

**BSE Limited**

Department of Corporate Services

P.J. Towers, Dalal Street,

**MUMBAI – 400 001**

**Security Code: 530131**

*Through: BSE Listing Centre*

Dear Sir/Madam

**Re: Enhancement in Company's Credit Rating for Long Term Borrowings.**

The Rating Agency, CARE Ratings Limited has upgraded the Company's Credit Rating for its various Long Term Borrowings by One Notch to **CARE AA (CE); Stable [Double A (Credit Enhancement); Outlook: Stable]** from **CARE AA- (CE); Stable [Double A Minus (Credit Enhancement); Outlook: Stable]** as detailed hereinbelow: -

Facilities	Revised Rating	Rating Action
Long Term Bank Facilities	<b>CARE AA (CE); Stable [Double A (Credit Enhancement); Outlook: Stable]</b>	<b>Revised from CARE AA- (CE); Stable [Double A Minus (Credit Enhancement); Outlook: Stable]</b>

The Company's Rating is based on Credit Enhancement on the back of the Corporate Guarantee provided by the Holding Company, JK Lakshmi Cement Ltd (JKLC) for its Borrowings.

The Enhancement in the Rating assigned to the Long Term Bank facilities of JKLC & the Company takes into account substantial improvement in the Holding Company's Consolidated Financial Risk Profile over the past few years leading to Below Unity Gearing Level and comfortable Total Debt/PBILDT Ratio as at Financial Year 2021 end. The Rating revision further factors in Strong Operational Performance at Consolidated Level driven by Robust Volume Growth across regional markets, improved cost efficiencies and Higher Sales Realization achieved during FY 2020 and FY 2021. The improved Financial Performance has led to a built-up of Strong Liquidity position at Consolidated level thereby enabling JKLC to undertake the proposed Capex of 2.50 Million Tonne Per Annum (MTPA) in the Company, over the next 2.5 years comfortably without significantly increasing the consolidated gearing. The revision in Rating also considers the improvement in the operational risk profile of the Company resulting in healthy contribution of Cash Accruals at consolidated level.



CARE has reaffirmed Short Term Bank Facilities Rating at the highest possible level of **A1+ (CE)**  
**[A One Plus (Credit Enhancement)]**.

Submitted for your information and taking on records.

Thanking you,

Yours faithfully,  
For Udaipur Cement Works Limited

  
(Poonam Singh)  
Company Secretary & Compliance Officer

