August 04, 2026

Ambuja Cements Limited: [ICRA]AAA(Stable) / [ICRA]A1+ assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Long Term - Fund Based Limits – Others	557.00	[ICRA]AAA (Stable); assigned	RBI
Long Term – Non Fund Based limits – Others	4,260.00	[ICRA]AAA (Stable); assigned	RBI
Short Term – Non Fund Based limits – Others	1,840.00	[ICRA]A1+; assigned	RBI
Long-term/ Short term – Fund-based/ Non-fund based – Proposed Working capital facilities	343.00	[ICRA]AAA (Stable)/[ICRA]A1+; assigned	RBI
Total	**7,000.00**		

**Instrument details are provided in Annexure I*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

The ratings assigned to Ambuja Cements Limited (ACL) factor in its robust business profile, reflected in its established market position as the second-largest cement manufacturer in India, its well-diversified pan-India presence with a healthy market share across all major regions, and its strong financial profile with low leverage (net debt-free status).

ACL has an installed grinding capacity of 109 MMTPA[1] as of June 2026, representing a capacity market share of around 15% as of March 2026, with a well-diversified presence across the North, South, East, West and Central India. Further, the planned addition of 4 MMTPA of clinker capacity and 10 MMTPA of grinding capacity by FY2027 is expected to further strengthen its market position and consolidate ACL's presence in the domestic cement market. The company's pan-India footprint reduces dependence on any particular region and provides resilience against regional demand fluctuations. Further, ACL benefits from a high degree of vertical integration, supported by access to captive limestone reserves, captive power generation facilities, with green power accounting for 34% of its total power requirements, and an efficient logistics network, which supports its operating efficiency and cost competitiveness. Additionally, synergies with other Adani Group companies across raw material procurement (including coal and fly ash), power sourcing and logistics further enhance the company's cost efficiencies through long-term agreements. The ratings also derive comfort from ACL's strong parentage as part of the Adani Group, which lends strong financial flexibility.

Being one of the largest cement manufacturers in India, ACL benefits from economies of scale, with a turnover of Rs. 40,655.7 crore in FY2026 and a healthy OPBDITA of Rs. 904/MT. While input costs, particularly petcoke, coal and diesel prices, are expected to remain elevated due to higher crude oil prices amid the ongoing West Asia conflict, OPBDITA/MT is projected to remain broadly stable in FY2027. This is expected to be supported by improved cement realisations, operating efficiencies and lower operating costs, driven by a higher share of green power and various cost optimisation initiatives undertaken by the company. The effectiveness of these measures is reflected in the Q1 FY2027 performance, with OPBDITA/MT improving to Rs. ~930/MT from ~Rs. 735/MT in Q4 FY2026. ACL has acquired three major cement companies over the last three years, which are yet to achieve operating margins in line with its existing operations. The company's ability to successfully integrate and ramp up these acquired entities while improving their profitability will remain a key rating monitorable. Further, the leverage

[1] *MMTPA - million metric tonne per annum*

metrics remained strong in FY2026, with total debt/OPBDITA of 0.1 times (FY2025: 0.1 times) and net debt/OPBDITA remaining negative on account of healthy profits and negligible external debt. ICRA notes that ACL has capex plans of Rs. 6,000-7,000 crore in FY2027 towards ongoing grinding and clinker capacity expansions, addition of WHRS and renewable energy capacities, as well as maintenance capex, which are likely to be funded through internal accruals, resulting in robust debt protection metrics.

ACL's operations, however, remain exposed to the demand and pricing dynamics of the cement industry, which are influenced by cyclical economic trends and capacity additions by industry participants. ACL's profitability also remains susceptible to fluctuations in input prices. Nevertheless, ACL's established market position, diversified pan-India presence, strong leverage metrics and adequate liquidity are expected to provide sufficient cushion against these risks.

ICRA notes that the debt availed of by the holding companies for the acquisition of controlling stakes in ACL and ACC Limited in September 2022 stood at $3.95 billion as of March 2026, with scheduled repayments ending in FY2028. ACL has neither provided any guarantee/security for this debt nor bears any contractual obligation towards its servicing. The debt is expected to be repaid through liquidity at the group level or refinanced with longer-tenor borrowings prior to its maturity. Accordingly, ICRA expects the servicing and repayment obligations to be managed at the holding company level and does not envisage any material impact on ACL's financial profile or liquidity position on account of these obligations.

The Stable outlook on the [ICRA]AAA rating reflects ICRA's opinion that ACL will continue to benefit from its established market position, robust brand, well-entrenched presence across multiple geographies, robust debt protection metrics and strong financial flexibility as part of the Adani Group.

