

November 06, 2024

ITD Cementation India Limited: Update on Material Event

Summary of rating(s) outstanding

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Long-term – Fund-based – Term loans	292.26	292.26	[ICRA]A (Stable)
Long-term – Fund-based – Working capital	750.00	750.00	[ICRA]A (Stable)
Long-term/Short-term – Non-fund based limits	5,930.00	5,930.00	[ICRA]A (Stable)/ [ICRA]A1
Total	6,972.26	6,972.26	

*Instrument details are provided in Annexure-I

Rationale

Material event

On October 25, 2024, ITD Cementation India Limited (ITD) announced on the Bombay Stock Exchange regarding its promoter, Italian-Thai Development Public Company Limited (holding 46.64% of the paid-up equity share capital of the company), entering into a share purchase agreement with Renew Exim DMCC (part of Adani Group) for entire stake of the company at a price of Rs. 400 per share, translating to Rs. 3,204 crore for the entire deal. This acquisition comes alongside an open offer by Renew Exim to acquire an additional 26% stake in ITD Cementation from public shareholders at Rs. 571.68 per share, amounting to Rs. 2,553 crore, if fully subscribed.

Impact of the material event

ICRA has taken note of the proposed acquisition of shares of ITD by Renew Exim DMCC. ICRA will continue to monitor the developments in the company after the new management takes over and will take appropriate action as and when required.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position, rating sensitivities : [Click here.](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Construction
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of ITD Cementation India Limited. As on March 31, 2024, the company had three subsidiaries and four JVs, that are enlisted in Annexure I. Further, the risk assessment of non-fund based limits of JVs guaranteed by ITD has been factored in while arriving at the ratings.

About the company

Incorporated in June 1978, ITD is a public limited company involved in providing design, engineering, procurement and construction services for infrastructure projects in India. It has done a variety of work, which includes piling, foundations, ground improvement, geotechnical and specialist engineering, marine structures and ports. It has undertaken transportation

projects including highways and bridges, hydroelectric projects such as tunnels and dams, industrial works and urban infrastructure projects. ITD is a part of the Thailand-based ITD Thai Group.

Key financial indicators (audited)

ITD Consolidated	FY2023	FY2024	Q1FY2025*
Operating income (Rs. crore)	5,137.9	7,758.6	2,381.5
PAT (Rs. crore)**	90.5	258.4	100.1
OPBDIT/OI	8.3%	10.3%	9.3%
PAT/OI	1.8%	3.3%	4.2%
Total outside liabilities/Tangible net worth (times)	3.0	2.9	-
Total debt/OPBDIT (times)	1.8	1.1	-
Interest coverage (times)	2.6	3.7	4.2

Source: Company, ICRA Research; * Provisional numbers; ** does not include share of profit/loss from joint venture, All ratios as per ICRA's calculations

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; NA- Not available

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

		Current (FY2025)				Chronology of rating history for the past 3 years					
		FY2025				FY2024		FY2023		FY2022	
Instrument	Type	Amount Rated (Rs. crore)	Nov 06, 2024	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Long-term-Cash credit-Fund-based	Long Term	750.00	[ICRA]A (Stable)	29-APR-2024	[ICRA]A (Stable)	04-APR-2023	[ICRA]A (Stable)	24-JAN-2023	[ICRA]A (Stable)	07-OCT-2021	[ICRA]A (Stable)
Long-term / Short-term- Others-Non-fund based	Long Term /Short Term	5930.00	[ICRA]A (Stable) / [ICRA]A1	29-APR-2024	[ICRA]A (Stable) / [ICRA]A1	04-APR-2023	[ICRA]A (Stable) / [ICRA]A1	24-JAN-2023	[ICRA]A (Stable) / [ICRA]A1	07-OCT-2021	[ICRA]A (Stable) / [ICRA]A1
Long-term-Term loan-Fund-based	Long Term	292.26	[ICRA]A (Stable)	29-APR-2024	[ICRA]A (Stable)	04-APR-2023	[ICRA]A (Stable)	24-JAN-2023	[ICRA]A (Stable)	07-OCT-2021	[ICRA]A (Stable)

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term – Fund-based – Term loans	Simple
Long-term – Fund-based – Working capital	Simple
Long-term/Short-term – Non-fund based limits	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analyzing an entity's financial, business, industry risks or

complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Term loan	April 2015	-	November 2027	292.26	[ICRA]A (Stable)
NA	Fund-based Working capital	-	-	-	750.00	[ICRA]A (Stable)
NA	Letter of credit/Bank guarantee	-	-	-	5,930.00	[ICRA]A (Stable)/ [ICRA]A1

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-II: List of entities considered for consolidated analysis

Company Name	ITD Ownership	Consolidation Approach
ITD Cementation Projects India Limited	100.00%	Full Consolidation
ITD Cem India JV	80.00%	Full Consolidation
ITD Cem-Maytas Consortium	95.00%	Full Consolidation
ITD - ITD Cem JV	49.00%	Consolidated using equity method
ITD – ITD Cem JV (Consortium of ITD - ITD Cementation)	40.00%	Consolidated using equity method
CEC-ITD Cem-TPL JV	60.00%	Consolidated using equity method
ITD Cem-BBJ Joint Venture	51.00%	Consolidated using equity method
ITD Cementation India Limited -Transrail Lighting Limited JV	72.66%	Consolidated using equity method

Source: ITD annual report

ANALYST CONTACTS

Ashish Modani

+91 22 6169 3300

ashish.modani@icraindia.com

Chintan Dilip Lakhani

+91 22 6169 3345

chintan.lakhani@icraindia.com

Suprio Banerjee

+91 22 6114 3443

supriob@icraindia.com

Rohit Agarwal

+91 22 6169 3329

rohit.agarwal@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2024 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.