

July 29, 2025

## CEC ITD Cem TPL JV: Ratings reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Short-term – Fund-based limits	40.00	0.00	-
Long-term/ Short-term – Non-fund based limits	50.00	45.00	[ICRA]BBB+(Stable)/[ICRA]A2; reaffirmed
<b>Total</b>	<b>90.00</b>	<b>45.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

The reaffirmation of ratings for CEC ITD Cem TPL JV (CIT) factors in the established track record of ITD Cementation India Limited (ITD Cementation, rated [ICRA]A+ (Stable)/[ICRA]A1) and Tata Projects Limited, which have significant experience in executing metro projects. Apart from their established track record, the joint venture (JV) partners' corporate guarantee and sufficient unencumbered cash available for residual completion, provide additional comfort. ICRA notes that the JV partners, i.e., ITD Cementation and Tata Projects Limited, have provided corporate guarantee for the bank lines of the 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 Mumbai metro project. Nevertheless, the 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 Mumbai metro project is operational and in the final stages of finishing work, with approximately 96% of the contract value already billed as on March 31, 2025. Hence, the execution risk has largely subsided, with likely handover by Q3 FY2026 post work certification. The Stable outlook on the rating reflects ICRA's opinion that JV will benefit from its strong parentage and experience of its promoters in executing metro projects.

### Key rating drivers and their description

#### Credit strengths

**Strong execution track record of parent (ITD Cementation India Limited)** – The ratings note the established track record of ITD Cementation India Limited and Tata Projects Limited, which have significant experience in executing metro projects. Apart from the established track record of the JV partners, the corporate guarantee and sufficient unencumbered cash available for residual completion provides additional comfort.

#### Credit challenges

**Residual execution risk and high order book concentration risk** – As of July 2025, the project is operational and in the final stages of finishing work, with approximately 96% of the contract value billed till March 31, 2025. Hence, the execution risk has largely subsided. This has resulted in release of significant part of the contingencies, which were built into the project cost, thus aiding the JV's profitability. The rating is constrained by the geographical and client concentration risks with the unexecuted order book primarily consisting of Mumbai metro project. Nevertheless, the 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.

## Liquidity position: Adequate

The JV's liquidity position is adequate, as reflected in the unencumbered cash and bank balance of Rs. 132.1 crore as on March 31, 2025. There is no long-term debt outstanding as on March 31, 2025.

## Rating sensitivities

**Positive factors** – The upgrade in ratings is unlikely, given the characteristics of the JV.

**Negative factors** – The ratings 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	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Construction</a>
Parent/Group support	Parent Company: ITD Cementation ICRA expects ITD to be willing to extend financial support to CIT, should there be a need, given its strategic importance to the ITD Group, and out of its need to protect its reputation. Both ITD and CIT share the common name, which in ICRA's opinion, would persuade ITD to provide financial support to CIT to protect its reputation from the consequences of a Group entity's distress.
Consolidation/Standalone	Standalone

## About the company

Incorporated in May 2015, CIT is a joint venture between ITD, Continental Engineering Construction (CEC) and TPL with ITD holding 40% stake, CEC holding 40% and TPL holding 20% in the JV. However, as per the arrangement between the JV partners, ITD and TPL would be contributing to financing requirements in the ratio of 60:40 and the profits would be shared between the two in the same ratio. In July 2016, CIT was awarded a contract by MMRC to design and construct the underground sections including three underground stations at Siddhivinayak, Dadar and Shitla Devi Temple and the associated bored tunnel as a part of the Colaba-Bandra-Seepz Line metro corridor project (Line-3) for the Mumbai metro. The package was awarded to CIT at a value of Rs. 2,830.10 crore.

## Key financial indicators (audited)

CIT (Standalone)	FY2024	FY2025
Operating income (Rs. crore)	218.7	123.9
PAT (Rs. crore)	48.4	14.4
OPBDIT/OI (%)	21.7%	9.6%
PAT/OI (%)	22.1%	11.6%
Total outside liabilities/Tangible net worth (times)	2.8	2.0
Total debt/OPBDIT (times)	0.0	0.0
Interest coverage (times)	11.1	1.1

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

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
Long-term/ Short-term – Non-fund based limits	Long Term/Short Term	45.00	[ICRA]BBB+ (Stable)/ [ICRA]A2	April 29, 2024	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	-	Jan 24, 2023	[ICRA]A(CE)(Stable)/[ICRA]A1(CE); withdrawn and [ICRA]BBB+ (Stable)/ [ICRA]A2 assigned simultaneously
Short-term – Fund-based limits	Short Term	-	-	April 29, 2024	[ICRA]A2	-	-	Jan 24, 2023	[ICRA]A1(CE) withdrawn and [ICRA]A2 assigned simultaneously

### Complexity level of the rated instruments

Instrument	Complexity indicator
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 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	Long-term/ Short-term – Non-fund based limits	-	-	-	45.00	[ICRA]BBB+(Stable)/ [ICRA]A2

Source: Company

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

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