Key rating drivers and their description

Credit strengths

Established market position in Indian cement industry and well-diversified geographical presence – ACL has an installed grinding capacity of 109 MMTPA as of June 2026, representing a capacity market share of around 15% as of March 2026, with a well-diversified presence across the North, South, East, West and Central regions of the country. Further, the planned addition of 4 MMTPA of clinker capacity and 10 MMTPA of grinding capacity by FY2027 is expected to further strengthen its market position and consolidate ACL's presence in the domestic cement market. The company's pan-India footprint reduces dependence on any particular region and provides resilience against regional demand fluctuations. Further, ACL benefits from a high degree of vertical integration, supported by access to captive limestone reserves, captive power generation facilities, with green power accounting for 34% of its total power requirements, and an efficient logistics network, which supports its operating efficiency and cost competitiveness. Additionally, synergies with other Adani Group companies across raw material procurement (including coal and fly ash), power sourcing and logistics further enhance the company's cost efficiencies through long-term agreements. The ratings also derive comfort from ACL's strong parentage as part of the Adani Group, which lends strong financial flexibility.

Strong financial profile despite cost headwinds – Being one of the largest cement manufacturers in India, ACL benefits from economies of scale, with a turnover of Rs. 40,655.7 crore in FY2026 and a healthy OPBDITA of Rs. 904/MT. While input costs, particularly petcoke, coal and diesel prices, are expected to remain elevated due to higher crude oil prices amid the ongoing West Asia conflict, OPBDITA/MT is projected to remain broadly stable in FY2027. This is expected to be supported by improved cement realisations, operating efficiencies and lower operating costs, driven by a higher share of green power and various cost optimisation initiatives undertaken by the company. The effectiveness of these measures is reflected in the Q1 FY2027 performance, with OPBDITA/MT improving to ~Rs. 930/MT from ~Rs. 735/MT in Q4 FY2026.

Favourable growth prospects; leverage to remain strong despite large capex plans – ACL's cement sales volumes grew by 16% YoY to 74 MMTPA in FY2026 and are projected to increase by 6-7% in FY2027, driven by healthy demand from the housing and infrastructure sectors. As of March 2026, the company's total debt stood at Rs. 865.9 crore, comprising lease liabilities of Rs. 813.2 crore, with the balance representing interest-free loans from the state government. The leverage metrics remained strong in FY2026, with total debt/OPBDITA of 0.1 times (FY2025: 0.1 times) and Net debt/OPBDITA remaining negative on account of healthy profits and negligible external debt. ICRA notes that ACL has capex plans of Rs. 6,000-7,000 crore in FY2027 towards ongoing grinding and clinker capacity expansions, addition of WHRS and renewable energy capacities, as well as maintenance capex, which are likely to be funded through internal accruals, resulting in robust debt protection metrics.

Credit challenges

Vulnerability of revenues to cyclicality in economy – ACL remains exposed to demand and pricing risks inherent in the cement industry, which are influenced by cyclical economic trends and capacity additions by industry participants. Periods of supply growth exceeding demand can exert pressure on cement prices and, consequently, industry profitability. However, the impact of these risks is expected to be partially offset by ACL's established market position and pan-India presence.

Profitability susceptible to fluctuations in input prices – ACL's profitability remains susceptible to fluctuations in input prices. Nevertheless, ICRA draws comfort from ACL's strong leverage profile and adequate liquidity, which provide sufficient cushion against this risk.

Environmental and social risks

Environmental considerations – As a cement producer, ACL has high fuel and power consumption, 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. ACL has undertaken several initiatives, such as increasing the use of renewable energy and using fly ash, slag (waste materials from the power and steel industries), and alternative fuel at its clinker manufacturing units, which help reduce its carbon footprint and lower power costs.

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

Liquidity position: Adequate

ACL's liquidity position is adequate, backed by cash and liquid investments of Rs. 907.1 crore as of March 2026. The company has substantial undrawn DP-backed fund-based working capital limits which provide additional cushion. The company had no outstanding bank debt as of March 2026 and does not have any bank debt repayment obligations falling due in FY2027. The total capex outlay, including WHRS capacity expansion and maintenance capex, is Rs. 6,000-7,000 crore in FY2027, which is expected to be funded through internal accruals.

Rating sensitivities

Positive factors – Not Applicable

Negative factors – Significant decline in revenues and margins or a considerable debt-funded capex/acquisition, leading to weakening of the debt protection metrics on a sustained basis, will be a credit negative. A specific credit metric that could lead to a downgrade include Net debt to OPBDIT of greater than 1.5 times on a consistent basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology - Cement
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Ambuja Cements Limited (as mentioned in Annexure-II).

About the company

Ambuja Cements Limited (ACL), an Adani Group company, is the second-largest cement manufacturer in India, with an installed capacity of 109 million tonnes as of June 2026. ACL and its subsidiaries together have 24 integrated units, 22 grinding units, 119 ready-mix concrete plants, 11 captive ships, four jetties and 10 bulk cement terminals across India. As on June 30, 2026, the Adani Group, through its holding companies, indirectly held a 67.3% stake in ACL.

