



Press Release

Panyam Cements and Mineral Industries Limited

November 12, 2024

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	140.00	IVR BB-/ Negative ISSUER NOT COOPERATING* (IVR Double B Minus with Negative Outlook Issuer Not Cooperating)	IVR BB/ Stable (IVR Double B with Stable Outlook)	Downgraded and moved to Issuer Not Cooperating category; long term rating outlook revised from 'Stable' to 'Negative'	Simple
Short Term Bank Facility	20.00	IVR A4 ISSUER NOT COOPERATING* (IVR A Four Issuer Not Cooperating)	IVR A4 (IVR A Four)	Reaffirmed and moved to Issuer Not Cooperating category	Simple
Total	160.00 (INR One Hundred and Sixty Crore Only)				

**Issuer did not cooperate; based on best available information*

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The downgrade of the long-term rating and reaffirmation of the short-term rating is because of lack of adequate information regarding Panyam Cements and Mineral Industries Limited's (PCMIL) performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its ratings and reviews the same as per its policy. The outlook has been changed to negative due to information availability risk. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using these ratings as the ratings may not adequately reflect the credit risk profile of the entity.



Press Release

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data & NDS to monitor its assigned rating to the bank facilities, vide mail communications dated 3rd August 2024, 19th August 2024, 30th August 2024, 16th September 2024, 3rd October 2024, 4th November 2024, 5th November 2024, 6th November 2024, 7th November 2024, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the ratings based on the best available information. Accordingly, the ratings of the bank loan facilities aggregating to INR 160.00 crore of Panyam Cements and Mineral Industries Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the long-term rating be noted as 'IVR BB-/ Negative ISSUER NOT COOPERATING' based on best available information (IVR Double B Minus with Negative Outlook and Issuer Not Cooperating based on best available information) and the short-term rating be noted as 'IVR A4 ISSUER NOT COOPERATING' based on best available information (IVR A Four Issuer Not Cooperating based on best available information).

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

[Criteria of assigning Rating outlook](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Financial Ratios & Interpretation \(Financial Sector/Non- Financial Sector\)](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

[About the Company](#)



Press Release

Panyam Cements and Mineral Industries Limited is a cement manufacturing company based in Kurnool, Andhra Pradesh. The Company was admitted to NCLT and went through a restructuring phase. The Company commenced fresh operations of cement manufacturing under the stewardship of the new promoter, Dr Jagathrakshakan Srinisha in May 2022 by procuring the key raw material, clinker from the secondary market. Since March 2023 clinker production has begun in house.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31.03.2023	31.03.2024	30.06.2024
	Audited	Audited	Unaudited
Total Operating Income	38.86	120.12	31.75
EBITDA	-26.17	-31.82	-10.81
PAT	-59.85	-55.02	-18.05
Total Debt	23.73	314.33	-
Tangible Net Worth	92.73	-134.38	-
EBITDA Margin (%)	-67.35	-26.49	-34.03
PAT Margin (%)	-153.07	-40.90	-56.43
Overall Gearing Ratio (x)	0.26	-2.34	-
Interest Coverage (x)	-511.15	-1.49	-3.12

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					Oct 11, 2023	-	-
1.	Term Loan	Long Term	100.00	IVR BB-/ Negative ISSUER NOT COOPERATING*	IVR BB/ Stable	-	-
2.	Cash Credit	Long Term	40.00	IVR BB-/ Negative ISSUER NOT COOPERATING*	IVR BB/ Stable	-	-



Press Release

Sr. No.	Name of Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					Oct 11, 2023	-	-
3.	Letter of Credit/ Bank Guarantee	Short Term	20.00	IVR A4 ISSUER NOT COOPERATING*	IVR A4	-	-

*Issuer did not cooperate; based on best available information

Analytical Contacts:

Name: Shantanu Basu	Name: Sandeep Khaitan
Tel: (033) 4803 3621	Tel: (033) 4803 3621
Email: shantanu.basu@infomerics.com	Email: sandeep.khaitan@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any



Press Release

security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Facility Details

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	June 2031	100.00	IVR BB-/ Negative ISSUER NOT COOPERATING*
Cash Credit	-	-	-	-	40.00	IVR BB-/ Negative ISSUER NOT COOPERATING*
Letter of Credit/ Bank Guarantee	-	-	-	-	20.00	IVR A4 ISSUER NOT COOPERATING*

**Issuer did not cooperate; based on best available information*

Annexure 2: Facility wise lender details: Not Applicable

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.