



19th February, 2026

BSE Limited
Corporate Relationship Department
Scrip Code: 532538

The National Stock Exchange of India Limited
Listing Department
Scrip Code: ULTRACEMCO

Sub: Credit rating by India Ratings and Research

Ref: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sirs,

We write to inform that India Ratings and Research has affirmed its Issuer and debt instruments rating of 'IND AAA/Stable' and its rating of 'IND AAA/Stable/IND A1+' on the bank loan facilities. It has withdrawn its rating on the commercial papers upon redemption.

Copy of the press release issued by India Ratings and Research is attached.

This is for your information and records, please.

Thanking you,

Yours faithfully,
For UltraTech Cement Limited

Dhiraj Kapoor
Company Secretary and Compliance Officer

Encl: a/a

Luxembourg Stock Exchange
BP 165 / L – 2011 Luxembourg
Scrip Code:
US90403E1038 and US90403E2028

Singapore Exchange
11 North Buona Vista Drive,
#06-07 The Metropolis Tower 2,
Singapore 138589
ISIN Code:
US90403YAA73 and USY9048BAA18



UltraTech Cement Limited

Registered Office : Ahura Centre, B – Wing, 2nd Floor, Mahakali Caves Road, Andheri (East), Mumbai 400 093, India

T: +91 22 6691 7800 / 2926 7800 | F: +91 22 6692 8109 | W: www.ultratechcement.com/www.adityabirla.com | CIN : L26940MH2000PLC128420

India Ratings Affirms UltraTech Cement and its NCDs at 'IND AAA'/Stable; Withdraws CP Rating

Feb 19, 2026 | Cement & Cement Products

India Ratings and Research (Ind-Ra) has taken the following rating actions on Ultratech Cement Limited (UCL) and its debt instruments:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Issuer rating	-	-	-	-	IND AAA/Stable	Affirmed
Bank loan facilities	-	-	-	INR129,109	IND AAA/Stable/IND A1+	Affirmed
Non-convertible debentures*	-	-	-	INR35,000	IND AAA/Stable	Affirmed
Commercial paper#	-	-	Up to 12 months	INR50,000	WD	Withdrawn

* Details in Annexure

Ind-Ra is no longer required to maintain the rating as the instrument has been paid in full and the agency has received withdrawal request from the issuer. This is consistent with Ind-Ra's Policy on Withdrawal of Ratings.

Analytical Approach

Ind-Ra continues to take a fully consolidated view of UCL and [its subsidiaries](#) while arriving at the ratings, as all the companies operate in the cement and related space and have strong operational and strategic linkages among them.

Detailed Rationale of the Rating Action

The affirmation reflects UCL's continued strong business profile with a leadership position in the Indian cement industry and a diversified presence across all five regions in the country. The rating action also reflects the company's healthy consolidated operational performance in 9MFY26 and Ind-Ra's expectation of continued growth and healthy profitability in the near-to-medium term. The affirmation also reflects a strong financial profile, with a comfortable net leverage ratio and strong liquidity, which are likely to sustain despite the planned capex.

List of Key Rating Drivers

Strengths

- Leadership position in cement industry
- Strong geographical diversification with pan-India presence
- Growth to continue outperforming industry even as pricing environment likely to remain subdued
- Increasing cost efficiencies to support profitability; absolute EBITDA to grow
- Successful track record provides visibility for turnaround of acquired assets
- Foray into wires and cables credit neutral over near-term, could enhance product diversification in long-term
- Credit profile to remain strong despite sizeable expansions

Weaknesses

- Susceptible to volatility in input prices and industry cyclicality

Detailed Description of Key Rating Drivers

Leadership Position in Cement Industry: UCL became the second-largest cement manufacturer globally (excluding China) in 2QFY26, and continued to be the largest cement manufacturer in India. UCL's share in the domestic grey cement capacity rose to around 27% at end-December 2025 (FY24: around 22%) with a capacity of 194.1 million tonnes per annum (mnt) (140.8mnt), which is more than 70% higher than its closest competitor.

Also, its strong distribution network of over 145,000 channel partners has supported its penetration in its target markets. The company has grown through organic and inorganic routes, with its recent acquisitions being The India Cements Ltd (ICL) in December 2024 and cement business of Kesoram Industries Ltd. (KIL) in FY25, doubling its capacity in the past seven years. UCL plans to gradually increase its capacity to 197.5mnt by FY26 and 240.8mnt by FY28, which is likely to aid its market position over the medium term. Ind-Ra believes UCL will continue to have a dominant leadership position in the Indian cement industry over the near-to-medium term. UCL is also a leading player in the white cement/wall putty segment, with a total capacity of 2.6mnt. Additionally, the company is backward integrated, with adequate limestone reserves in its captive mines and captive coal blocks in Madhya Pradesh.

