

December 31, 2025

Propel Industries Private Limited: [ICRA]AA-(Stable)/[ICRA]A1+ assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term/short-term - Fund-based - Cash Credit/WCDL	140.00	[ICRA]AA- (Stable)/[ICRA]A1+; assigned
Long-term-Fund-based-Term loan	76.57	[ICRA]AA- (Stable); assigned
Long-term/short-term-Unallocated limits	23.43	[ICRA]AA- (Stable)/[ICRA]A1+; assigned
Total	240.00	

*Instrument details are provided in Annexure-I

Rationale

The ratings assigned to the bank facilities of Propel Industries Private Limited (PIPL/the company) factor in its strong financial risk profile and established business position, as a leading player in the domestic material processing equipment segment (with focus on crushing equipment). The company has demonstrated healthy growth in scale of operations with standalone revenues increasing to Rs. 1,786.3 crore in FY2025 from Rs. 597.7 crore in FY2021, at a CAGR of 24.5%, driven by volume growth in crushing equipment, coupled with entry into the electric vehicle (EV) dumper truck segment in both the domestic and overseas markets. The company has been able to establish itself as the market leader in the crushing equipment and has been able to improve its positioning over the years, with cost-competitive, customisable and efficient product offerings, which, coupled with focused marketing efforts, has helped attract and retain customers and increase product acceptance. The volumes are expected to improve going forward, with growth from the underlying domestic market, as well as export orders. The company also acquired Omega Crushing and Screening Limited (Ireland) in FY2025, which will provide operational synergies and support expansion in the European markets. Besides its established market position in the crushing equipment segment, PIPL is penetrating in the EV truck segment as well, primarily targeting localised applications for its existing clientele, with initial offerings of dumper trucks, and expansion into tractor trailers also underway. Overall, the company's strengthening business position supports earning visibility and is likely to help it maintain a strong credit profile.

The company has maintained a strong financial risk profile over the years, supported by healthy margins and limited dependence on external borrowings. The company, aided by healthy cash accruals and moderate capital expenditure (capex), reported a negative net debt position till FY2024. However, the company has now started utilising working capital facilities to manage the higher working capital requirement in the EV segment. The company has also availed some term loans over recent years to invest in solar power, both for captive requirements and sale to third parties. Despite these, the credit metrics remain comfortable with consolidated interest cover of 32.8 times and consolidated Total Debt/ OPBITDA at 0.8 times in FY2025. The company maintains surplus liquidity on its books in the form of unencumbered cash and liquid investments, in addition to buffer from unutilised credit facilities, supporting its liquidity. Going forward, while the company intends to invest Rs. 75.0 crore in solar power expansion in the current fiscal, and the same is likely to be majorly debt funded, the company would continue to meet maintenance capex requirements from internal sources, supporting its overall credit profile.

The ratings, however, remain constrained by exposure of PIPL's earnings to the cyclicity of end-user industries, with both mining and construction being cyclical sectors. However, the geographic diversification across multiple markets and possibility of catering to additional application segments are mitigants. The company also remains exposed to competition from other players, both global and local, in the crushing equipment as well as truck segments. The ratings also factor that the higher proportion of export sales (around 10% in H1 FY2026) and increasing import dependence with foray into electric dumper truck operations, with no formal hedging practices, exposes PIPL's earnings to volatilities in foreign currency rates, in addition to the

inherent vulnerability to commodity price fluctuations. The company has started entering into forward contracts, which is expected to mitigate the forex risks over the medium term.

The Stable outlook on the long-term rating reflects ICRA's opinion that PIPL will continue to maintain a healthy credit profile, supported by its established market position in the crushing equipment space, and expectations of healthy cash accruals supporting its financial risk profile.

Key rating drivers and their description

Credit strengths

Leading player in domestic crushing equipment segment; expansion into EV dumper truck segment – PIPL is a leading player in the crushing equipment segment with more than 35% market share, supported by healthy product acceptance in the domestic market and an established track record of its products. The company is also among the top few players in the EV heavy goods dumper truck segment in India. It has been continuously innovating and launching new products and investing in marketing efforts to expand its presence in these product segments.

Strong financial risk profile characterised by healthy margins and low leverage - The company has a strong financial risk profile, with limited reliance on external borrowings, and earnings continuously reinvested in the business, which has helped it maintain healthy credit metrics over the years. PIPL's operating profit margins have been improving, reaching 11.6% in FY2025, which, coupled with moderate capital expenditure requirements and efficient working capital management, has limited the dependence on external borrowings. This has translated into strong credit metrics, with interest cover of 33.8 times and Total Debt/ OPBITDA at 0.8 times in FY2025, despite some debt addition in recent quarters on account of investments for solar power, and high working capital intensity in the EV dump truck operations. However, the healthy credit metrics are expected to sustain going forward as well.

