Press Release

Penna Cement Industries Limited

September 03, 2021

Rating Upgraded & Reaffirmed

Total Bank Facilities Rated*	Rs. 1,500.00 Cr
Long Term Rating	ACUITE AA-/ Outlook: Stable (Upgraded)
Short Term Rating	ACUITE A1+ (Reaffirmed)

** Refer Annexure for details*

Rating Rationale

Acuité has upgraded its long term rating to **'ACUITE AA-' (read as ACUITE double A 'minus')** from '**ACUITE A+' (read as ACUITE A 'Plus')** and reaffirmed its short term rating of **'ACUITE A1+' (read as ACUITE A One 'Plus')** to the Rs.1,500.00 Cr bank facilities of Penna Cement Industries Limited (PCIL). The outlook is **'Stable'**.

Reason for rating Upgrade

The rating upgrade is driven by a significant improvement in PCIL's operating performance in FY2021, resulting in an improvement in its key operational and credit metrics. The improvement reflects the benefits being derived from the on-going capacity expansion leading to higher sales volume and EBITDA per tonne. The divestment in its non-core company 'Parasakthi Cements Industries Limited' and lower interest outgo have also contributed to the improvement in PCIL's credit metrics. The upgrade further takes cognizance of the expected strengthening in the financial profile of PCIL from the upcoming IPO that is likely to lead to deleveraging and facilitation of its medium term capital expenditure programme. Timely and successful launch of the IPO will remain a key monitorable and a rating sensitivity factor over the medium term.

The rating continues to be driven by PCIL's strong market in the Southern region, integrated operations, ability to diversify its geographic concentration to Non-southern regions, consistent improvement expected in operational metrics and notable deleveraging. These strengths are partially offset by project related risks associated with the on-going and upcoming capex, timely and successful launch of the IPO, moderate capacity utilization levels and susceptibility to volatility in input cost and realisations.

About the Company

Incorporated in 1991 by Mr. P Prathap Reddy, PCIL is engaged in the manufacturing of cement. PCIL is an Integrated cement manufacturer operating 4 Cement units and 2 Clinker units spread across 3 states of Andhra Pradesh (Talaricheruvu, Boyareddypali and Krishnapatnam), Telangana (Ganeshpahad and Tandur) and Maharashtra (Patas). The aggregate installed capacity for cement stands at 10 Million Metric tonne per annum (MMTPA) and clinker capacity of 7.8 MMTPA as on March 31, 2021. PCIL also has a 77 Mega –watt (MW) coal-based captive power generation plant in Ganeshpahad (AP) and waste heat recovery system (WHR) plants with an aggregate installed capacity of 32MW in Ganeshpahad (Telangana) and Boyareddypali (AP).

Further, PCIL has 7 captive limestone mines under PCIL and 4 under its subsidiary – Marawar Cement Limited located in close proximity to its manufacturing units. PCIL, also, has port-based facilities which includes 4 operational packaging terminals in ports of Cochin, Gopalpur, Colombo and Karaikal.

Analytical Approach

For arriving at this rating, Acuité has consolidated the business and financial risk profiles of Penna Cements Industries Limited (PCIL) and its subsidiaries - Pioneer Cement Industries Limited, Marwar Cement Limited and Singha Cement (Pvt) Limited. The consolidation is in the view of common management, same line of business, strong operational and financial linkages between the entities, future expansion plans under the subsidiaries and management stated posture of extension of support to these subsidiaries. Extent of consolidation: Full.

Key Rating Drivers

Strengths

- **One of the integrated Southern region player; Extensive distribution network**

PCIL's market share in terms of total cement sales volume vis-a-vis total demand in South India is estimated to be ~5.5 to 6 percent in FY2021. As of March 31, 2021, PCIL's cement and clinker production capacity represented 5.5 percent and 6.3 percent, respectively, of the total cement production and clinker production capacity, respectively, in South India, comprising Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, Andaman and Nicobar Islands, and Pondicherry. PCIL, a regional player, has a strong hold in the local market they are operating in, due to cost leadership and market advantage along with proximity to raw material sources. Besides, PCIL operates an integrated facility supported by infrastructure for limestone extraction and crushing, production of clinker and cement by inter-grinding clinker along with fly ash/ slag/ gypsum, packing facilities and quality control lab. PCIL operates 4 integrated manufacturing facilities and 2 grinding units with an aggregate cement production capacity of 10.00 MMTPA, as of March 31, 2021, and aims to increase its capacity to 16.50 MMTPA, which is expected to be operational by FY2024.

