

August 20, 2025

Triveni Turbine Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Fund-based - Working capital facilities	179.5	179.5	[ICRA]AA+(Stable); reaffirmed
Non-fund based - Working capital facilities	670.0	710.0	[ICRA]A1+; reaffirmed and assigned for enhanced amount
Total	849.5	889.5	

*Instrument details are provided in Annexure I

Rationale

The rating reaffirmation takes into account Triveni Turbine Limited's (TTL) healthy order book of Rs. 2,074 crore as on June 30, 2025, a comfortable order intake and the continued favourable investment cycle in various end-user industries in India and overseas. The current order book lends revenue visibility at 1.0 times of the previous year's operating income (OI). ICRA notes that the company reported healthy revenue and profitability growth in FY2025 compared to FY2024. However, the sales declined YoY in Q1 FY2026 as the dispatches were deferred because of geopolitical issues. The deferment of mechanical run tests (MRTs) and inspections by clients pushed back the dispatch based on contractual as well as revenue recognition terms. The revenue growth is expected to remain comfortable in the coming quarters because of a healthy enquiry pipeline from the key end-user segments both in domestic and global markets and product launches. Further, the ratings are supported by TTL's healthy financial profile and debt coverage metrics along with expectations of the financial metrics remaining strong, going forward.

The company's order book remains fairly diversified in terms of the end-user industries, covering the renewable energy sector, American Petroleum Institute (API) compliant turbines for the oil and gas sector, cement, steel, sugar and distillery sectors, among others. The diversified end-user base, coupled with product launches such as CO₂-based high-temperature ultra-efficient heat pump, an expanding market size and the limited number of players, augurs well for the company.

The ratings continue to factor in the company's strong leadership position in steam turbines, its long track record in the industry, a strong after-sales service network and its technical and cost competitiveness. The company's operating income is expected to improve over the medium term owing to a healthy current order book along with its diversified geographical presence. The competitive edge from value engineering, the faster turnaround to customers and the constant focus on introducing designs to better suit the evolving customer requirements are also expected to support the operating income. These factors aided a healthy profitability and steady accruals in the recent past as well. The comfortable working capital intensity of operations, driven by access to advances from customers, and the healthy cash accretion over the years have resulted in a debt-free capital structure and strong coverage indicators. Also, the company's liquidity profile is expected to be strong with no major debt-funded planned capital expenditure and a favourable working capital cycle.

The ratings, however, are constrained by the sensitivity of the order book to the capex cycle of the end-user industries, competition from various global players and the counterparty risks due to its exposure to capital-intensive sectors like sugar and cement that have moderate credit profiles. In light of the sizeable exposure to exports, TTL remains susceptible to risks emanating from slower execution in the international markets following any disruption in economic activity amid the ongoing geopolitical tensions. Nevertheless, the company's diversified customer and geographical base, its varied end users, the in-house engineering capabilities with a high level of product efficiency and reliability, the technological advancement and ability

to expand the product portfolio and the faster turnaround time to customers have allowed it to build a strong pipeline of orders and compete with large players having global presence.

The Stable outlook on the rating reflects ICRA's opinion that TTL will continue to benefit from its established position as a leading manufacturer of steam turbines with a healthy and well-diversified order backlog and a strong financial profile.

Key rating drivers and their description

Credit strengths

Leading position in domestic market – TTL holds a dominant position in the domestic steam turbines market, aided by a healthy pipeline of orders and strong research, development and engineering capabilities. Further, TTL witnessed a strong order inflow of Rs. 2,363 crore in FY2025, compared to an order booking of Rs. 1,878 crore in FY2024, backed by the healthy capex cycles in various end-user industries, including captive power plants and waste heat recovery systems, renewable power solutions, process co-generation and waste-to-energy systems as well as from export market. However, in Q1 FY2026, the order inflow declined by 16% YoY to Rs. 536 crore mainly due to lower export order due to geopolitical tensions. Nevertheless, the medium-term business prospects of the company remain supported by a healthy order book position in various industry segments along with a strong enquiry pipeline.

Geographically diverse presence across various end-user markets with healthy current order book position – TTL's steam turbines are used in diverse industries, ranging from sugar, steel, cement, chemicals, pulp and paper, fertilisers, distillery, waste-to-energy, biogas, palm oil and food processing. The company's presence in South Asia, the West Asia and some African markets has been relatively long. In the last few years, it has expanded its presence across markets like Middle East, Europe and America along with establishing a service workshop in North America. TTL's unexecuted order book of Rs. 2,074 crore as on June 30, 2025 (1.0 times of OI) is fairly diversified in terms of the end-user industries. TTL's current order book lends strong medium-term revenue visibility as the order execution period is generally 6-12 months for the product segment and 3-6 months for the after-market segment.

Focus on exports and refurbishing markets supports profitability – TTL's operating profits are supported by a healthy proportion of after-market sales (where the company sells spares and services its own, other turbines and other rotating equipment) and exports, wherein the contributions are higher than the domestic product segment. The after-market business has been boosted by TTL's expanding presence and the growing refurbishment needs for the existing equipment for better efficiency. The operating profit margin stood at 21.8% in FY2025 (19.4% in FY2024), aided by a favourable revenue mix with a higher proportion from export sales. Going forward, the profitability is expected to remain strong, driven by a healthy share of revenues from the export and after market segments.

Strong financial profile and liquidity – The high value-additive nature of TTL's operations has resulted in healthy profitability over the years. The company remains debt-free and the strong accruals ensure that it will continue to have a conservative capital structure. The working capital requirements are partly funded by advances from customers, leading to a healthy liquidity profile for the company over the years. TTL has around Rs. 1,005 crore of cash and current investments as on June 30, 2025, indicating a strong liquidity position. The significant cash generation has increased the net worth base, adding to the company's financial flexibility.

