April 27, 2026

PTC Industries Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term fund based – Term loan	10.00	10.00	[ICRA]A (Stable); reaffirmed
Long-term fund based limits	130.00	130.00	[ICRA]A (Stable); reaffirmed
Short-term - Non- fund-based limits	215.00	215.00	[ICRA]A1; reaffirmed
Total	**355.00**	**355.00**	

**Instrument details are provided in Annexure II*

Rationale

ICRA has taken a consolidated view of PTC Industries Limited (PTCIL) and its wholly owned subsidiary, Aerolloy Technologies Limited (ATL), given the common management and significant operational and financial linkages among them.

The ratings factor in PTCIL's strong business profile, marked by increasing relevance in high-entry-barrier aerospace and space applications, a diversified export-oriented revenue base and a reputed global client portfolio. Recent order wins and development programmes spanning aero engines, space propulsion and defence platforms have enhanced revenue durability and reduced dependence on conventional industrial segments. Further, the upcoming commissioning of the Electron Beam Cold Hearth Remelting (EBCHR) facility, with an installed capacity of 5,000 TPA, is expected to be a key positive trigger, enabling large-scale titanium recycling, improved cost competitiveness and better operating leverage over the medium term.

The ratings also reflect the expected improvement in the company's scale of operations, earnings profile and business risk position, supported by the successful commissioning of key assets under its titanium and superalloy expansion programme and enhanced order visibility in the aerospace, defence and space segments. Over the past 18–24 months, PTCIL (through ATL) has commissioned critical capacities including a 1,500 TPA Vacuum Arc Remelting (VAR) furnace for titanium alloys and a Vacuum Induction Melting (VIM) facility for nickel /cobalt-based superalloys, while installation of a plasma arc melting furnace has also been completed and is in the stabilisation phase. The company has entered advanced qualification stages with global and domestic customers, translating into strong growth momentum and multi-year revenue visibility.

The financial risk profile of PTCIL remains comfortable, supported by equity raises undertaken over the past few years, which have strengthened the net worth and liquidity position and provided adequate financial flexibility to fund the ongoing capital expenditure (capex) programme. Healthy profitability and improvement in cash accruals, coupled with moderate term debt addition, are expected to lead to sustenance of comfortable capitalisation and coverage metrics, despite the inherently working capital-intensive nature of the business.

The ratings are, however, constrained by PTCIL's exposure to risks associated with the volatility in raw material costs as those are essentially driven by commodity prices. However, the risk is mitigated to an extent through the company's dynamic pricing strategy to address fluctuations in raw material costs. It has a planned project costing around Rs. 700 crore, of which, around Rs. 400 crore has already been incurred and the rest is expected to be incurred over FY2027 and FY2028. The project is expected to diversify PTCIL's product profile by enhancing its capabilities with more focus on metals like titanium and nickel/cobalt superalloys while also increasing its presence in the domestic market, with a significant contribution from the defence sector. This capex shall be funded partially through a debt of around Rs. 300 crore and partially through its internal accruals and available liquidity. While some of the facilities have already been commissioned, the company remains exposed to risks associated with project execution and scale-up of operations. However, the risks are partially mitigated by the satisfactory progress of the project and successful implementation of pilot projects by PTCIL.

The Stable outlook reflects ICRA's expectation that PTCIL will sustain its credit profile over the medium term, benefiting from steady ramp-up of newly commissioned capacities, successful commissioning of the EBCHR facility and continued traction in aerospace, defence and space segments.

Key rating drivers and their description

Credit strengths

Established track record of operations and extensive experience of the promoters – Incorporated in 1963 as a foundry for import substitution in India, PTCIL has a long track record of navigating changes in the industry. With its in-house technologies such as Replicast, RapidCast, Printcast and forgeCAST, it has established itself as a specialised metal casting company. PTCIL also benefits from the long-standing experience of its senior leadership, including its Managing Director, Mr. Sachin Agarwal, who has more than three decades of industry experience.

Diversified product and geographical profile with significant presence in export markets – PTCIL has a strong and diversified product portfolio comprising specialised castings, machined components and fabricated parts manufactured from stainless steel, duplex and super-duplex stainless steel, nickel-aluminium bronze (NAB), other high-alloy steels, titanium and related materials. These products cater to a wide range of end-user industries, including oil and gas, liquefied natural gas (LNG) processing, aerospace, defence, marine, energy and pulp and paper. PTCIL's recent foray into titanium and superalloy remelting and production, advanced manufacturing of superalloy components and forward integration through its subsidiary TPSL is expected to further enhance product diversification while strengthening its focus on high-entry-barrier segments such as aerospace, defence and space propulsion.