PCIL's business operations are supported by an extensive sales and distribution network spread across South, West and East India. PCIL's cement products are sold to the trade segment (which typically incudes retail customers and wholesale customers including dealers and distributors who then resell products to retail customers) and the non-trade segment (which typically includes government and private infrastructure projects, real estate companies, and ready-mixed concrete stations). In FY2019, 2020 and 2021, sales to the trade segment were 54.22 percent, 53.45 percent and 51.04 percent, respectively, of its total gross revenue while sales to the non-trade segment were 45.78 percent, 46.55 percent and 48.96 percent, respectively, of total gross revenue. PCIL has developed long-term relationships with its dealers and distributors, with its distribution network comprising ~3,310 dealers and distributors as of March 31, 2021.

Acuité believes that PCIL's eastablished position in the Southern region and Integrated facilities along with extensive distribution network will aid its business operations going forward.

- **Strategically located manufacturing facilities with close proximity and access to its key raw materials enabling improvement in its EBITDA per MT**

PCIL's facilities are strategically located to enable access to markets such as Hyderabad, Vishakhapatnam, Bengaluru, Chennai, Pune and Ahmednagar, which provides significant convenience in logistics management and cost benefits. Each of its facilities are well connected to both the national highway and railway network which provides easy access to the transportation of laterite, coal, clinker, gypsum, slag and cement, as required. In addition, its Krishnapatnam grinding unit is located at approximately less than 280 kms, 290 kms and 320 kms from its integrated manufacturing facilities at Talaricheruvu, Boyareddypalli and Ganeshpahad, respectively, while the Patas grinding unit is located at approximately less than 418 kms from its Tandur facility. With Krishnapatnam grinding unit, packing terminals at Cochin, Gopalpur, Karaikal and Colombo ports and proposed packing terminal at the Kolkata port, PCIL is likely to become one of the few market players in India with superior port-based logistics infrastructure and distribution facilities. Efficient raw material sourcing of limestone, gypsum and fly ash, and coal, in close proximity to its integrated manufacturing facilities, has a direct result on cost of production and profitability as well as ensuring protection against operational risks.

Further to meet its coal requirements, PCIL's facilities are supported by a 77.00 MW captive power plant, at Ganeshpahad facility, along with WHR units with an aggregate capacity of 32.00 MW, at Ganeshpahad and Boyareddypalli facilities. PCIL met ~53.03 percent of its power requirements through captive sources in FY2021 against 63.43 percent in FY2020. Further, it optimizes its coal procurement by sourcing coal and pet coke from the international markets and coal through coal linkages with Singareni Collieries Company Ltd (SCCL) located in the state of Telangana. PCIL depends majorly on imports for its coal requirement; it imported 95.5 percent of its total coal required in FY2021 against 90.95 percent in the previous year. For Limestone, PCIL has 7 captive long term mining leases for its integrated manufacturing facilities, which are pit head mines having a lead distance of within 6 kilometres which provides its integrated manufacturing facilities with a stable and timely supply of limestone in a cost efficient manner. The residual reserves of PCIL's mining leases with respect to the mines currently operated are sufficient for its current production capacity for at least 32 years, based on the stipulated amount of annual excavation specified in its mining leases.

In addition to utilizing fly ash from captive power plant at Ganeshpahad facility, PCIL procures fly ash from other coal-fired power plants located near its integrated manufacturing facilities. For Krishnapatnam grinding unit, the company has been able to access relatively low cost fly ash by virtue of being in close proximity to fly ash sources. Further, it obtains gypsum and slag from nearby fertilizer companies and steel manufacturing plants, respectively.

Acuité believes that PCIL's strategically located manufacturing units and packing terminals, together with port based logistics infrastructure and distribution strategy, would provide PCIL access to the coastal markets and will also enable it to serve markets in East and West India along with improvement in its logistic and EBITDA per MT cost.

