January 19, 2018

OCL India Limited

Summary of rated instruments

Instrument*	Rated Amount (in Rs. crore)	Rating Action
Commercial Paper	300.00	[ICRA]A1+; Withdrawn
Non Convertible Debenture	24.00	[ICRA]AA (Stable); Withdrawn
Fund-based Limits	400.00	[ICRA]AA (Stable)/ [ICRA]A1+; outstanding
Term Loans	458.79	[ICRA]AA (Stable); outstanding
Non Convertible Debenture	600.00	[ICRA]AA (Stable); outstanding
Non-fund Based Limits	351.00	[ICRA]AA (Stable)/ [ICRA]A1+; outstanding

*Instrument details are provided in Annexure-1

Rating action

ICRA has withdrawn the short-term rating of [ICRA]A1+ (pronounced as ICRA A one plus) [1] assigned to the Rs. 300-crore[2] commercial paper programme of OCL India Limited (OCL). ICRA has also withdrawn long-term rating of [ICRA]AA (pronounced ICRA double A) assigned to the Rs. 24.00-crore non convertible debenture (NCD) of OCL.

ICRA has outstanding long-term rating of [ICRA]AA (pronounced ICRA double A) for the Rs. 400.00-crore fund-based working capital limits, Rs. 458.79-crore term loans and Rs. 600.00-crore NCD of OCL. ICRA also has outstanding short-term rating of [ICRA]A1+ (pronounced ICRA A one plus) for Rs. 351.00-crore non-fund based working capital limits of OCL. The outlook on the long-term rating is Stable.

Rationale

The ratings have been withdrawn at the request of the company. OCL has also confirmed that there is no amount outstanding against the rated instruments.

Analytical approach: For arriving at the ratings, ICRA has applied its rating methodologies as indicated below.

Links to applicable criteria

ICRA Policy on Withdrawal and Suspension of Credit Rating

About the company

OCL (formerly known as Orissa Cement Limited) was promoted by the Dalmia Group. The company has two divisions, namely cement and refractory. The cement division is located at Rajgangpur (Orissa), Kapilas (Orissa) and Medinipur (West Bengal). The refractory division is located at Rajgangpur in Orissa. OCL has been involved in the business of manufacturing cement since 1950. The company started manufacturing of refractories in 1954. The aggregate cement-manufacturing capacity of the company is 6.7 MTPA.

[1] For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications
[2] 100 lakh = 1 crore = 10 million

Key financial indicators

	FY2016	FY2017
Operating Income (Rs. crore)	2664.7	2911.9
PAT (Rs. crore)	246.2	383.9
OPBDIT/OI (%)	20.5%	23.2%
RoCE (%)	14.7%	18.2%
Total Debt/TNW (times)	0.6	0.5
Total Debt/OPBDIT (times)	2.2	1.7
Interest Coverage (times)	4.1	5.0
NWC/OI (%)	-3.1%	2.9%

OI: Operating Income; PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation; ROCE: PBIT/Avg (Total Debt + Tangible Net-Worth + Deferred Tax Liability - Capital Work - in Progress);
NWC: Net Working Capital

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years

Table

S.No	Instrument	Current Rating (FY2018)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	Date & Rating in FY2017	Date & Rating in FY2016	Date & Rating in FY2015	
					January 2018	January 2017	January 2016	January 2015	October 2014
1	Fund-based Limits	Long Term	400.00	-	[ICRA] AA (Stable) /[ICRA] A1+	[ICRA] AA (Stable) /[ICRA] A1+	[ICRA] AA (Stable) /[ICRA] A1+	[ICRA] AA (Stable) /[ICRA] A1+	[ICRA] AA (Stable)
2	Term Loans	Long Term	458.79	137.92*	[ICRA] AA (Stable)	[ICRA] AA (Stable)	[ICRA] AA (Stable)	[ICRA] AA (Stable)	[ICRA] AA (Stable)
3	NCD	Long Term	24.00	0.00*	[ICRA] AA (Stable) withdrawn	[ICRA] AA (Stable)	[ICRA] AA (Stable)	[ICRA] AA (Stable)	[ICRA] AA (Stable)
4	NCD	Long Term	600.00	600.00*	[ICRA] AA (Stable)	[ICRA] AA (Stable)	[ICRA] AA (Stable)	[ICRA] AA (Stable)	-
5	Non-fund Based Limits	Short Term	351.00	-	[ICRA] AA (Stable) /[ICRA] A1+	[ICRA] AA (Stable) /[ICRA] A1+	[ICRA] AA (Stable) /[ICRA] A1+	[ICRA] AA (Stable) /[ICRA] A1+	[ICRA] AA (Stable) /[ICRA] A1+
6	Commercial Paper	Short Term	300.00	0.00*	[ICRA] A1+ withdrawn	[ICRA] A1+	-	-	-

*as on December 31, 2017

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1

Instrument Details

Instrument	Date of Issuance	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
Cash Credit	-	-	-	400.00	[ICRA]AA (Stable)/ [ICRA]A1+
Non-fund Based Limit	-	-	-	351.00	[ICRA]AA (Stable)/ [ICRA]A1+
NCD	March 2015	9.9%	March 2022	600.00	[ICRA]AA (Stable)
Term Loan 1	NA	-	NA	153.73	[ICRA]AA (Stable)
Term Loan 2	NA	-	NA	115.00	[ICRA]AA (Stable)
Term Loan 3	June 2013	-	December 2022	190.06	[ICRA]AA (Stable)

Source: OCL

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