April 09, 2026

KSB MIL Controls Limited: Ratings reaffirmed and assigned for enhanced amount

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Non-fund based – Others	86.00	80.00	[ICRA]AA (Stable); reaffirmed
Long term/Short term – Fund based/Non-fund based - Others	25.00	50.00	[ICRA]AA (Stable)/ [ICRA]A1+; reaffirmed/assigned for enhanced amount
Long term - Fund based - Others	1.00	0.00	-
Long term/Short term – Unallocated	15.00	0.00	-
Total	**127.00**	**130.00**	

**Instrument details are provided in Annexure I*

Rationale

The rating reaffirmation factors in KSB MIL Controls Limited's (KSB MIL) strong and established market position in the domestic control valve industry, aided by technical support from the promotor, KSB SE & Co KGaA. The company has strong relationships with reputed clients, including Thermax Limited and ISGEC Heavy Engineering Limited (IHEL), that have resulted in repeat orders from these customers. Besides, the company is an approved supplier for Government entities such as the Nuclear Power Corporation of India Limited (NPCIL) and the National Thermal Power Corporation (NTPC) – each having a strong market position in the domestic nuclear and the thermal power generation segments, respectively.

KSB MIL's order book was at around Rs. 260 crore as on December 31, 2025 (order book to OI ratio of 0.82 times), providing near-term revenue visibility, given that the average order execution tenure is six to nine months. Besides, the company has worked on developing its product basket in the last couple of years to include various rotary valves, such as ball valve, butterfly valve, ARV, among others, which is expected to support its revenue growth. The ratings also favourably factor in the company's robust financial risk profile, characterised by a conservative capital structure with nil fund-based debt, strong debt coverage indicators and adequate cash balance supporting the liquidity.

The ratings are, however, constrained by the limited addressable market that constrains its size and a range-bound operating margin. The company faces intense competition from both domestic and global suppliers in the domestic control valve industry even as it continues to expand its product basket. Most of KSB MIL's orders, as on December 31, 2025, continues to be from the energy segment, followed by chemical and petrochemical and the balance from diverse sectors. ICRA also notes the vulnerability of its margin to commodity prices and the capex cycle of the end-user industries.

The Stable outlook on the long-term rating reflects ICRA's expectation that KSB MIL is likely to sustain its operating metrics. Further, the outlook underlines ICRA's expectation that the entity's incremental capex will be funded in a manner that it is able to durably maintain its debt protection metrics commensurate with the existing ratings.

Key rating drivers and their description

Credit strengths

Managerial and technical support from the KSB Group – KSB MIL receives technological support from the KSB Group (KSB SE & Co KGaA and KSB Limited), besides benefitting from an experienced management team. Being a part of the KSB Group, it benefits from the latest developments and advancements that are shared by the Group on a regular basis. The company has access to superior designing and manufacturing know-how of varied valves by the Group companies, along with increased export opportunities through the global KSB network. The level of integration with the parent has increased with the Indian unit being identified as a business unit for control valves for global research as well as for supplies to various international markets.

Sizeable market share with established position and knowledge in control valves, actuators and positioners (CVAP) – KSB MIL has over four decades of experience in CVAP supplies. It caters to thermal and nuclear power plants, oil and gas, and the chemical and fertiliser sectors. The company derives strength from its technological precision, designing and manufacturing capabilities of large valves up to 36 inches. The control valves are used in super-critical thermal power plants of 660-800 megawatt (MW) and can be designed to withstand high levels of pressure up to 550 kilogram per centimetre square.

KSB MIL enjoys a 10-12% market share in the domestic control valves market (excluding accessories) and is among the top few players. The company is one of the few approved nuclear control valve suppliers to NPCIL (primary and secondary valves) in India due to its technical expertise and it is an approved vendor to other public sector entities, such as NTPC and Bharat Heavy Electricals Limited (BHEL). The strong market presence is reflected in its reputed clientele, including NTPC Limited and Thermax, among others.

Revenue visibility supported by outstanding order book and addition of new product lines – KSB MIL's order book stood at Rs. 259.9 crore as on December 31, 2025 (order book to OI ratio of 0.82 times). In CY2025, the company's order intake increased by ~26% compared to the corresponding period of the previous fiscal. The current order book position comfortably provides near-term revenue visibility, given that an order's average execution tenure is six to nine months. Besides, the company has been working on developing its product basket in the last couple of years to include various rotary valves such as ball valve, butterfly valve, ARV, among others, which is expected to support its revenue growth. Further, the demand prospect from the domestic oil and gas sector, exports, nuclear power and other general industries remains stable. At present, KSB MIL is a limited supplier in the overseas market, with a long-term strategy to expand in the international markets by leveraging on the KSB Group's global network and sales force.