Healthy growth in revenues and earnings over recent years - The company has demonstrated a healthy growth in scale of operations with standalone revenues increasing to Rs. 1,786.3 crore in FY2025 from Rs. 597.7 crore in FY2021, at a CAGR of 24.5%. This was driven by volume growth in the crushing equipment segment, coupled with foray into the EV dumper truck segment in both the domestic and overseas markets. The revenue growth is expected to gain further momentum going forward, with growth in the underlying domestic market, as well as increased focus on the export market, augmented by the recent acquisition of Omega Crushing and Screening Limited, Ireland.

Credit challenges

Exposed to cyclicality in end-user industries – PIPL's earnings are exposed to the underlying cyclicality of its end-user industries, wherein growth is directly related to infrastructure investments and in turn, to economic growth. Nevertheless, the Government's focus on infrastructure spending is expected to support construction activity and volumes in the underlying industry, and in turn, demand for PIPL's products.

Volatility of earnings to forex and commodity fluctuations – With the increasing share of revenues derived from the export markets (around 10% in H1 FY2026), and increased import dependence with the foray into electric dumper truck operations, and no formal hedging practices, the earnings are susceptible to foreign currency fluctuations, in addition to the inherent vulnerability to commodity price fluctuations. The company has started entering into forward contracts which acts as a mitigant for forex risks.

Liquidity position: Adequate

PIPL's liquidity profile is adequate with cash flows from operations of over Rs. 90 crore annually, unencumbered cash and bank balances of Rs. 23.2 crore as of March 2025 (Rs. 6.5 crore as of September 2025) and unutilised bank limits of over Rs. 50 crore as of September 2025. In relation to these sources of cash, PIPL has Rs. 9 crore of debt repayments in FY2026 on existing loans

(to increase to Rs. 20.0 crore p.a. subsequently) and capex requirements of Rs. 150.0 crore in FY2026 (for which term loan of Rs. 60 crore has already been sanctioned), and maintenance capex of Rs. 75.0 crore per annum subsequently, which is expected to be funded through internal accruals. Overall, ICRA expects PIPL to meet its near-term commitments through aforementioned sources of funds and yet be left with cash surplus.

Rating sensitivities

Positive factors – ICRA could upgrade PIPL’s long-term rating in case of sustained strengthening of its business profile, with meaningful expansion into new product categories or geographies, that supports an improvement in its scale, while maintaining healthy profitability, a stable working capital cycle and leverage.

Negative factors – Pressure on PIPL’s ratings may arise if any material weakening in revenues or earnings and/or significant elongation in the working capital cycle adversely impacting the leverage, coverage and liquidity position on a sustained basis. Specific credit metrics that could lead to a downgrade include Total Debt/OPBITDA above 1.5x on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Construction Vehicles
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the company’s consolidated profile. Details of consolidation have been provided in Annexure – II.

About the company

Propel Industries Private Limited (PIPL/the company/Propel), incorporated in 2009 by Mr. V. Senthilkumar, is primarily engaged in manufacturing and sales of material processing equipment including jaw crushers, cone crushers, vertical shaft impactors, feeders, vibrating screens, sand washers, air classifiers, etc. The company also specialises in end-to-end crushing and screening solutions, mobile series track, semi-mobile series Profast, concrete batching plant, Mechanical Road Paver, EV dumper truck, washing systems, mining and mineral processing equipment. PIPL is part of the AV Varadharajan Group, with major shareholding held through Oriental Plants and Equipments Private Limited (98.6%) (OPEL), while the rest is held by the Managing Director, Mr. V. Senthilkumar.

Key financial indicators (Unaudited)

Consolidated	FY2024	FY2025
Operating income	1,167.8	1,814.2
PAT	106.4	138.6
OPBDITA/OI (%)	11.5%	11.0%
PAT/OI (%)	9.1%	7.6%
Total outside liabilities/Tangible net worth (times)	0.5	0.8
Total debt/OPBDITA (times)	0.0	0.8
Interest coverage (times)	84.5	32.8

Source: Company, ICRA Research; The numbers are consolidated by ICRA on best-effort basis. Note: Amount in Rs. crore; PAT: Profit after Tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Financial ratios in the report are ICRA adjusted figures and may not be directly comparable with results reported by the company in some instances; ; Financials represented above consider lease liabilities as debt, and interest on lease obligations as interest expense

