Tirupati Cement Products

April 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	41.43 (Enhanced from 39.00)	CARE BBB; Stable	Reaffirmed
Long Term / Short Term Bank Facilities	408.57 (Enhanced from 261.00)	CARE BBB; Stable / CARE A3+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Tirupati Cement Products (TCP) continues to derive strength from healthy profitability margins, satisfactory financial risk profile marked by healthy debt coverage indicators, and healthy unexecuted orderbook position providing revenue visibility in the near-to-medium term. Ratings continue to take comfort from experienced promoters with established track record of operations in the construction of water and sewage infrastructure projects. However, ratings remain constrained by working capital intensive operations with high gross current asset days and geographical concentration of unexecuted order book towards Uttarakhand and Madhya Pradesh. Ratings are constrained by the competitive nature of industry and tender-based nature of operations and partnership constitution of the firm where there is an inherent risk of withdrawal of capital by the partners.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in the total operating income (TOI) of the firm above ₹450 crore while maintaining profit before interest, lease rentals, depreciation, and taxation (PBILDT) margins above 11%.
- Improvement in gross current asset days to below 170 days on a sustained basis

Negative factors

- Decrease in TOI of the firm below ₹250 crore and PBILDT margins below 7.00% on a sustained basis.
- Deterioration of gross current asset days of the firm to above 300 days on a sustained basis.
- Deterioration in the solvency position due to increased working capital reliance with overall gearing weakening significantly to over 1.50x.

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects CARE Ratings Limited's (CareEdge Ratings') opinion that the firm will continue to benefit from promoters' experience, healthy unexecuted orderbook position, and established track record of operations.

Detailed description of key rating drivers:

Key strengths

Moderate scale of operations with healthy PBILDT margins

In the past year, the firm experienced a slowdown in order execution, which resulted in slight dip in topline for FY25. The primary reason for this was the delay in projects in Uttarakhand, where heavy rainfall and landslides in the previous year, and delays in land allocation, impacted planned execution timelines. Additionally, certain projects in Delhi and other regions were also delayed due to land-clearance issues on the part of the respective authorities. Consequently, the firm's scale of operations moderated from ₹375 crore in FY24 to ₹333 crore in FY25. However, the firm's profitability continued to remain healthy as reflected by PBILDT margin of 13.76% in FY25 (PY: 13.85%). The firm has achieved a TOI of ₹202.83 crore in 9MFY26 (FY refers to April 01 to December 31), with healthy PBILDT margin of 15.99%.

Healthy unexecuted order book position providing revenue visibility over the medium term

As on February 11, 2026, TCP had an orderbook of ₹1,814.61 crore (exclusive of GST) translating into order book to TOI (FY25) ratio of 5.45x, indicating revenue visibility in medium-to-long term. The scope of work primarily comprises projects in water

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

supply, and sewage supply, to be executed on an engineering, procurement, and construction (EPC) basis. Considering large tenure of projects, orders have escalation clause built to safeguard against rise in input costs.

Satisfactory financial risk profile

The firm has a satisfactory financial risk profile characterised by moderate overall gearing and healthy debt coverage indicators. The firm's financial risk profile as marked by overall gearing of 1.54x as on March 31, 2025 (PY: 1.20x) moderated considering increased mobilisation advances against projects from Uttarakhand Urban Sector Development Agency (UUSDA). However, in the current year, due to partial completion of projects under UUSDA, repayment of these advances and prepayment of term loan, overall gearing as on December 31, 2025, improved to 0.99x. The firm's debt coverage indicators marked by interest coverage ratio and total debt to gross cash accruals (TD/GCA) stood healthy at 6.87x and 4.04x, respectively, as on March 31, 2025 (PY:6.07x and 2.99x).

Experienced promoters

The firm is promoted by four partners, three of whom have over 20 years of industry experience. Notably, Shree Bhagwan Aggarwal, who holds a 50% stake in the firm, brings over 40 years of extensive experience and oversees business development. The partners' long-standing experience has enabled the firm to build strong relationships with clients and suppliers, particularly in the construction of water and sewage infrastructure projects. This established industry presence provides the firm with a competitive advantage over its peers.