- **On-going capacity expansion ensuring geographic diversification and higher EBITDA per MT**

PCIL has been undertaking Phase–I of its capacity expansion plan to focus on port-based logistics infrastructure and distribution, consolidate presence in South India and expand presence in East and West India, and continue to grow exports (majorly in SriLanka). In March 2018, particularly to cater to South and East India, PCIL commissioned one of the largest port-based cement facilities in India at Krishnapatnam with an automated ship-loading facility (acquired a self-discharging cement carrying vessel with a maximum cargo capacity of 25,500 tonnes) as well as a packing terminal at the Cochin port. PCIL increased the clinker production capacity of its Boyareddypalli facility from 1.50 MMTPA to 4.00 MMTPA in July 2020. In order to grow its presence in West India, particularly in Maharashtra, PCIL has commissioned a grinding unit in Patas in March 2018. Further, for exports of cement and clinker products, PCIL acquired Singha Cement (Private) Limited, a Sri Lankan cement company, in May 2019 that operates a packing terminal in Colombo, Sri Lanka.

As part of the balance capex under the Phase-I, PCIL intends to increase its Krishnapatnam grinding unit cement production capacity from 2.00 MMTPA, as of March 31, 2021 to 4.00 MMTPA, which is expected to be operational by Q2FY2023. PCIL also aims to commission a packing terminal at Kolkata port, with an approved capacity of 0.50 MMTPA, which is expected to be operationalized by Q2FY2023. In addition, PCIL has plans to set-up of WHR units at our Talaricheruvu and Tandur facilities with capacity of 7.05 MW and 10.00 MW, respectively, which are expected to be operational by Q1FY 2024 and Q4FY2023, respectively.

Acuité believes that by venturing into port based logistics infrastructure and distribution, PCIL will be able to ensure cost efficiencies in the transportation of its cement products to new markets at relatively lower freight costs. Besides, to further yield higher EBITDA per MT and inch it up to match the industry levels of ~Rs.1,100 per/MT, PCIL has planned to prefer sea route as a mode of transportation rather than rail/road. Logistics cost is the largest cost component which accounts for 25 to 29 percent of the total operating cost for PCIL. Currently, a major portion of cement is transported through road and rail. PCIL transported 78.81 percent of cement through road, 12.93 percent through sea and 8.26 percent through rail in FY2021. The contribution from sear route has increased from 4.95 percent in FY2019 to 12.93 percent in FY2021. The sea route provides the highest cost advantage for transporting cement at Rs.0.7 to Rs.1.0 per tonne per km vis-à-vis average transportation cost through rail and road at Rs.1.4 to Rs.1.6 per tonne per km and Rs.3.2 to Rs.3.4 per tonne per km.

- **Higher-than-estimated improvement in Operating performance of FY2021**

PCIL's total operating income grew by a moderate compounded annual growth rate (CAGR) of 6.7 percent over the period FY2017-21 supported by exponential growth in FY2019 and FY2021 with other years witnessing a flattish growth. PCIL reported Y-o-Y higher total operating income of Rs.2,476.4 Cr in FY2021 despite the disruptions caused due to Covid-19. The total operating income surpassed Acuité's estimates by a wide margin and reported 14.05 percent higher Y-o-Y growth in FY2021. This was supported by 5.4 percent growth in sales volume and 8.3 percent growth in net revenue realization/MT. Simultaneously, the capacity utilization level improved from 52.5 percent in FY2020 to 54.3 percent in FY2021, taking sales volume from 5.20 MMTPA in FY2020 to 5.48 MMTPA in FY2021. The net revenue realization/MT improved from Rs.4,155/MT to 4,502/MT in FY2021. Despite a YoY de-growth of 36 percent in sales value in Q1FY2021 on account of Covid-19, PCIL managed to cover up with higher sales in remaining quarters. Q2FY2021, being a lean quarter, PCIL reported 50 percent and 9 percent growth on Q-o--Q and Y-o-Y basis. The growth was further supported by improving demand in H2FY2021 which contributed ~61 percent to the total FY2021 net revenue. The key revenue drivers in FY2021 were a) increasing contribution from Krishnapatnam and Pune cement grinding plant along with existing grinding units leading to higher production; packaging terminals at key ports which helped achieve higher volumes in non-southern regions b) increasing contribution from Non-southern regions like West, East and SriLanka and c) improvement in realization/MT.