Strong Geographical Diversification with Pan-India Presence: UCL is one of the three groups in the Indian cement industry to have a pan-India manufacturing presence. The company has a leading market position in the northern, western, central, and eastern and southern markets, with a balanced presence in all these five regions. The northern, western, central, and eastern regions each accounted for 17%–20% of the capacity, while the south held a larger share of 27%. The company's Phase I and Phase II expansion programmes were focused on the high growth-potential regions of eastern and central India, while the Phase III expansion has strengthened its presence in the southern region. The fourth phase of growth over FY26-FY28 will be focused on the northern and western regions. Meanwhile, the company will also add capacities in the central markets, balancing the geographical mix and strengthening its pan-India competitive position. With the completion of phase IV capex by FY28, no region is likely to account for more than 25% of the capacity. While the northern and western regions have witnessed greater penetration than some of the other regions, these markets continue to see infrastructure development and a relatively better pricing environment.

Growth to Continue Outperforming Industry even as Pricing Environment Likely To Remain Subdued: UCL has continued to outperform the industry average, growing at 13%-14% yoy over FY23-FY25 (industry average of 8%-9% yoy). The momentum continued in 9MFY26, with UCL delivering double-digit volume growth compared to industry growth of 8% yoy. The growth in volumes propelled UCL's consolidated revenues to around INR627 billion in 9MFY26, up 19% yoy; the company is likely to see continued robust growth over the near-to-medium term.

Ind-Ra expects India's cement demand to grow in the mid-to-high single digits over FY26-FY27, backed by the government's continued focus on infrastructure spending and a healthy housing demand, with UCL potentially continuing to outperform, aided by its strong pan-India presence and a ramp-up of the recently commenced plants and acquisitions.

After a fall in FY25 due to an increase in competitive intensity, cement realisations witnessed some recovery in 9MFY26. However, given the sizeable supply pipeline, Ind-Ra expects industry capacity utilisations to remain range-bound despite the demand growth. Ind-Ra expects a low-single digit growth in cement prices in FY26 and a muted pricing environment in FY27 amid the high competitive intensity emanating from the influx of decadal-high capacity and the likely ramp-up of some of the acquired capacities by the industry leaders.

Increasing Cost Efficiencies to Support Profitability; Absolute EBITDA to Grow: UCL's business profile is supported by a strong brand and lower-than-average costs due to operational efficiencies, resulting in a robust EBITDA/metric tonne (mt) through the cycle. Despite a fall in realisations, the consolidated EBITDA/mt fell only marginally to INR924/mt in FY25 (INR988/mt excluding Kesoram and India Cements) (FY24: INR1,005/mt; FY23: INR1,089/mt, FY22: INR1,225/mt). With some recovery in realisations, the EBITDA/mt recovered to INR1,042/mt in 9MFY26 and Ind-Ra expects it to remain

around this level for FY26.

Ind-Ra believes that the benign fuel costs and cost efficiency measures implemented by the company are likely to support UCL's profitability even as realisations remain subdued. UCL has improved its cost structure by increasing the share of green power (9MFY26: 41%; FY25: 33%, FY24: 24%, FY19: 7%), adding over 481MW of renewable capacity in FY25 and 288MW in 9MFY26. Furthermore, UCL's planned green power addition over the next few years is likely to increase the share to 85% by FY30, which will structurally benefit its profitability. The company has a captive thermal power capacity of 1,333MW, which, coupled with its green power, caters to a majority of its total power requirement. Furthermore, the company has been optimising its lead distance and clinker factor. With some recovery in profitability and growth in volumes organically and inorganically, UCL's EBITDA rose 44% yoy to INR114 billion in 9MFY26. Ind-Ra believes with the likely growth in volumes from the recent organic and inorganic expansions over FY25-FY28 coupled with a healthy EBITDA/mt is likely to result in an increase in the absolute EBITDA over the near-to-medium term.

