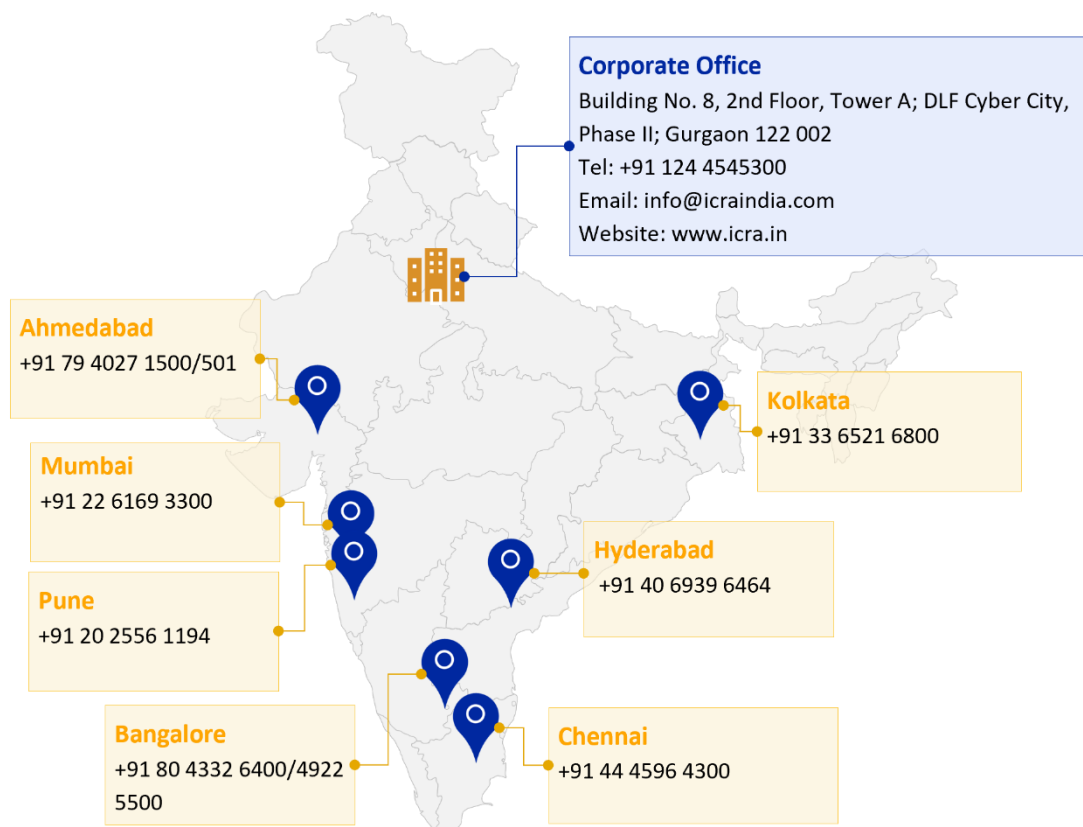


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