Robust financial risk profile – KSB MIL's robust financial profile is reflected in its debt-free position, along with the healthy cash accruals. The debt coverage indicators remain healthy. Additionally, its adequate liquidity is marked by unencumbered cash and cash equivalents of ~Rs. 55 crore as on December 31, 2025. With limited capex plans and the working capital requirements partly supported by customer advances, the financial profile is expected to remain strong in the medium term.

Credit challenges

Intense competition in domestic and export control valves segment impacts operating margins – Apart from domestic players, many global suppliers compete in the Indian control valve market like Emerson Process Management, Nihon Koso, Samson, Severn Glocon, Flowserve, CCI, etc. These companies have set up manufacturing facilities due to the demand for such products, along with low-cost arbitrage, availability of design, engineering capabilities and abundance of casting and forging facilities. KSB MIL's operating margin (OPM) remained range-bound in the last five years. In CY2024 and CY2025, the OPM stood at 14.4% and 16.1%, respectively (13% in CY2023). The relatively stiff competition in the industry constrains its pricing power, which may impact its profitability. However, the management endeavours to support KSB MIL's profitability through the scaling of after-market services. The company intends to expand its export book and product profile through the addition of rotary valves. The benefits of the expanded product mix and ramp-up in exports would be evident only in the medium term.

Majority of revenue from energy segment; exposure to capex cycle in key end-user segments – Over the years, the company has made efforts to diversify its revenue stream from the energy segment to oil and gas and fertilisers. Nonetheless, the revenue contribution from the domestic energy sector (thermal and nuclear power) was ~45% in CY2024 and ~47% in CY2025. Majority of the orders in the company's outstanding order book as on December 31, 2025, were from the energy segment, followed by chemical and petrochemical, while the balance orders were from diverse sectors. As majority of its revenue is from the energy segment, which is largely dependent on global/macro-economic growth, KSB MIL's prospects remain linked to the capex cycle of the end-user industry. Nonetheless, the company is focusing on expanding to other industries like the nuclear power valves segment (within the energy sector), wherein it is one of the few approved vendors due to its technical expertise. Moreover, a diversified presence across the oil and gas, fertiliser, export and chemical segments is expected to benefit the company in terms of demand accretion from these segments.

Vulnerability to commodity prices – The company's margins are vulnerable to adverse movements in commodity prices for ferrous and non-ferrous metals, which constitute 40-45% of its total raw material cost owing to the fixed-price contracts with its customers. However, KSB MIL is insulated, to some extent, by its yearly fixed-price contracts with forging and casting manufacturers at pre-determined prices, depending on the order book situation. The actuators and positioners are manufactured internally.

Liquidity position: Adequate

The company's liquidity profile is likely to be adequate, with cash and cash equivalents of Rs. 54.9 crore as on December 31, 2025. It has limited capex plans in the range of ~Rs. 25 crore in CY2026 and ~Rs. 15 crore in CY2027 and the capex is expected to be funded from internal accruals. Further, it has nil term debt as on December 31, 2025. Also, the average utilisation of the non-fund based limits for the 12 months ended December 2025 stood at 48% of the sanctioned limits, providing ample scope for undertaking fresh contracts.

Rating sensitivities

Positive factors – The ratings could be positively impacted if the company demonstrates a significant growth in its revenues while maintaining the profitability, and a strong credit profile and liquidity position. The ratings could also be positively impacted if the credit profile of the parent improves.

Negative factors – The ratings could be affected if there is pressure on profitability, or if the order intake is significantly impacted, or if its working capital intensity increases more than the current levels. The ratings could be negatively impacted if the credit profile of the parent deteriorates or if the linkages with the parent weaken.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Parent/Group Company: KSB SE&Co. KGaA and KSB Limited. ICRA expects the parent, KSB SE&Co. KGaA, Germany (51.0% stakeholder), and KSB Limited (rated [ICRA]AA+(Stable)/[ICRA]A1+; 49% stakeholder) to be willing to extend financial support to KSB MIL, should there be a need, given the strategic importance it holds for the Group; the company shares a common name with the parent, which in ICRA's opinion would persuade the latter to provide financial support, in order to protect its reputation
Consolidation/Standalone	Standalone

