

## Tara Tarini Construction Private Limited

February 03, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long term bank facilities	9.62	CARE BB; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB+; Stable and moved to ISSUER NOT COOPERATING category
Long term / Short term bank facilities	34.38	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	Downgraded from CARE BB+; Stable / CARE A4+ and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

CARE Ratings Ltd. (CareEdge Ratings) has been seeking information from Tara Tarini Construction Private Limited (TTCPL) to monitor the ratings vide email communications dated January 15, 2026, December 01, 2025, November 28, 2025 and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. Further, TTCPL has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on TTCPL's bank facilities will now be denoted as **CARE BB; Stable/CARE A4; ISSUER NOT COOPERATING\***

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.**

The ratings have been revised on account of unavailability of adequate information thereby leading to uncertainty around credit risk of the company.

The ratings assigned to the bank facilities of TTCPL continue to remain constrained by susceptibility of operating margins to volatility in input material prices and labour charges, intense competition and tender driven process risk, working capital intensive nature of operations and inherent risk associated with the construction sector. The ratings, however, derive strength from the experience of promoters with long track record of operation, comfortable capital structure and debt coverage indicators, and healthy order book. Ratings also factor in the improvement in financial profile of the company marked by improvement in Total operating income (TOI) of the company over the years, albeit small scale of operations, along with satisfactory operating margins.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of key rating drivers:

At the time of last rating on December 31, 2024 the following were the rating weaknesses and strengths:

#### Key weaknesses

##### Small scale of operation with satisfactory profitability margin

Though the total operating income of the entity has grown from Rs 70.45 crore in FY23 to Rs 136.50 crore in FY24 the overall scale of operations continues to remain small when compared to the overall scale of the industry and the other players operating in the industry. The increase in operating income is majorly due to better execution of orders in hand. The small scale deprives it from the benefits of economies of scale and restricts the financial flexibility of the firm in times of stress. In H1FY25, TOI stood at Rs 75.25 crore as articulated by the management. The operating profit margin has remained satisfactory and sustained at around 11.05% in FY24(FY23:11.59%). The PAT margin improved from 5.85% in FY23 to 7.23% in FY24. The operating margins have been stable mainly due to increase in scale of operations over the years and timely execution of works contracts. The PAT margins have improved on account of increase in non-operating income. The TOI is expected to improve gradually in near to mid term with timely execution of orders, with similar levels of margins.

#### Susceptibility of operating margin to volatility in input material prices and labour charges

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

The basic input materials for execution of construction projects and works contracts are steel, stone chips, bitumen, cement, etc. the prices of which are highly volatile. However, government agency contracts often include a price escalation clause for four major inputs like cement, metal, labour, and fuel which helps to mitigate the risk of price volatility to some extent. The operating margin of the company is exposed to sharp rise in the cost of inputs along with the rising cost of labour.

#### **Intense competition and tender driven process risk**

TTCPL receives most of its work orders for construction of public roads, bridges, culverts, NH strips for both – state and central government. All these are tender based, and the revenues are dependent on the TTCPL's ability to bid successfully for these tenders. The profitability margins of the firm may come under pressure because of the competitive nature of the industry.

#### **Working capital intensive operations**

The operations of the company are working capital intensive due to tender based and long-term nature of contracts. Further, a part of the sales proceeds is also withheld in the form of retention money due to long duration of construction projects, which gets released after the successful completion of performance guarantee test period. In addition, the firm needs to maintain raw material inventory for timely execution of projects. The company has a gross current asset (days) of 167 in FY24 (P.Y.: 284) on account of receivables and lien marked deposits. The gross current days improved to 167 days due to increase in TOI. The same is expected to remain at similar levels going forward.

#### **Inherent risk associated with the construction sector**

Inherent risks involved in the construction industry such as aggressive bidding, interest rate risk, volatile commodity prices and delays in project for executing the work have collectively affected the credit profile of the developers in the past.

#### **Key strengths**

##### **Experienced promoters with long track record of operation**

The company is into operation since 2008, hence has a long track record of operations. Being in the same line of business for a prolonged period (since 1988), the promoter has built established relationship with its clients and the entity is deriving benefits out of this. The day-to-day affairs of the entity are looked after by Mr. Swarjya Kumar Sahu with adequate support from the other director Mr. Santosh Kumar Sahu.

##### **Healthy order book**

The entity has a satisfactory order book position of around Rs. Rs. 295.34 crore (2.16x of TOI of FY24) as on December 15, 2024 which provides revenue visibility for near to medium term to an extent.

##### **Satisfactory capital structure and debt coverage indicators**

The overall capital structure of the company continues to be satisfactory. The overall gearing stood at 0.55x as on March 31, 2024 (PY: 0.49x). It's debt profile largely comprises of working capital limits and equipment finance. Further, the unsecured loans are from group companies with no interest or repayment obligation. The total debt to GCA has improved from 2.32x as on March 31, 2023 to 1.87x as on March 31, 2024. It improved due to increase in GCA levels. The capital structure and debt protection metrics are expected to remain satisfactory in near to medium term.

#### **Applicable criteria**

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Construction](#)

[Short Term Instruments](#)

#### **About the company and industry**

##### **Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

TTCPL was incorporated in February, 2009 by Mr. Swarjya Kumar Sahu. The company is into construction of roads, bridges, NH strips for both – the state and central government. The company operates majorly in Odisha. The company is classified as "Class 1" contractor by the state authorities. The company currently has 17 ongoing projects. The main promoter – Mr. Swarjya Kumar Sahu (M.D) has been in the industry since 1988 looks after the day-to-day operations of the company along with the other promoter – Mr. Santosh Kumar Sahu.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	H1FY25 (UA)
Total operating income	70.45	136.50	75.25
PBILDT*	8.17	15.09	NA
PAT	4.12	9.87	NA
Overall gearing (times)	0.49	0.55	NA
Interest coverage (times)	9.53	6.99	NA

A: Audited, UA: Unaudited, NA: Not Available; Note: these are latest available financial results

\*PBILDT: Profit before interest, lease rentals, depreciation and tax

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Bank Overdraft		-	-	-	9.62	CARE BB; Stable; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	34.38	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information.

**Annexure-2: Rating History for last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Bank Overdraft	LT	9.62	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (31-Dec-24)	1)CARE BB+; Stable (03-Nov-23) 2)CARE B; Stable; ISSUER NOT COOPERATING* (09-Jun-23)	1)CARE B; Stable; ISSUER NOT COOPERATING* (13-May-22)
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	34.38	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable / CARE A4+ (31-Dec-24)	1)CARE BB+; Stable / CARE A4+ (03-Nov-23)	-

\*Issuer did not cooperate; based on best available information.

LT/ST: Long term/Short term; LT: Long term

**Annexure-3: Detailed explanation of covenants of rated instrument/facilities-** Not applicable**Annexure 4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Bank Overdraft	Simple
2	Non-fund-based - LT/ ST-Bank Guarantee	Simple

**Annexure 5: Lender details**

To view lender-wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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