PCIL reported better-than-estimated Earnings before Interest, tax and depreciation (EBITDA) in FY2021 and grew by 45.8 percent Y-o-Y to Rs.480.48 Cr. The resultant was on account of lower power cost and logistic cost through its cost rationalization capex undertaken in last 2 years of time. However, the EBITDA margin was lower against estimates due to higher-than-expected coal and pet coke prices in H2FY2021. Prices of key input materials required to manufacture cement such as petroleum coke, coal and diesel have sharply risen on a Y-o-Y basis in H2FY2021. PCIL benefitted from the better inventory management as they cashed upon the low priced inventory held as on H1FY2021 to an extent as well were able to pass on the increasing cost to its end users by several price hikes taken to the tune of 5-12 percent.

The cost rationalization capex undertaken in last 2 years reaped benefits to PCIL by way of improvement in its EBITDA/MT which strengthened from ~Rs.585/MT in FY2019, ~Rs.651/MT in FY2020 and ~Rs.876/MT in FY2021. The aforesaid elevation has been backed by lower power cost/ MT and logistic cost/MT. The contribution of power cost/MT and logistic cost/MT declined from 30 percent to 27 percent to gross sales and 28 percent to 25 percent to gross sales, respectively, from FY2019 to FY2021. The power cost and logistic cost have been the major contributor to its total costs. Even so, PCIL is yet reach the Industry's average EBITDA/MT of ~Rs.1,100/MT in FY2021. Acuité believes that PCIL will be sustain this performance over the medium term driven by consistent upswing in volumes with realization/MT witnessing modest growth. Besides, the EBITDA/MT is expected to improve further given the continuous benefits of capex underway.

- **Leveraged, through improving Capital structure**

The tangible net worth of PCIL stood at ~Rs.1,153.30 Cr. as on March 31, 2021 (Prov.) visi-a-vis Rs.1,082.04 Cr as on previous year. The gearing (debt to equity ratio) stood at 1.17 times as on 31 March 2021 (1.36 times as on March 31, 2020 and 1.42 times as on March 31, 2019). The total debt stood at ~Rs.1,351.95 Cr as on March 31, 2021 as against Rs.1,470.32 Cr as on March 31, 2020. Debt/EBITDA stood at 2.24 times for FY2021 (Prov.) as against 4.38 times in the previous year. Besides the on balance sheet borrowings, PCIL has significant contingent liabilities on account the guarantees provided to its group companies. The debt protection metrics improved significantly in FY2021 with repayment of existing loans and higher profitability supported by elevated EBITDA plus non-operating income of Rs.118.45 Cr from sale of stake in Parasakthi Cement Industries Limited. Acuité believes, the Debt / EBITDA to improve over the medium term. This is on account of expected increase in EBTIDA margins due to cost optimization steps taken by the company and expected improvement in realization per ton. Any major deviation in the Debt / EBITDA will impart a negative bias to the rating. Further, Acuité believes that management of liquidity and gradual deleveraging will be a key monitorable.

Weaknesses

- **Project related risks associated with the on-going and upcoming capex**

PCIL is still underway to complete its Phase-I of Capacity expansion plan which includes doubling of grinding capacity at Krishnapatnam unit to 4MMTPA, Upgrading the raw grinding and cement mill at Talaricheruvu, setting up WHR plant at Talaricheruvu and Tandur and packaging terminal at Kolkata Port. PCIL has estimated the total cost of such capital expenditure to be Rs.530.91 Cr (of which Rs.70.49 Cr has already been incurred). PCIL is yet to place orders for the total capital expenditure of Rs.444.22 Cr, which is 83.67 percent of the capital expenditure. PCIL has obtained the quotations from various vendors in relation to such capital expenditure, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. Besides, PCIL has Phase-II of the capex which is expected to be taken up simultaneously to expand its reach in the North and Central India. PCIL plans to set up cement manufacturing facility with a proposed clinker production capacity of 3.00 MMTPA and cement production capacity of 2.00 MMTPA in Jodhpur, Rajasthan and two grinding units in Kathuwas, Neemrana, National Capital Region and Bathinda, Punjab with a proposed cement production capacity of 1.50 MMTPA and 1.0 MMTPA, respectively, which is expected to be operational by the Q4FY2024. The aforementioned capex would be supported by a WHR plant of 15MW. As of March 31, 2021, PCIL has made an investment towards this capital expenditure of Rs.141.1 Cr in relation to setting up of the integrated manufacturing facility and grinding units in north India, with the total project cost estimated to amount to Rs.2,460.6 Cr. Acuité believes that the timely completion and funding of the capex plans will remain key monitorable.