Key financial indicators (Audited)

Standalone	FY2024	FY2025
Operating income	1,167.8	1,786.3
PAT	106.4	142.0
OPBDITA/OI (%)	11.5%	11.6%
PAT/OI (%)	9.1%	7.9%
Total outside liabilities/Tangible net worth (times)	0.5	0.8
Total debt/OPBDITA (times)	0.0	0.8
Interest coverage (times)	84.5	33.8

Source: Company, ICRA Research; Note: Amount in Rs. crore; PAT: Profit after Tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Financial ratios in the report are ICRA adjusted figures and may not be directly comparable with results reported by the company in some instances; Financials represented above consider lease liabilities as debt, and interest on lease obligations as interest expense

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2026)		Chronology of rating history for the past 3 years					
		Amount rated (Rs crore)	December 31, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund-based-Cash Credit/WCDL	Long Term/Short Term	140.00	[ICRA]AA-(Stable)/[ICRA]A1+	-	-	-	-	-	-
Unallocated limits	Long Term/Short Term	23.43	[ICRA]AA-(Stable)/[ICRA]A1+	-	-	-	-	-	-
Fund-based-Term loan	Long Term	76.57	[ICRA]AA- (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term/Short-term-Unallocated limits-Unallocated limits	Not Applicable
Long-term/short-term - Fund-based - Cash Credit/WCDL	Simple
Long-term-Fund-based-Term loan	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	Cash Credit/WCDL	NA	NA	NA	140.00	[ICRA]AA- (Stable)/ [ICRA]A1+
NA	Term Loan	FY2025 - FY2026	NA	FY2029- FY2030	76.57	[ICRA]AA- (Stable)
NA	Unallocated Limits	NA	NA	NA	23.43	[ICRA]AA- (Stable)/ [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	Ownership	Consolidation Approach
Omega Crushing and Screening Limited	60.0%	Full Consolidation

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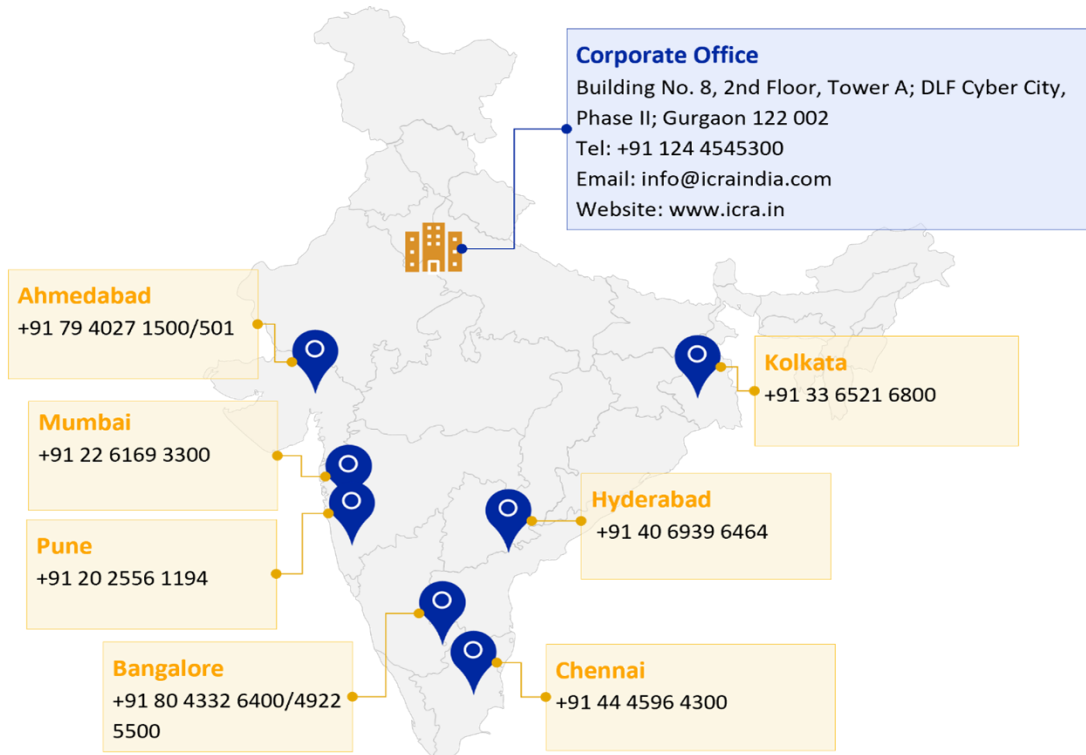


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