Credit challenges

Order booking and revenues sensitive to capex cycle in end-user industries – The order booking in the export market had seen a decline in Q1 FY2026, mainly due to lower export demand across products and aftermarkets. The order booking was also impacted by geopolitical tensions which delayed advance collections. The capex cycle in the domestic market recovered after a few quarters of subdued performance. Therefore, TTL's order booking and, hence the revenues remain vulnerable to the capex cycle of the end-user industries. However, the diversification across geographies and end users mitigates this risk to an extent.

Intense competition – TTL competes with large players that benefit from the operational, technical and financial support from global parent companies. However, the company, too, has been able to compete with and gain market share globally. In addition, it has continued to maintain its dominant presence through experienced engineering and manufacturing capabilities, good coverage of after-sales services and faster turnaround to its customers.

Exposure to counterparty risks – The company is vulnerable to counterparty credit risk due to its exposure to capital-intensive sectors like sugar, cement etc. that have moderate credit profiles. Nonetheless, the risk is mitigated by favourable contractual terms that ensure partial upfront payment from customers. Also, TTL’s extremely diversified customer base helps reduce the risk.

Environmental and social risks

Environmental considerations - The company is exposed to the risk of tightening environmental regulations, specifically pertaining to its raw material sourcing, operations and energy consumption. It is also exposed to the risk of tightening regulatory norms for production and emission/waste management. While the company has a demonstrated track record of conducting its operations safely, the nature of the risk weighs on its rating.

Social considerations - Social risk in this industry stems from the health and safety concerns of the employees involved in the manufacturing process. Entities such as TTL are also exposed to risks of protests/social issues with local communities, which could impact the operations of the company. Though these issues have not hindered TTL’s operations in the past, a lack of sensitivity in managing these risks could result in losses.

Liquidity position: Strong

The company’s liquidity profile remains strong with healthy operating cash flows, sizeable bank/cash balance and current investments of around Rs. 1,005 crore as on June 30, 2025, along with sufficient cushion in fund-based limits. Further, the company remained debt-free. Additionally, there are no immediate plans to deploy the available cash surplus with the capex plans remaining modest.

Rating sensitivities

Positive factors – The ratings could be upgraded if the company demonstrates a significant growth in its scale and operating profits, driven by a substantial growth in order bookings, scaling-up of the after-market business and diversification into new segments, while maintaining strong credit metrics and liquidity profile.

Negative factors – ICRA could downgrade the ratings if there is a sustained slowdown in the domestic and export markets which results in weak order booking and/or deferred execution or elongated working capital cycle, thereby impacting the cash flows and profitability. Any large debt-funded capex and acquisition or a sharp reduction in liquidity could also result in an unfavourable rating action.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	ICRA has considered the consolidated financial statement of TTL. Refer to the Annexure II for the list of entities considered for consolidation

About the company

Triveni Turbine Limited (TTL) is an established industrial steam turbine and decentralised steam-based renewable turbine manufacturing company up to 100 MW in size. Over the years, the company has completed more than 6,000 installations globally. Its manufacturing plants are at Sompura and Peenya in Bangalore and service facilities in South Africa and America.

Key financial indicators (audited)

Company name (consolidated)	FY2023	FY2024	FY2025*
Operating income	1,247.6	1,653.9	2,005.8
PAT	192.9	269.5	358.6
OPBDIT/OI	18.9%	19.4%	21.8%
PAT/OI	15.5%	16.3%	17.9%
Total outside liabilities/Tangible net worth (times)	0.8	0.7	0.7
Total debt/OPBDIT (times)	0.0	0.0	0.1
Interest coverage (times)	92.9	62.1	150.6

Source: Company, ICRA Research; * Result; 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

Current (FY2026)				Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Aug 20, 2025	Date	Rating	Date	Rating	Date	Rating
Fund-based – Working capital facilities	Long term	179.5	[ICRA]AA+(Stable)	Jul-05-24	[ICRA]AA+(Stable)	Apr-14-23	[ICRA]AA+(Stable)	-	-
Non-fund based – Working capital facilities	Short term	710.0	[ICRA]A1+	Jul-05-24	[ICRA]A1+	Apr-14-23	[ICRA]A1+	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Fund based - Working capital facilities	Simple
Non-fund based - Working capital facilities	Very 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	Fund based - Working capital facilities	NA	NA	NA	179.5	[ICRA]AA+(Stable)
NA	Non-fund based -Working capital facilities	NA	NA	NA	710.0	[ICRA]A1+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company name	TTL ownership	Consolidation approach
Triveni Turbines Europe Private Limited	100%	Full consolidation
Triveni Turbines DMCC	100%	Full consolidation
Triveni Turbines Africa Pty Limited	100%	Full consolidation
TSE Engineering Pty Limited	70%	Full consolidation
Triveni Energy Solutions Limited	100%	Full consolidation
Triveni Turbines Americas Inc	100%	Full consolidation
Triveni Sports Private Limited	50%	Equity method

Source: Annual report FY2024

ANALYST CONTACTS

Girishkumar Kadam

+91 33 7150 1120

girishkumar@icraindia.com

Vikram V

+91 22 6169 3328

vikram.v@icraindia.com

Rachit Mehta

+91 22 6169 3327

rachit.mehta2@icraindia.com

Menka Sabnani

+91 79 6923 3003

menka.sabnani@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.