- **Funding risk associated with the capex and expected improvement in its credit profile directly linked to the timely and successful launch of the IPO**

PCIL intends to utilise a portion of the Net Proceeds for funding its on-going/upcoming capital expenditure requirements which includes, inter alia, purchase of electrical equipment, and plant and machinery amongst others. PCIL plans to utilize Rs.425 Cr for the balance capex of Phase-I. Howbeit, it is expected that such capex will be taken care by the healthy net cash accruals generated in near future and PCIL might not have to rely on the IPO proceeds. Instead, the same can be utilized for the Phase-II of the capex plan.

PCIL is in progress of launching an Initial Public Offer (IPO) worth Rs.1,550 Cr which includes fresh issue of equity shares worth Rs.1,300 Cr and promoter stake sale (33.41 percent stake of P.R. Cement Holdings Limited) through offer sale amounting to Rs. 250 Cr. PCIL is awaiting SEBI's approval as on date and the issue is expected in September 2021. The net proceeds from the IPO are expected to be utilized towards partial repayment/prepayment of existing debt, towards capex and for general corporate purposes. The IPO is expected to de-leverage its balance sheet with improvement in key credit metrics as well as liquidity to an extent. Acuité believes that capex is subject to the risk of unanticipated delays in completion and financial closure along with cost overruns given there is any delay in launch of IPO as per expected timelines or non-subscription to shares through IPO as expected. Acuité believes that the fortune of the future capex is strongly linked to the IPO and will remain key rating sensitivity factor over the near to medium term.

- **Moderate capacity utilization**

Owing to the oversupply situation in south India, the company continues to operate at moderate capacity utilization levels, which was 54.3 percent for FY2021 (PY: 52.5 percent). PCIL's capacity utilization levels still sub-par to the Industry average of ~60 percent.

- **Susceptibility to volatility in input cost and realisations, and cyclicality in the cement industry**

Capacity addition in the cement industry tends to be periodical because of the long gestation period for setting up a facility and the numerous players adding capacity during the peak of a cycle. This leads to unfavourable price cycles for the sector. Moreover, profitability remains susceptible to volatility in input prices, including raw material, power, fuel and freight. Realisations and profitability are also affected by demand, supply, offtake and regional factors. PCIL remains exposed to fluctuations in fuel prices in addition to the risks of volatile cement prices, given the oversupply situation in South India.

Liquidity Position: Adequate

PCIL's cash accruals are expected to remain in the range of Rs. 300-500 Cr per fiscal over the medium term (without the IPO proceeds) against its debt obligations ranging between Rs.150-170 Cr over the same period. Average utilisation of the bank limit remained high at around 90 per cent during the last 12-month period through May 2021, indicating limited cushion. Cash accrual, cash and cash equivalents, and unutilised bank lines taken together, however are expected to be adequate to meet funding requirements over the medium term. Further, the company operates in a negative working capital cycle.

Rating Sensitivities

Positive

- Improvement in operational performance on a sustained basis
- Sustainable improvement in Leverage and Solvency position of the company

Negative

- Any material increase in net debt levels, on a sustained basis
- Any unanticipated delays and cost overruns in its planned capex
- Any delay or lower-than-estimated net proceeds in IPO
- Higher-than-envisaged capex or support to group companies

Outlook: Stable

Acuité believes that PCIL is likely to maintain a 'Stable' outlook over the medium term backed by its experienced management and established brand in the cement industry. The outlook may be revised to 'Positive' in case of higher-than-anticipated improvement in EBITDA per ton thereby leading to an improvement in debt protection indicators and improvement in the financial risk profile. Conversely, the outlook may be revised to 'Negative' in case of any deterioration in debt coverage indicators from the current levels or if the company is unable to the ramp up the operations from its new capacity.