About the company

KSB MIL Controls Limited has over four decades of experience in supplying critical valves to the process industries in India and abroad, with emphasis on the thermal and nuclear power, oil and gas, fertiliser and chemical sectors. The company, originally known as Masoneilan (India) Limited, was set up in a technical collaboration with Masoneilan International Inc in 1983. It is owned by KSB SE & Co. KGaA (51%, Germany) and KSB Limited (49%). In CY2017, the company changed its name from MIL Controls Limited to KSB MIL Controls Limited to gain better visibility as a KSB Group company in the international market. Its manufacturing facility in Kerala includes assembly and testing equipment, such as high-precision CNC machines, automated test benches with provision for test report generation, high pressure test benches, vertical machining centre, vertical turret lathe machining centre (turning/drilling with facing head), and a sophisticated quality control centre. KSB MIL is focused on research at its own facility and has been certified by the Department of Scientific and Industrial Research (DSIR), Government of India.

Key financial indicators (audited)

Standalone	CY2024	CY2025*
Operating income	281.8	317.4
PAT	27.4	29.9
OPBDIT/OI	14.4%	16.1%
PAT/OI	9.7%	9.4%
Total outside liabilities/Tangible net worth (times)	0.4	0.4
Total debt/OPBDIT (times)	0.0	0.0
Interest coverage (times)	64.5	63.1

*Source: Company, ICRA Research; * Provisional numbers; 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 (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Apr 09, 2026	Date	Rating	Date	Rating	Date	Rating
Non-fund based - Others	Long term	80.00	[ICRA]AA (Stable)	Apr 04, 2025	[ICRA]AA (Stable)	-	-	Feb 02, 2024	[ICRA]AA (Stable)
Fund based/Non-fund based – Others	Long term/ Short term	50.00	[ICRA]AA (Stable)/ [ICRA]A1+	Apr 04, 2025	[ICRA]AA (Stable)/ [ICRA]A1+	-	-	-	-
Fund based - Others	Long term	0.00	-	Apr 04, 2025	[ICRA]AA (Stable)	-	-	-	-
Unallocated	Long term/ Short term	0.00	-	Apr 04, 2025	[ICRA]AA (Stable)/ [ICRA]A1+	-	-	-	-
Non-fund based facility	Short term			-	-	-	-	Feb 02, 2024	[ICRA]A1+

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Non-fund based – Others	Simple
Long term/Short term – Fund based/Non-fund based - Others	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	**Non-fund based – Others**	NA	NA	NA	80.00	[ICRA]AA (Stable)
NA	**Fund based/Non-fund bsased - Others**	NA	NA	NA	50.00	[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 - Not Applicable

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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.

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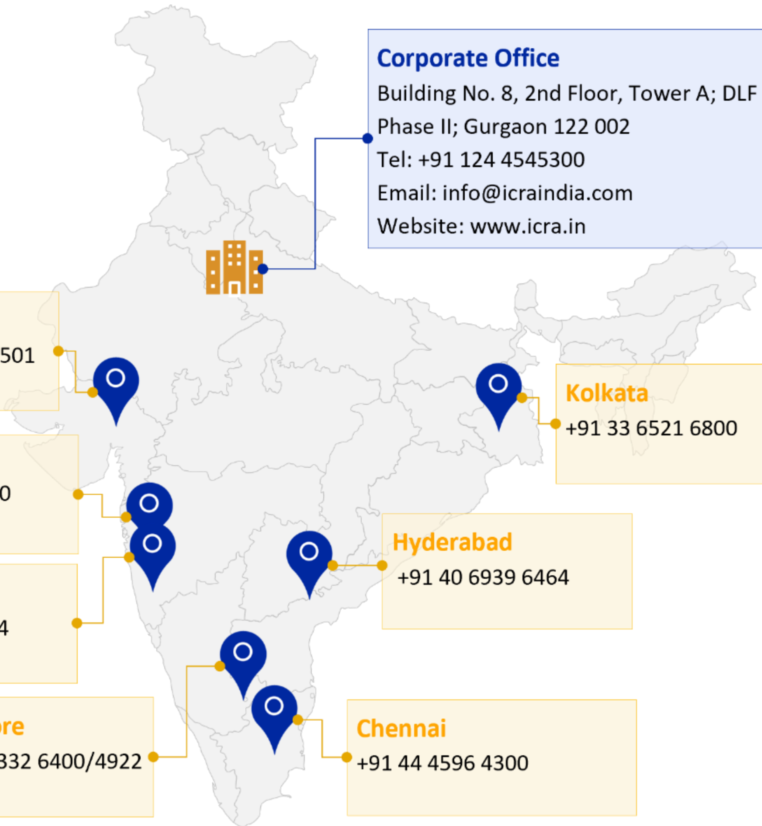

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