

July 29, 2025

ITD-ITD Cem Joint Venture: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Non-fund based limits	127.25	94.35	[ICRA]A2; Reaffirmed
Total	127.25	94.35	

*Instrument details are provided in Annexure I

Rationale

The rating reaffirmation for ITD-ITD Cem Joint Venture (ITD-JV) factors in the presence of ITD Cementation India Limited, rated [ICRA]A+ (Stable)/[ICRA]A1]] as one of the joint venture (JV) partners, which has significant experience in executing metro projects. ICRA notes that the credit profile of the 51% JV partner Italian Thai Development Public Company Ltd (ITD Thai) has weakened in the recent past. However, comfort can be drawn from the fact that the pending work is being executed by ITD Cementation India Limited, which has provided corporate guarantee for the outstanding bank lines of the ITD-JV.

These strengths are partially offset by the residual execution risk and order book concentration risk in terms of the geographical and client concentration risks with the unexecuted order book primarily consisting of Kolkata metro project. Nevertheless, the track record of timely receipt of payments (average receivable period of 30 days) mitigates the counterparty credit risk to some extent. The JV is not expected to house more projects post completion of the present metro project. The project is operational with the balance finishing works likely to be completed by September 2025. Hence, the execution risk has largely subsided.

Key rating drivers and their description

Credit strengths

Strong execution track record of JV partner (ITD Cementation India Limited) – The rating considers the established track of one of the JV partners, ITD Cementation India Limited, which has significant experience in executing metro projects. Apart from the established track record of the contractor (ITD Cementation India Limited), ICRA notes that ITD Cementation India Limited has provided corporate guarantee for the outstanding bank lines of the ITD-JV, which, along with sufficient unencumbered cash available for residual completion, provide additional comfort.

Credit challenges

Exposed to high order book concentration risk and residual completion risk – The unexecuted order book primarily consists of Kolkata metro project, leading to geographical and client concentration risks. Nevertheless, timely receipt of payments (average receivable period of 30 days) mitigates the counterparty credit risk to some extent. The JV is not expected to house more projects post completion of the present metro project. As on date, the project is nearly complete (more than 99%), hence the execution risk has largely subsided. The credit profile of the 51% JV partner (ITD Thai) has weakened in the recent past. However, as per discussion with the management, the pending work is being executed by ITD Cementation India Limited and the same is likely to be completed by September 2025.

Liquidity position: Adequate

The liquidity position of ITD JV is adequate, as reflected in the unencumbered cash and bank balances, which stood at Rs. 47.25 crore as on March 31, 2025. There is no long-term debt outstanding as on March 31, 2025.

Rating sensitivities

Positive factors – An upgrade in rating is unlikely given the characteristics of the JV.

Negative factors – The rating can be downgraded if there is weakening in linkages with the sponsor, or if there is any significant cost and time overrun in the project, or there is any material deterioration in the credit profile of the sponsor group.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Construction
Parent/Group support	Parent Company: ITD Cementation ICRA expects ITD Cementation to be willing to extend financial support to ITD JV, should there be a need, given its strategic importance to the ITD Group, and out of its need to protect its reputation. Both ITD Cementation and ITD JV also share the common name, which in ICRA's opinion, would persuade ITD Cementation to provide financial support to ITD JV to protect its reputation from the consequences of a Group entity's distress.
Consolidation/Standalone	Standalone

About the company

ITD JV is a joint venture between ITD Thai and ITD Cementation. ITD Thai holds 51% stake in the ITD JV and 49% of the stake is owned by ITD Cementation. ITD Cementation enters into project-specific JVs with ITD Thai for projects where experience of the latter is required to meet technical qualification criteria. The JV is currently executing the underground tunnelling Kolkata metro project (more than 99% complete as on June 30, 2025) for Kolkata Metro Rail Corporation Limited.

Key financial indicators (audited)

ITD-JV (Standalone)	FY2024	FY2025*
Operating income (Rs. crore)	96.5	89.6
PAT (Rs. crore)	-26.8	-17.4
OPBDIT/OI (%)	-38.5%	-20.3%
PAT/OI (%)	-27.7%	-19.5%
Total outside liabilities/Tangible net worth (times)	4.4	6.8
Total debt/OPBDIT (times)	0.0	0.0
Interest coverage (times)	-15.7	-7.7

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; *provisional

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	FY2026			FY2025	FY2024		FY2023		
	Type	Amount Rated (Rs. crore)	Jul 29, 2025	Date	Rating	Date	Rating	Date	Rating
Short Term-Others-Non Fund Based	Short Term	94.35	[ICRA]A2	April 29, 2024	[ICRA]A2	-	-	Jan 24, 2023	[ICRA]A1(CE) withdrawn and [ICRA]A2 assigned simultaneously
Long Term-Term Loan-Fund Based	Long Term	-	-	-	-	-	-	Jan 24, 2023	[ICRA]A(CE) (Stable); withdrawn

Complexity level of the rated instruments

Instrument	Complexity indicator
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 analysing 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 are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Non-fund based limits	-	-	-	94.35	[ICRA]A2

Source: Company

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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