Successful Track Record Provides Visibility for Turnaround of Acquired Assets: Ind-Ra opines the completion of ICL and KIL transactions over December 2024-March 2025 has strengthened UCL's market position in the southern region, increasing its capacity share to around 27% (from 11% in FY24) and its pan-India capacity share to 27%-28% (from 22% in FY24). Furthermore, ICL's performance has seen a significant improvement since the acquisition, with the entity generating a positive EBITDA over 1Q-3Q compared to losses in the preceding four quarters. The management has indicated that 69% of KIL's sales and 58% of ICL's sales moved to the Ultratech brand in 3QFY26, signalling fast progress in the integration of the acquired entities.

KIL generated an EBITDA/mt of around INR600 in 3QFY26, while ICL's EBITDA stood at INR399/mt, well below UCL's EBITDA/mt of over INR1,050. However, with an increase in brand integration and cost efficiency measures, including the increased capex in renewable power, which would lead to higher availability of the same, the management expects to improve the profitability of these businesses to UCL's level by FY28. Ind-Ra draws comfort from UCL's successful track record of scaling up profitability from the acquired assets within a couple of years through cost optimisation, quality alignment and re-branding, as indicated in the case of UltraTech Nathdwara Cement and Century Textiles, which have been generating healthy EBITDA/mt and capacity utilisations.

Foray into Wires and Cables Credit Neutral over Near-term, could Enhance Product Diversification in Long-term: UCL announced its foray into the wires and cable segment in February 2025, with an investment outlay of INR18 billion over two years. With the planned commencement of the plant in December 2026, UCL aims to become a major player in the segment over the medium term. The management views the segment as a strategic adjacency, as almost 85% of wire demand is derived from the housing segment, which also accounts for around two-third of cement demand, and hence, UCL would be able to leverage its existing distribution network. Similarly, UCL's presence in infrastructure projects provides synergies with the cable segment. The business could achieve an asset turnover of around 5x at full capacity, which could be achieved by FY30-FY31, with potential IRR of 25%. Located in Gujarat, the upcoming plant is located within 100km of its key raw material source (copper), which would help manage working capital. No further capex spend is envisaged in this segment until the plant ramps up. Ind-Ra opines that the investment forms around 10% of UCL's planned capex over FY26-FY27 and would not impact the credit profile of the company in the near term. Given the large size and scale of the cement business, the contribution of the wires and cable segment to the overall revenue and EBITDA would also be modest in the initial years. However, a gradual successful ramp-up could catapult UCL to a strong market position in the wires and cables segment, diversifying its product profile.

Credit Profile to Remain Strong Despite Sizeable Expansions: Despite an increase in debt levels, UCL's credit metrics remained strong and improved in 9MFY26 due to improved profitability. The consolidated net leverage (net debt/operating EBITDA) was comfortable at 1.1x at end-December 2025 (FYE25: 1.4x, FYE24: 0.2x, FYE23: 0.2x) while its EBITDA interest coverage was strong at 8.2x (7.6x, 13.4x, 12.9x). The debt increased owing to capex of around INR250 billion incurred over FY24-9MFY26 towards expansion, improvisation and maintenance projects and a spend of close to around INR100 billion towards acquisitions and investments. Furthermore, UCL plans to incur capex of INR100 billion-110 billion each in FY26 and FY27 towards its planned expansions. This includes an investment of around INR18 billion in the wires and cables business by FY27. Despite this, Ind-Ra opines that the company's credit metrics are likely to remain strong over the near-to-medium term, supported by strong profitability.

Susceptible to Volatility in Input Prices and Industry Cyclical: Any sharp increase in the key input prices, including those of pet coke, coal and diesel, without a corresponding increase in cement prices, could affect the company's EBITDA. UCL's EBITDA/mt remains exposed to its ability to maintain its operating parameters amid the inherent cyclical trends in demand and supply of cement. However, with its pan-India presence and cement being a regional commodity, the commodity risks are partially mitigated.

Liquidity

Superior: UCL had sizeable cash and equivalents of around INR51.1 billion at end-December 2025 (FY25: INR53.6 billion) at the consolidated level despite funding a large part of the organic capex through internal accruals. UCL has been reporting large positive cash flow from operations and positive free cash flow for over a decade. UCL's cash flow from operations remained robust at around INR90 billion-100 billion over FY24-FY25 (FY25: INR91 billion; FY24: INR98 billion). Its net working capital stood at 8.1% of the net revenue in FY25 (FY24: 5.8%, FY23: 5.2%; FY22: 5.3%), increasing slightly compared to the previous years due to some elongation in debtors and inventory post the acquisitions. For the 12 months ended December 2025, UCL's average monthly utilisation of the fund-based limits was moderate at around 60% and that of the non-fund-based limits was 35%-40%, indicating the availability of liquidity cushion. Furthermore, UCL has a high financial flexibility, with strong access to the banking system as well as capital markets at competitive rates. The company has scheduled term debt repayment of INR9.4 billion (including prepayments) in FY26 and INR18 billion in FY27, which are likely to be met comfortably through internal accruals, according to Ind-Ra. In addition, the company has a potential liability of INR10 billion of preference shares and INR3.7 billion of contingent liability related to royalty on limestone. Ind-Ra believes UCL has sufficient liquidity to meet these, if and when they materialise.