About the Rated Entity - Key Financials (Standalone)

Particulars	Unit	FY21 (Provisional)	FY20 (Actual)
Operating Income	Rs. Cr.	2,476.40	2,171.37
PAT	Rs. Cr.	152.07	18.97
Adjusted PAT *	Rs. Cr.	33.62	18.97
PAT Margin	(%)	6.14	0.87
Adjusted PAT Margin*	(%)	1.36	0.87
Total Debt/Tangible Net Worth	Times	1.17	1.36
PBDIT/Interest	Times	2.63	1.85

**Excluding profit from sale of investments in Parasakthi Cement Industries Limited of Rs.118.45 Cr in FY2021*

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Material Covenants

None

Applicable Criteria

- Default Recognition - https://www.acuite.in/view-rating-criteria-52.htm
- Financial Ratios And Adjustments - https://www.acuite.in/view-rating-criteria-53.htm
- Manufacturing Entities - https://www.acuite.in/view-rating-criteria-59.htm
- Consolidation of Companies - https://www.acuite.in/view-rating-criteria-60.htm

Note on complexity levels of the rated instrument

https://www.acuite.in/view-rating-criteria-55.htm

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
08-07-2020	Term Loan	Long Term	760.00	ACUITE A+/ Stable (Assigned)
	Term Loan	Long Term	3.00	ACUITE A+/ Stable (Assigned)
	Term Loan	Long Term	245.00	ACUITE A+/ Stable (Assigned)
	Term Loan	Long Term	91.00	ACUITE A+/ Stable (Assigned)
	Term Loan	Long Term	8.00	ACUITE A+/ Stable (Assigned)
	Cash Credit	Long Term	143.00	ACUITE A+/ Stable (Assigned)
	Cash Credit	Long Term	16.00	ACUITE A+/ Stable (Assigned)
	WCDL	Long Term	24.00	ACUITE A+/ Stable (Assigned)
	Cash Credit	Long Term	65.00	ACUITE A+/ Stable (Assigned)
	Letter of Credit	Long Term	69.00	ACUITE A+/ Stable (Assigned)
	Proposed Fund Based	Long Term	237.00	ACUITE A+/ Stable (Assigned)
	Letter of Credit	Short Term	115.00	ACUITE A1+ (Assigned)
	Letter of Credit	Short Term	40.00	ACUITE A1+ (Assigned)

	Letter of Credit	Short Term	60.00	ACUITE A1+ (Assigned)
	Proposed Non-Fund Based	Short Term	44.00	ACUITE A1+ (Assigned)

***Annexure – Details of instruments rated**

Lender Name	Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Yes Bank	Term Loan	30-03-2017	10.5%	31-12-2028	725.00	ACUITE AA-/Stable (Upgraded)
L&T Finance Limited	Term Loan	26-12-2017	10.5%	31-12-2028	240.00	ACUITE AA-/Stable (Upgraded)
Hero Fincorp Limited	Term Loan	13-11-2017	10.5%	31-12-2028	85.00	ACUITE AA-/Stable (Upgraded)
State Bank of India	Cash Credit@	Not Applicable	Not Applicable	Not Applicable	130.00	ACUITE AA-/Stable (Upgraded)
IDBI Bank Limited	Cash Credit	Not Applicable	Not Applicable	Not Applicable	16.00	ACUITE AA-/Stable (Upgraded)
IDBI Bank Limited	Working Capital Demand Loan (WCDL)	Not Applicable	Not Applicable	Not Applicable	24.00	ACUITE AA-/Stable (Upgraded)
Yes Bank	Cash Credit	Not Applicable	Not Applicable	Not Applicable	65.00	ACUITE AA-/Stable (Upgraded)
Yes Bank	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	115.00	ACUITE A1+ (Reaffirmed)
State Bank of India	Letter of Credit*	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE A1+ (Reaffirmed)
State Bank of India	Bank Guarantee#	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE A1+ (Reaffirmed)
IDBI Bank Limited	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	50.00	ACUITE A1+ (Reaffirmed)
IDBI Bank Limited	Bank Guarantee#	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE A1+ (Reaffirmed)

#Fully interchangeable with LC

@Rs.143 Cr included Covid Emergency Line of Credit (CELC) of Rs.13 Cr during the last rating exercise, the same was fully cleared in March'21

**Fully interchangeable with BG*

~Yes bank term loan of Rs.3 Cr is repaid and closed as on June'21

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About Acuité Ratings & Research:
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