

March 30, 2026^(Revised)

TKIL Industries Private Limited: Rating reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term fund based working capital limits	43.90	149.00	[ICRA]AA (Stable); reaffirmed and assigned for enhanced amount
Long term – Non-fund based working capital limits	1954.60	4851.00	[ICRA]AA (Stable); reaffirmed and assigned for enhanced amount
Total	1998.50	5000.00	

*Instrument details are provided in Annexure I

Rationale

The reaffirmation of TKIL Industries Private Limited's (TKIL) rating factors in the company's sizeable operating scale and a healthy closing order book of Rs. 6,997 crore (as on February 28, 2026), which provides robust near-term revenue visibility and reflects improved order traction across the balance of plant (BOP), cement and mining/material handling equipment (MHE) segments.

The rating continues to draw comfort from TKIL's long track record, established market position across MHE, energy/power, cement, sugar and services, and the strengthening of its business profile following the induction of the Paharpur Group (flagship company - Paharpur Cooling Towers Ltd) as the majority promoter. The new ownership brings meaningful synergy benefits, particularly in civil execution and cooling tower engineering capabilities, which have already helped bag the large BOP contracts. The management has also indicated that the exit of thyssenkrupp is not expected to have any adverse impact on operations or customer engagement.

The rating also factors in the comfortable financial risk profile, marked by a debt-free position, sizeable liquidity, disciplined working capital practices and adequate non fund facilities. TKIL's gearing and coverage metrics remained robust in FY2025. The company has demonstrated prudent financial management even after undertaking a dividend of Rs. 80 crore, a share buyback of Rs. 200 crore and a strategic investment in Sohhytec SA (a Switzerland-based company in the renewable hydrogen and electricity space) of Rs. 60 crore in FY2025. TKIL's liquidity has since strengthened materially in FY2026, aided by milestone linked collections and improved execution. TKIL is expected to remain debt-free with strong liquidity over the medium term.

Further, the rating is supported by TKIL's diversified business profile and balanced order book composition across MHE, energy/power, cement, sugar and services, which reduces the dependence on any single segment and lends revenue stability. The liquidity is augmented by ~Rs. 1,000 crore of cash balances held largely in fixed deposits, while the company maintains strong control over working capital despite high retention money and milestone-driven billing. The capex remains moderate, with the ongoing investments, including the coil shop expansion, being comfortably funded through internal accruals.

The rating, however, remains constrained on account of subdued operating profitability. Further, the operating profit margin (OPM) remains susceptible to challenges in project execution, coupled with the vulnerability of profitability to raw material increases, given the fixed price nature of majority of the contracts. TKIL takes various measures to manage raw materials and execution costs through back-to-back contracts with vendors and adequate project scheduling. The pricing power is impacted by the intensely competitive nature of the industry in both the domestic and the overseas markets.

Key rating drivers and their description

Credit strengths

Healthy order book position reasonably diversified across various operating segments – TKIL has diversified its operations across the sugar, MHE, cement, energy, the recently scaled BOP segments where it provides integrated turnkey plant and engineering solutions, and the service division, where the company focuses on annual maintenance contracts along with the sale of equipment and spares.

The company's business position is supported by a healthy and broad-based order book of Rs. 6,997 crore as on February 28, 2026, reflecting a sharp improvement in order inflows i.e. Rs. 3,573 crore in FY2025, followed by a stronger Rs. 5,284 crore during 11M FY2026, driven by the large BOP win, improved traction in cement and the revival of MHE orders. This diversified order pipeline provides strong revenue visibility into FY2027, while also mitigating the reliance on any single end-user industry. The management continues to address strong enquiries, underpinning healthy revenue prospects over the medium term. The longer-term outlook remains healthy with foreseeable sizeable capex plans of the end-user industries such as cement, mining, ports, chemicals and fertilizers, sugar, among others.

Robust financial risk profile – The financial risk profile of TKIL has remained robust over the years, reflected in its debt-free status and the strong liquidity profile with total cash and cash equivalents of ~Rs. 1,000 crore as on February 28, 2026, largely parked in fixed deposits, which imparts a high degree of financial flexibility. The coverage indicators remained strong in the absence of any debt, with interest coverage of 15.2 times in FY2025. However, the company's OPM remains susceptible to the risk of timely execution and the credit profile of the customer, which result in fluctuations in the operating margin profile.

Strong track record of execution – TKIL was incorporated in 1947 and has extensive experience in the capital goods industry. Besides executing projects in India, TKIL is present in the international market with exports contributing 3-5% in FY2025 to its total revenues; however, export traction improved in FY2026 supported by revival in overseas enquiries and select order wins. ICRA draws comfort from its execution track record and the absence of invocation of guarantees in the past. The company's client base includes large reputed private and Government entities.