Key weaknesses

Working capital intensive nature of operations

The firm's operations are working capital intensive as evident from high gross current days of 366 days in FY25 (PY: 242 days). TCP's working capital cycle is largely affected due to the long mobilisation period, retention money, and delay in getting clearances. While the operating cycle moderated to 109 days in FY25 from 64 days in FY24, the same was primarily considering ~43% of the work done billed in March 2025 resulting in elongated collection period of 110 days in FY25 (PY: 55 days). However, the firm has an efficient billing cycle.

Geographical concentrated orderbook

TCP's operations have remained concentrated with ~58% of revenue booked in 9MFY26 from Uttarakhand and 14% from Delhi. The current unexecuted orderbook also stood concentrated with 55% of the orders from Uttarakhand and 40% of the orders from Madhya Pradesh. The other states of operation are Haryana, Assam, and Rajasthan. In the last two years, the firm has been making improved efforts to win tenders from other states- Punjab, Rajasthan, and Assam but still remains concentrated.

Presence in an intensely competitive and fragmented construction industry

TCP is a mid-sized player operating in intensely competitive and fragmented construction industry, where projects are awarded based on relevant experience of the bidder, financial capability and most attractive bidding price. The competitive intensity is considering the presence of several contractors resulting in aggressive bidding, which restricts the margins. Moreover, due to low counterparty credit risk and a relatively stable payment track record associated with projects funded by central and state government bodies, these projects are lucrative for all contractors and hence remained highly competitive.

Constitution as a partnership firm

TCP's credit risk profile is moderated by its partnership structure, which inherently carries the risk of capital withdrawal by partners. Such withdrawals could adversely impact the firm's financial flexibility if they occur. Any significant or disproportionate withdrawal of partners' capital will remain a key rating sensitivity. However, the firm is planning to convert into a private limited firm in the near term, which is expected to mitigate this risk.

Liquidity: Adequate

The firm has adequate liquidity marked by sufficient projected GCA of ~₹53.40 crore against its scheduled repayment of ~₹0.29 crore in FY26. The firm has prepaid its term loan in the current year with o/s term debt of ~₹0.64 crore as on December 31, 2025. Average utilisation of fund-based remained low at ~16% in the last 12 months ending January 31 ,2026. Further, the firm has low free cash and bank balance of ₹2.60 crore as on December 31, 2024. The firm also does not have capex plan for the near term.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Construction Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

TCP was established as a partnership firm in 1995and is promoted by four partners- Shree Bhagwan Aggarwal, Mukesh Kumar Aggarwal, Nikhil Aggarwal, and Sushma Aggarwal. Its major operations are in the water and sewage infrastructure projects where it offers engineering, procurement, construction, installation, commissioning of pipeline, including mechanical and electrical equipment and operation and maintenance for water supply and work for Water Treatment Plant (WTP) and Sewage Treatment Plant (STP) and Pumping Stations. In the past couple of years, it has also ventured into specialised works of Micro Tunnelling by Trenchless Technology / Horizontal Directional Drilling for oil and gas industry.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26(UA)
Total operating income	375.37	333.48	202.83
PBILDT*	51.96	45.88	32.43
Profit after tax (PAT)	41.38	39.93	17.32
Overall gearing (x)	1.20	1.54	0.99
Interest coverage (x)	6.07	6.87	13.29

A: Audited UA: Unaudited; 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-Term Loan		-	-	November 25,2028	0.43	CARE BBB; Stable
Fund-based - LT-Working Capital Limits		-	-	-	41.00	CARE BBB; Stable
Non-fund-based - LT/ ST-BG/LC		-	-	-	408.57	CARE BBB; Stable / CARE A3+

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-Working Capital Limits	LT	41.00	CARE BBB; Stable	1)CARE BBB; Stable (17-Mar-26)	1)CARE BBB; Stable (17-Feb-25)	1)CARE BBB; Stable (04-Mar-24)	-
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	408.57	CARE BBB; Stable / CARE A3+	1)CARE BBB; Stable / CARE A3+ (17-Mar-26)	1)CARE BBB; Stable / CARE A3+ (17-Feb-25)	1)CARE BBB; Stable / CARE A3+ (04-Mar-24)	-
3	Fund-based - LT-Term Loan	LT	0.43	CARE BBB; Stable	1)CARE BBB; Stable (17-Mar-26)	1)CARE BBB; Stable (17-Feb-25)	1)CARE BBB; Stable (04-Mar-24)	-

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

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT-Working Capital Limits	Simple
3	Non-fund-based - LT/ ST-BG/LC	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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About us:

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