Key financial indicators (audited)

ACL (consolidated)	FY2025	FY2026	Q1 FY2027^
Operating income	35,336.4	40,655.7	9,500.0
PAT	5,280.9	5,617.0	655.0
OPBDIT/OI	16.9%	16.4%	16.7%
PAT/OI	14.9%	13.8%	6.9%
Total outside liabilities/Tangible net worth (times)	0.3	0.2	NA
Total debt/OPBDIT (times)	0.1	0.1	NA
Interest coverage (times)	27.7	29.8	27.9

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; NA – Not available; ^provisional financials

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

		Current (FY2027)		Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Aug 04, 2026	Date	Rating	Date	Rating	Date	Rating
Fund Based Limits – Others	Long Term	557.00	[ICRA]AAA (Stable)	-	-	-	-	-	-
Non Fund Based limits – Others	Long Term	4,260.00	[ICRA]AAA (Stable)	-	-	-	-	-	-
Non Fund Based limits – Others	Short Term	1,840.00	[ICRA]A1+	-	-	-	-	-	-
Fund-based/ Non-fund based – Proposed Working capital facilities	Long-term/ Short term –	343.00	[ICRA]AAA (Stable)/[ICRA]A1+	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long Term - Fund Based Limits – Others	Simple
Long Term – Non Fund Based limits – Others	Simple
Short Term – Non Fund Based limits – Others	Simple
Long-term/ Short term – Fund-based/ Non-fund based – Proposed Working capital facilities	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	Financial Sector Regulator#
NA	**Fund Based Limits – Others**	NA	NA	NA	557.00	[ICRA]AAA (Stable)	RBI
NA	**Non Fund Based limits – Others**	NA	NA	NA	4,260.00	[ICRA]AAA (Stable)	RBI
NA	**Non Fund Based limits – Others**	NA	NA	NA	1,840.00	[ICRA]A1+	RBI
NA	**Fund-based/ Non-fund based – Proposed Working capital facilities**	NA	NA	NA	343.00	[ICRA]AAA (Stable)/[ICRA]A1+	RBI

Source: Company

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Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company Name	ACL Ownership	Consolidation Approach
M.G.T Cements Private Limited	100.00%	Full Consolidation
Chemical Limes Mundwa Private Limited	100.00%	Full Consolidation
ACC Limited	50.05%	Full Consolidation
OneIndia BSC Private Limited	75.03%	Full Consolidation
Ambuja Shipping Services Limited	100.00%	Full Consolidation
Foxworth Resources And Minerals Limited	100.00%	Full Consolidation
LOTIS IFSC Private Limited	100.00%	Full Consolidation
Ambuja Concrete North Private Limited	100.00%	Full Consolidation
Ambuja Concrete West Private Limited	100.00%	Full Consolidation
Orient Cement Limited	72.66%	Full Consolidation
Adani Cement Industries Limited	100.00%	Full Consolidation
Bulk Cement Corporation (India) Limited (BCCI)	47.37%	Full Consolidation
ACC Mineral Resources Limited (AMRL)	50.05%	Full Consolidation
Lucky Minmat Limited	50.05%	Full Consolidation
Singhania Minerals Private Limited	50.05%	Full Consolidation
ACC Concrete South Limited	50.05%	Full Consolidation
ACC Concrete West Limited	50.05%	Full Consolidation
Asian Concretes and Cements Private Limited	50.05%	Full Consolidation
Asian Fine Cements Private Limited	50.05%	Full Consolidation
Akkay Infra Private Limited	50.05%	Full Consolidation
Anantroop Infra Private Limited	50.05%	Full Consolidation
Eqacre Realtors Private Limited	50.05%	Full Consolidation
Foresite Realtors Private Limited	50.05%	Full Consolidation
Krutant Infra Private Limited	50.05%	Full Consolidation

Company Name	ACL Ownership	Consolidation Approach
Kshobh Realtors Private Limited	50.05%	Full Consolidation
Prajag Infra Private Limited	50.05%	Full Consolidation
Satyamedha Realtors Private Limited	50.05%	Full Consolidation
Trigrow Infra Private Limited	50.05%	Full Consolidation
Varang Realtors Private Limited	50.05%	Full Consolidation
Victorlane Projects Private Limited	50.05%	Full Consolidation
Vihay Realtors Private Limited	50.05%	Full Consolidation
Vrushak Realtors Private Limited	50.05%	Full Consolidation
Peerlytics Projects Private Limited	50.05%	Full Consolidation
West Peak Realtors Pvt Ltd	50.05%	Full Consolidation
Chasepoint Projects Private Limited	50.05%	Full Consolidation
Pine Hills Realtors Private Limited	50.05%	Full Consolidation
Pioneer Cement Industries Limited	100.00%	Full Consolidation
Singha Cement Private Limited	100.00%	Full Consolidation
Marwar Cement Limited	100.00%	Full Consolidation
Alcon Cement Company Private Limited	20.02%	Equity Method
Counto Microfine Products Private Limited	50.00%	Equity Method
Aakaash Manufacturing Company Private Limited	20.02%	Equity Method
Wardha Vaalley Coal Field Private Limited	27.27%	Equity Method
MP AMRL (Semaria) Coal Company Limited	24.52%	Equity Method
MP AMRL (Bicharpur) Coal Company Limited	24.52%	Equity Method
MP AMRL (Marki Barka) Coal Company Limited	24.52%	Equity Method
MP AMRL (Morga) Coal Company Limited	24.52%	Equity Method

Source: ICRA Research, Company data

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ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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