Credit challenges

Moderate though improving operating margin profile – TKIL's operating margin profile remains moderate, with the OPM declining to 5.39% in FY2025 from 5.91% in FY2024, primarily due to the drag from select legacy low-margin projects and earlier provisions on large contracts. However, the company is now benefiting from the tapering of loss-making orders and more stable execution levels across its operations. With no further inventory write-downs expected, the margin trajectory is expected to gradually firm up, supported by stabilising input costs, an improving order book mix and better operating leverage across key business verticals.

Intense competition in the industry – TKIL has been facing increasing competition from established players in the domestic market and from global majors in the export markets, exerting pressure on the company's profitability and business return indicators. Any prolonged downturn in the capex cycle would impact fresh order inflows and further increase the competition.

Exposure to raw material price fluctuations – The orders received by the company are primarily fixed price in nature, which in turn exposes the company to risks associated with fluctuations in prices of raw materials and bought-out items. Going forward, TKIL's ability to ensure procurement of critical bought-out items and execute orders in a timely manner would remain crucial.

Liquidity position: Strong

TKIL's liquidity remains strong, supported by its debt-free balance sheet and substantial cash balances of ~Rs. 1,000 crore as on February 28, 2026, which have increased from about ~Rs 692 crore in FY2025, driven by improved collections and advances received against new orders, and are largely maintained in fixed deposits. While the company continues to demonstrate disciplined working capital management, the liquidity profile remains exposed to the inherently high working capital intensity, arising from a higher order book and longer collection period with working capital also being blocked in retention money. In FY2025, the company had undertaken significant outflows such as the Rs. 80-crore dividend, Rs 200-crore share buyback, and the Rs. 60-crore investment in Sohhytec SA which had temporarily reduced the cash balances as on March 31, 2025. Any further strategic investments or technology acquisitions under the new promoter group could moderate the free cash levels; however, the present liquidity buffer remains comfortable for the ongoing operations and capex, with no reliance on external borrowings.

Rating sensitivities

Positive factors – An improvement in the operating margin backed by increased scale and strong order book position on a sustained basis, along with a healthy liquidity profile, can result in favourable rating action.

Negative factors – A significant decline in order intake or revenues, resulting in lower operating margin may cause a downgrade. Increased working capital intensity on a sustained basis weakening the liquidity position may also trigger a downward rating action. Further, a sizeable upstreaming of cash and cash equivalents available with the company by the shareholders weakening the liquidity profile, or a significantly high debt-funded capex may weigh on the rating.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

TKIL Industries Private Limited (TKIL) was earlier a part of thyssenkrupp AG (tKAG; rated Ba3/Positive by Moody's). tKAG divested its entire stake of 54.73% in May 2024 to a consortium of co-owners (Paharpur Group and Protos Group) who were already invested in the company since more than three decades. The Paharpur Group has now become the new majority promoter (~57% stake). Paharpur Cooling Towers Ltd is the flagship entity of the Group and is the world's largest manufacturer of process cooling equipment with exports to over 60 countries around the world. The Group also has sizeable stake of ~29.26% in KSB Ltd. (rated AA+/stable by ICRA). TKIL was incorporated in 1947 under the name of New India Development Corporation Limited in Pune, Maharashtra, to manufacture machinery for sugar plants.

TKIL's operations are spread across the sugar, MHE, cement, energy, BOP and the services divisions. The company has two manufacturing facilities in Pune, Maharashtra, and in Hyderabad, Telangana.

Key financial indicators

TKIL Standalone	FY2024	FY2025
Operating income	3221.5	3234.2
PAT	156.0	172.8
OPBDIT/OI	5.9%	5.4%
PAT/OI	4.8%	5.3%
Total outside liabilities/Tangible net worth (times)	0.8	1.1
Total debt/OPBDIT (times)	0.1	0.0
Interest coverage (times)	25.0	15.2

Source: Company, ICRA Research; 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

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Mar 30, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund based working capital limits	Long term	149.00	[ICRA]AA (Stable)	Dec 19, 2024	[ICRA]AA (Stable)	Feb 23, 2024	[ICRA]AA; ratings watch with developing implications	Nov 30, 2022	[ICRA]AA (Stable)
Non-fund based working capital limits	Long term	4851.00	[ICRA]AA (Stable)	Dec 19, 2024	[ICRA]AA (Stable)	Feb 23, 2024	[ICRA]AA; ratings watch with developing implications	Nov 30, 2022	[ICRA]AA (Stable)

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term fund based working capital limits	Simple
Long term – Non-fund based working capital limits	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	Long term fund based working capital limits	NA	NA	NA	149.00	[ICRA]AA (Stable)
NA	Long term – Non-fund based working capital limits	NA	NA	NA	4851.00	[ICRA]AA (Stable)

Source: Company

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

Annexure II: List of entities considered for consolidated analysis – Not Applicable
Corrigendum

Document dated March 30, 2026 has been corrected with a revision as detailed below:

Revision on page number 2 under “Credit strengths”. Typographical error corrected in Interest coverage ratio mentioned in robust financial risk profile.

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