



Press Release

Panyam Cements and Mineral Industries Limited

January 06, 2026

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	130.00 (Reduced from Rs 140.00 crore)	IVR BB-/ Stable (IVR Double B Minus with Stable Outlook)	IVR BB-/ Stable (IVR Double B Minus with Stable Outlook)	Reaffirmed	Simple
Short Term Bank Facilities	15.00 (Reduced from Rs 20.00 crore)	IVR A4 (IVR A Four)	IVR A4 (IVR A Four)	Reaffirmed	Simple
Total	145.00 (Rs. One hundred and forty-five crore only)				

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:

Infomerics ratings has reaffirmed its ratings, on the bank loan facilities of Panyam Cements and Mineral Industries Limited (PCMIL).

The rating reaffirmation factors the support from the promoter group, and locational advantage in terms of proximity to raw material sources. These rating strengths are offset by significant deterioration in revenue with widening PAT losses, leveraged capital structure with weak debt coverage indicators, and nascent stage of operations.

‘Stable’ outlook considers Infomerics’ belief that the company will benefit from expected improvement in operational performance following the completion of necessary plant upgradation, along with ongoing managerial and ongoing financial support from the group.



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Key Rating Sensitivities:

Upward Factors

- Significant growth in scale of business with improvement in profitability metrics thereby leading to overall improvement in cash accruals and liquidity.
- Improvement in the capital structure with improvement in debt protection metrics.

Downward Factors

- Significant deterioration in operating income and/or profitability impacting the debt coverage indicators and/or moderation in overall gearing ratio.
- Any significant rise in working capital intensity or unplanned capex leading to a deterioration in the liquidity position.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Support from the promoter group

PCMIL is the part of Accord Group of Chennai led by Mr. S. Jagathrakshakan, which has a long operating track record across diversified businesses including liquor, healthcare, education, pharmaceutical and hospitality. The group's demonstrated ability to mobilize resources and provide financial and managerial support remains a key strength, particularly during the project stabilization and capacity ramp-up phase.

Locational advantage in terms of proximity to raw material sources

Most of the raw materials like coal, gypsum, iron ore, etc., are purchased locally and the distributors of the company's product are also majorly based in AP, and Telangana. These ensure an optimisation of logistics cost and have a favourable impact on the operating margins. Besides this, PCMIL has own captive limestone mines, adjacent to the unit, which ensures steady supply of calcium-carbonate-rich limestone.



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Key Rating Weaknesses

Significant deterioration in revenue and PAT losses

Total operating income (TOI) declined by ~31% to Rs 83.52 crore in FY25 from Rs 120.12 crore in FY24 due to reduced operational days following repair works on old machinery and subdued infrastructure demand in Telangana and Andhra Pradesh, impacted by prolonged monsoons and elections. Intense competition further pressured realisations. The performance is estimated to deteriorate further in H1FY26, with plant closure in Q1FY26. In line with the revenue contraction and higher repair and input costs, EBITDA losses widened by ~37% to Rs 43.58 crore in FY25 from Rs 31.58 crore in FY24. Consequently, net losses, at PAT levels, increased to Rs 89.19 crore from Rs 55.02 crore in FY24, reflecting significant deterioration in profitability.

Leveraged capital structure and low debt coverage indicators

As on March 31, 2025, the company's capital structure remained highly stretched with a modest tangible net worth of Rs 11.13 crore (after factoring Rs 239.10 crore of unsecured loans as quasi-equity), driven by widening PAT losses. On the contrary, total debt also rose to Rs 154.83 crore in FY25 from Rs 114.15 crore in FY24, driven by infusion of Rs 23.75 crore unsecured loans (not subordinated to debt) and higher working capital utilization. Solvency indicators like overall gearing stood high at 13.9x as on March 31, 2025 and TOL/TNW stood leveraged at 18.07x. Interest coverage ratio in FY25 stood negative at negative 1.17x (PY: negative 1.49x) and DSCR stood at negative 0.91x in FY25 (PY negative 0.81x).



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Nascent stage of operations

PCMIL is at a nascent stage of operations following the takeover by the new management in April 2024. While the manufacturing facility has undergone a comprehensive revamp and market presence has expanded to South India, Goa, and the Andaman & Nicobar Islands, the sustainability of operational improvements and brand acceptability remains untested. Further, exposure to market uncertainties and intense competition from established cement players continues to be a key monitorable.

Analytical Approach: Standalone

Applicable Criteria:

[Criteria of assigning Rating Outlook](#)

[Rating Methodology for Manufacturing Companies](#)

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

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

[Policy on default recognition](#)

Liquidity –Stretched

The liquidity position of the company is expected to remain stretched in the near to medium term, characterized by limited cash accruals against debt repayment obligations commencing from August 2025. The average fund-based working capital utilisation for the 12 months ended October 2025 remained elevated at around ~85%, indicating tight liquidity. Further, the current ratio and quick ratio remained below unity at 0.63x (PY: 0.67x) and 0.15x (PY: 0.21x), respectively. Nevertheless, promoters and other group concerns are expected to extend financial support for debt servicing from their own sources; accordingly, the extent and timeliness of such support will remain a key monitorable.

About the company

PCMIL 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 April 2024 by procuring the key raw material, clinker from the



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secondary market. Since March 2023 clinker production has begun in house for captive purpose.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	120.12	83.52
EBITDA	-31.82	-43.58
PAT	-55.02	-89.19
Total Debt	114.34	154.83
Tangible Net Worth (Adjusted)	65.61	11.13
EBITDA Margin (%)	-26.49	-52.18
PAT Margin (%)	-40.89	-95.77
Overall Gearing Ratio (Adjusted) (x)	1.74	13.91
Interest Coverage (x)	-1.49	-1.17

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Security/ Facilities	Current Ratings (Year 2025-26)				Rating History for the past 3 years			
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating		Date(s) & Rating(s) assigned in 2024-25		Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					August 11, 2025	December 31, 2024	November 12, 2024	October 11, 2023	-
1	Term Loan-	Long Term	100.00	IVR BB-/ Stable	IVR BB-/ Stable	IVR BB/ Stable	IVR BB-/ Negative ISSUER NOT COOPERATING*	IVR BB/ Stable	-
2	Cash Credit	Long Term	30.00	IVR BB-/ Stable	IVR BB-/ Stable	IVR BB/ Stable	IVR BB-/ Negative ISSUER NOT COOPERATING*	IVR BB/ Stable	-
3	Letter of credit/ Bank Guarantee	Short term	15.00	IVR A4	IVR A4	IVR A4	IVR A4 ISSUER NOT COOPERATING*	IVR A4	-

*Issuer did not cooperate; based on best available information



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Analytical Contacts:

Name: Mithun Vyas

Tel: (079) 40393043

Email: mithun.vyas@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] 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.

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Annexure 1: Instrument/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-31	100.00	IVR BB-/ Stable
Cash Credit	-	-	-	-	30.00	IVR BB-/ Stable
Letter of Credit/ Bank Guarantee	-	-	-	-	15.00	IVR A4

Annexure 2: Facility wise lender details

https://infomericstorage.blob.core.windows.net/uploads/len_panyam_jan26_c478455387.pdf

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.