Rating Sensitivities

Positive: Not applicable

Negative: A negative rating action could result from a higher-than-expected debt-funded capex/investment, leading to the net leverage exceeding 2x on a sustained and consolidated basis.

Any Other Information

Strong Standalone Performance: UCL's standalone revenue grew 5% yoy to INR718.9 billion in FY25, while EBITDA declined moderately to INR122.9 billion (FY24: INR126.2 billion) owing to reduction in realisations. The interest coverage remained comfortable at 8.4x in FY25 (FY24: 14.6x). The gross debt rose to INR195 billion in FY25 (FY24: INR81 billion), while cash and equivalents declined to INR36.6 billion (INR62.5 billion) amid the ongoing capex. Notwithstanding the increase in debt, the net leverage was comfortable at 1.3x (FY24: 0.2x) at end-March 2025.

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on UCL, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click [here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click [here](#).

About the Company

UCL is the largest manufacturer of grey cement, ready mix concrete and white cement in India. It has 35 integrated plants (34 in India and 1 clinkerization unit in Overseas) and 34 grinding units, ten bulk terminals, two white cement and four putty plants and over 425 ready mix concrete plants. Its operations span across India, the UAE, Bahrain, Bangladesh and Sri Lanka.

Key Financial Indicators

Particulars (INR billion; Consolidated)	FY25	FY24
---	------	------

Revenue	759.6	709.1
Operating EBITDA	125.6	129.7
Operating EBITDA margin (%)	16.5	18.3
Interest coverage	7.6	13.4
Net debt	176.7	27.8
Net leverage (net debt/EBITDA) (x)	1.4	0.2
Source: Company, Ind-Ra		

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Rating Type	Rated Limits (million)	Current Rating	Historical Rating/Outlook				
				24 February 2025	19 August 2024	28 March 2024	31 March 2023	25 July 2022
Issuer Rating	Long-term	-	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
Non-convertible debentures	Long-term	INR35,000	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
Bank loan facilities	Long-term/Short-term	INR129,109	IND AAA/Stable/IND A1+	IND AAA/Stable/IND A1+	IND AAA/Stable/IND A1+	IND AAA/Stable/IND A1+	IND AAA/Stable/IND A1+	IND AAA/Stable/IND A1+
Commercial paper	Short-term	INR50,000	WD	IND A1+	IND A1+	IND A1+	IND A1+	IND A1+

Bank wise Facilities Details

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low
Non-convertible debentures	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

Annexure

Instrument Type	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating/Outlook
Non-convertible debentures	INE481G07190	22 August 2016	7.53	21 August 2026	INR5,000	IND AAA/Stable
Non-convertible debentures	INE481G08107	26 November 2024	7.22	24 November 2034	INR10,000	IND AAA/Stable
Non-convertible debentures	INE481G08115	05 March 2025	7.34	05 March 2030	INR10,000	IND AAA/Stable
Non-convertible debentures	INE481G08123	05 March 2025	7.34	03 March 2028	INR10,000	IND AAA/Stable
Total					INR35,000	
Source: NSDL, Company						

Contact

Primary Analyst

Sarthak Bhauwala

Senior Analyst

India Ratings and Research Pvt Ltd

Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai - 400051

02240356154

For queries, please contact: infogrp@indiaratings.co.in

Secondary Analyst

Khushbu Lakhota

Director

+91 33 4030 2508

Media Relation

Ameya Bodkhe

Marketing Manager

+91 22 40356121

About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Corporate Rating Methodology

Parent and Subsidiary Rating Linkage

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process

DISCLAIMER

All credit ratings assigned by india ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.indiaratings.co.in/rating-definitions>. In addition, rating definitions and the terms of use of such ratings are available on the agency's public website www.indiaratings.co.in. Published ratings, criteria, and methodologies are available from this site at all times. India ratings' code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the code of conduct section of this site.