



RATING RATIONALE

Adani Cementation Ltd.

February 26, 2021

Brickwork Ratings withdraws the ratings of the bank Guarantee facilities of Rs.20 Cr of Adani Cementation Ltd. (ACL or “The Company”) on cancellation

Particulars

Facility	Amt (Rs. Cr)		Tenure	Rating*	
	Previous	Present		Previous (January 2020)	Present
Performance Bank Guarantee	20.00	-	Long Term	BWR BBB(CE) (Stable) (1)	Withdrawn

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

**Complete details of NCDs is provided in Annexure-I

(1) CE refers to ‘Credit Enhancement’ derived from the security cover of 1.40x by the pledge of shares of Adani Ports and Special Economic Zone Ltd. (APSEZ) and Adani Transmission Ltd. (ATL) in the ratio of 1:3.

RATING ACTION - WITHDRAWAL

BWR withdraws the rating of the Performance Bank Guarantee Rs.20 Cr of Adani Cementation Ltd. (ACL) on account of cancellation of the Performance Bank Guarantee facility by the Bank with reversal of charge.

Performance BG rated of Rs.20 Cr rated by BWR was sanctioned by Axis Bank in favour of “Governor of Andhra Pradesh” in line with the Letter of Intent issued by the Industries and Commerce Department, Government of Andhra Pradesh and the Tender Document for the auction of mining lease of the CAK Limestone Block.

Now, the Company has received a letter from the Government authority about cancellation of the Letter of Intent leading to return of the upfront premium and the said Bank Guarantee (BG) as on January 8, 2021. Pursuant to the same, BWR has received No Dues Certificate from the Axis Bank with cancellation of Bank Guarantee facilities and reversal of charge.



COMPANY PROFILE

Adani Cementation Ltd.

Adani Cementation Ltd. (ACL) incorporated in December 2016, is the wholly owned subsidiary of Adani Enterprise Ltd. (AEL) to set up cement manufacturing facilities & Bull Cement Terminal (BCT) of 5.5 MTPA capacity at various locations in the country.

Mining operation will start post grant and execution of Mining Lease. As per Letter of Intent, presently ACL have 3 Years' time until 21 Jan 22 to execute the lease with further extension of LoI for another 2 years period until 21 Jan 2024 depending upon receipt of statutory compliances.

The Company is in very initial stage of operations. As on date AEL has infused Rs.5 lakhs in the form of equity share capital. The Company does not have any external debt as on date except the interest bearing loan of Rs.80 Cr from AEL which have been invested in land parcel.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY - NA

RATING HISTORY

Instrument	Current Rating			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	13 January 2020	Date, Month, Year	Date, Month, Year
Performance Bank Guarantee	Long Term	20	Withdrawn	BWR BBB (CE) (Stable)	-	-

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

BWR's policy on withdrawal of Ratings



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