Tirupati Sarjan Limited

September 07, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long Term Bank Facilities	RBI	17.15	CARE B+; Stable	Assigned
Short Term Bank Facilities	RBI	43.50	CARE A4	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to the bank facilities of Tirupati Sarjan Limited (TSL) are constrained by moderate scale of operations and profitability along with significant exposure to group companies. The ratings also factor working capital intensive operations, stretched liquidity and TSL's presence in highly competitive and tender driven industry. The above constraints are partially offset by experienced promotors with an established track record of operations and healthy orderbook providing revenue visibility over medium term.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustenance of Total operating income (TOI) at current level along with improvement in PBILDT margins above 5%.
- Plough back of loans and advances from group companies leading to improvement in liquidity profile of the company

Negative factors

- Significant delay in project execution on a sustained basis adversely affecting its revenue generation.
- Moderation in debt coverage indicators with interest coverage ratio reaching below 2x on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

The "Stable" outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectations that the TSL will continue to benefit from its experience promoters and healthy orderbook position providing revenue visibility over the medium term.

Detailed description of key rating drivers

Key weaknesses

Moderate scale of operations and profitability.

TSL's scale of operations grew at CAGR of 30.48% in past 5 years ended FY26 to Rs. 216.52 crore (PY: Rs. 220.72 crore) on back of execution of augmented orderbook. In Q1FY27, TSL has reported TOI of Rs. 32.90 crore and is expected to close FY27 at ~Rs. 225 crores.

TSL's profit margins moderated from 10.95% in FY22 to 4.20% in FY26 on account of increase in reliance on subcontracting from 40% in FY-22 to 54% in FY-26, and the execution of projects with inherently lower margins. As a result, despite maintaining a stable order execution profile, the company's ability to expand margins remained constrained TSL's profit margins are also susceptible to volatility in RM prices. However, TSL has escalation clause present in ~30% of the orderbook which mitigates this risk to certain extent.

Working capital intensive nature of operations

The operations of TSL are working capital intensive as reflected in gross current asset (GCA) cycle of 216 days in FY26 (PY: 227 days) primarily owing to high WIP/Inventory holding period of 112 days (PY:130 days) as on FY26 end. Apart from this, TSL's funds are deployed in earnest money deposit extended for participating in the tenders, advance to suppliers and cash margin extended to lenders against BG limits. contributing to higher GCA days.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority
[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

However, the debtor collection period (inclusive of retention money) remained comfortable at 49 days in FY26 (PY: 58 days).

Significant exposure in form of investment and advances and corporate guarantee extended to group companies:
The company has significant exposure in form of advances and investments to group companies to the tune of ₹ 43.97 crores as on March 31, 2026(i.e. ~ 47% of net worth; PY: ₹49.95 i.e. ~56% of net worth). Apart from this, company has also extended corporate guarantee of Rs. 38.00 Crores to its subsidiary, Tirupati Development (Uganda) Limited. Adjusted overall gearing (post adding corporate guarantee to debt and reducing advances and investments to group companies from Tangible networth) stood at 1.88x as on March 31, 2026 (PY: 2.71x).

Presence in highly competitive and tender driven construction industry
TSL operates in an intensely competitive construction industry where projects are awarded based on relevant experience of the bidder, financial capability and most attractive bid price. The high competition in the construction industry is due to the presence of large number of small and medium players, resulting in aggressive bidding, which exerts pressure on margins. Due to low credit risk and a relatively stable payment track record associated with projects funded by government bodies, these projects are lucrative for all contractors, and hence, remain highly competitive

Key Strengths
Experienced Promoters
TSL was established in 1995 and is led by promoters Mr. Jitendra Patel, Mr. Jashwantbhai Patel and Mr. Ruchir Patel, who have around three decades of experience in Real Estate and engineering, procurement and construction (EPC) Industry. They are ably supported by professionals at Tier I level of management to look after the day-to-day operations of company.

Healthy order book providing revenue visibility in medium term
TSL had unexecuted order book stood at ~₹504 crore as on June 2026, which translates to 2.33x of FY26 TOI. from reputed government authorities as well as few private players leading to moderate counterparty risk. Further, the company expects continued inflow of new engineering, procurement, and construction (EPC) orders supported by strong infrastructure demand. However, the ability to convert bids into executable orders and sustain execution momentum will remain a key monitorable.

Liquidity: Stretched
Liquidity of the company is stretched marked by high utilization of working capital limits with average utilisation of more than 90% and max utilization of 100% in past 12 months ended June 2026. As on March 31,2026, TSL had free cash and bank balance of ₹4.17 crore (PY: 4.33 crore)
TSL is envisaged to generate GCA in range of ₹6-7 crores as against debt repayment of ₹1.50-1.56 crores and it has high gross current asset days of 216 days (PY: 227 days). TSL generated cash flow from operation of ₹ 5.62 crores for FY26 (PY: positive ₹17.19 crore for FY26). The current ratio and quick ratio of the company remained at 1.77 times (PY:1.79 times) and 0.78 times (PY: 0.78 times) respectively for FY26.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

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

Tirupati Sarjan Limited (TSL) is a BSE-listed real estate and infrastructure company headquartered in Ahmedabad, Gujarat. Incorporated in 1995, the company develops residential, commercial, and township projects across Gujarat, with notable developments including Tirupati Rushivan, Tirupati Akruti Greenz, and Tirupati Villa. It also undertakes government infrastructure, educational, and healthcare construction projects.

The group has an international presence through its Uganda-based subsidiary, extending its real estate and construction activities into East Africa.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)
Total operating income	220.72	216.52
PBILDT*	11.26	9.10
Profit after tax (PAT)	5.15	4.74
Overall gearing (x)	0.53	0.43
Interest coverage (x)	2.16	2.33

A: Audited; UA: Unaudited; A: Abridged; 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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators
Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	RBI	Simple	-		-	-	17.15	CARE B+; Stable
Non-fund-based - ST-Bank Guarantee	RBI	Simple	-		-	-	43.50	CARE A4

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 2026-2027	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
1	Fund-based - LT-Cash Credit	LT	17.15	CARE B+; Stable				
2	Non-fund-based - ST-Bank Guarantee	ST	43.50	CARE A4				

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

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

Annexure-4: 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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