The company also enjoys diversified geographical exposure, with exports accounting for over 80% of revenues up to FY2025 and about 64% during 9M FY2026. Revenues are expected to remain well-diversified, supported by PTCIL's presence in niche segments requiring high technological capabilities and its growing relationships with reputed global customers.

Reputed client base – PTCIL operates in niche segments characterised by high technological complexity and entry barriers, which has enabled it to establish long-standing relationships with a reputed client base comprising leading government and global private-sector entities such as Rolls-Royce Marine, Dassault Aviation, Hindustan Aeronautics Limited (HAL), the Ministry of Defence (MoD), Israel Aerospace Industries and Blue Origin. Several customers have been associated with the company for multiple decades, reflecting its track record in quality, reliability and timely execution. Further, aligned with its recent foray into advanced materials, titanium and superalloy remelting and large aerospace-grade component manufacturing, PTCIL has witnessed incremental engagement with select global aerospace and defence customers. This includes securing long-term contracts and supply arrangements in newly developed capabilities in high-entry-barrier segments such as aero-engines, aerospace structures and strategic defence applications. This is expected to enhance revenue visibility and strengthen customer stickiness over the medium-to-long term.

Healthy financial risk profile – PTCIL shall maintain a healthy financial risk profile over the near-to-medium term, characterised by expectations of healthy scale-up of operations over the next few years, along with improvement in profitability over the medium-to-long term. Revenues are expected to more than double over FY2026 and FY2027 from the current level of Rs. 308.1 crore in FY2025 and Rs. 377.3 crore in 9M FY2026. While the operating profit margin (OPM) is expected to remain range-bound at 20-22% by FY2027 (compared to 24.4% in FY2025 and 15.6% in 9M FY2026), as capacities under ATL are expected to scale up only gradually, profitability is expected to improve significantly over the medium-to-long term, aided by an increasing share of margin-accretive business. However, successful project execution and scale-up of operations shall continue to be a key monitorable in this regard. PTCIL had debt of Rs. 179.3 crore as on September 30, 2025, with a total debt/OPBDITA of 2.6 times and interest cover of 9.8 times. Despite expectations of some debt-funded capex over the next two years, coverage and capitalisation indicators are expected to improve sequentially with growth in scale and enhancement in profitability.

Credit challenges

High working capital intensity – PTCIL's business is working capital-intensive on account of the requirement to maintain high inventory levels, including products under development, considering the longer lead time for order fulfilment. Furthermore, large batch sizes and bunching of orders in a few quarters have also increased inventory and debtor levels during specific periods. The company had a working capital intensity of 75.6% and 117.1% in FY2024 and FY2025, respectively.

Profitability exposed to fluctuation in raw material prices – The key raw materials for the company include steel/steel scrap, titanium, ferro alloys, NAB, etc. Raw material costs are thus subject to volatility in commodity prices, driven by global and local demand-supply conditions and other geopolitical events. Thus, the company's profitability is exposed to fluctuations in raw material prices. However, the risk is partly mitigated by the dynamic pricing strategy followed by PTCIL to address such fluctuations.

Exposed to risks associated with project completion and scale-up – PTCIL is currently developing a project in the Lucknow node of the Uttar Pradesh Defence Industrial Corridor with a planned capex of around Rs. 500 crore between FY2026 and FY2028. Through this project, it is seeking to enhance its capabilities in recycling and remelting titanium, producing nickel/cobalt superalloys for aerospace, defence and space propulsion applications and manufacturing castings and other downstream products such as forgings and rolled components. The company has already commissioned a few units, including a VAR furnace, a VIM facility and has installed a plasma arc melting furnace along with advanced manufacturing facilities for superalloys. Operations from these facilities are expected to scale up over the near-to-medium term. Moreover, PTCIL is in the process of installing the ECBHR furnace and other downstream facilities, which are expected to be completed over the next two years. Thus, timely completion of the projects without major cost overruns and adequate scaling up after commissioning shall remain key monitorables. However, ICRA notes the satisfactory progress of the project to date and the healthy order book, including some key long-term contracts, which are expected to aid the scale-up of operations.

Environmental and social risks

Environmental concerns – PTCIL operates in the specialised metal casting industry and requires various raw materials, along with considerable energy and water requirements. Thus, the company is exposed to risks arising from tightening environmental regulations, specifically those pertaining to pollution, discharge/treatment of effluents or energy management which can result in an increase in operational costs or new infrastructure installation costs.

Social concerns – PTCIL has a dependence on human capital; hence, retaining talent, maintaining healthy employee relations and sustaining a reliable supplier ecosystem remain essential for disruption-free operations. PTCIL's ability to manage risks related to process safety and occupational health, while developing safety leadership capabilities, is also a key factor from asocial considerations perspective.

Liquidity position: Strong

PTCIL's liquidity position is Strong, aided by free cash, cash equivalents and liquid investments of around Rs. 298.1 crore and unutilised working capital limits of more than Rs. 60 crore as on September 30, 2025. The company has minimal debt repayment obligations over the next two years. While it is expected to incur capex of around Rs. 500 crore between FY2026 and FY2028, to be funded partly through debt, its available liquidity and cash flow generation are expected to be sufficient to meet debt repayment obligations and fund the planned capex.

Rating sensitivities

Positive factors – The ratings may be upgraded if the company demonstrates healthy scale-up of newly commissioned and under-construction projects, leading to growth in revenues and improvement in its earnings profile while maintaining comfortable debt protection metrics and adequate liquidity position.

Negative factors – The ratings may be downgraded in case of a significant decline in the company's revenues and profitability, or moderation in PTCIL's credit metrics owing to delays in scaling up new projects, higher-than-anticipated debt-funded capex or a further increase in working capital intensity. A specific metric that could cause a downgrade is a debt service coverage ratio (DSCR) below 2.0 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of PTCIL. The subsidiaries of PTCIL are listed in Annexure – II

About the company

PTCIL is one of the leading manufacturing players in the engineering sector, catering to the aerospace, defence, space propulsion, oil and gas, power and marine industries. It offers castings and comprehensive design support for a varied range of products used in critical and super-critical applications, including pumps and valves, marine applications (such as pump casings/chambers) and components for water-jet engines (such as guide vane chambers, impellers, fixed-pitch propellers, propeller blades, hubs, etc.) as well as flow-control castings. The company was incorporated in 1963 as Precision Tools & Castings Private Limited with the establishment of an investment casting foundry in India. It was subsequently converted into a public limited company in 1994, and in 2015 its listing was moved to the Bombay Stock Exchange (BSE). Subsequently, in 2023, it was also listed on the National Stock Exchange (NSE).

Key financial indicators (audited)

PTCIL (consolidated)	FY2024	FY2025	9M FY2026*
Operating income	256.9	308.1	377.3
PAT	42.2	61.0	41.6
OPBDIT/OI	28.3%	24.7%	15.7%
PAT/OI	16.4%	19.8%	11.0%
Total outside liabilities/Tangible net worth (times)	0.4	0.1	-
Total debt/OPBDIT (times)	2.5	0.8	-
Interest coverage (times)	4.8	8.6	9.5

*Source: Company, ICRA Research; *Unaudited numbers All ratios are as per ICRA's calculations; Amount in Rs. Crore; PAT: Profit after tax; OPBDITA: 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					
			FY2027		FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loan	Long-term	10.00	Apr 27, 2026	[ICRA]A (Stable)	Mar 27, 2026	[ICRA]A (Stable)	-	-	-	-
Fund based limits	Long-term	130.00	Apr 27, 2026	[ICRA]A (Stable)	Mar 27, 2026	[ICRA]A (Stable)	Jan 13, 2025	[ICRA]A- (Stable)	-	-
Non- fund-based limits	Short-term	215.00	Apr 27, 2026	[ICRA]A1	Mar 27, 2026	[ICRA]A1	Jan 13, 2025	[ICRA]A2+	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ($)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

($) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI

6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund based – Term loan	Simple
Long-term fund based limits	Simple
Short-term - Non- fund-based 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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	**Long-term fund based – Term loan**	Sep 2025	8.45%	Sep 2033	10.00	[ICRA]A (Stable)
NA	**Long-term fund based limits**	NA	NA	NA	130.00	[ICRA]A (Stable)
NA	**Short-term - Non-fund-based limits**	NA	NA	NA	183.60	[ICRA]A1
NA	**Short-term - Non-fund-based limits***	NA	NA	NA	31.40	[ICRA]A1

*Source: Company; *Proposed Limits*

Please click here to view details of lender-wise facilities rated by ICRA

Annexure III: List of entities considered for consolidated analysis

Company name	PTCIL's ownership	Consolidation approach
<u>Subsidiaries</u>		
Aerolloy Technologies Limited	100.00%	Full consolidation
Trac Holdings Limited	100.00%	Full consolidation
Broomco (4266) Limited	100.00%	Full consolidation
Trac Group Limited	100.00%	Full consolidation
Trac Precision Solutions Limited	100.00%	Full consolidation
<u>Joint Ventures</u>	100.00%	Full consolidation
Advanced Materials (Defence) Testing Foundation	20.00%	Equity Method

Source: PTCIL Q3FY2026 Quarterly result

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