

April 29, 2026

## Fives Combustion Systems Private Limited: [ICRA]A- (Stable)/ [ICRA]A2+; assigned

### Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Cash credit	1.00	[ICRA]A- (Stable); assigned
Short-term – Non-fund based – Bank guarantee	50.00	[ICRA]A2+; assigned
Short-term – Interchangeable – Sub-limit of non-fund based – LC – (ILC/FLC)	(13.50)	[ICRA]A2+; assigned
Short-term – Interchangeable – Sub-limit of non-fund based – Standby LC (SBLC)	(15.00)	[ICRA]A2+; assigned
<b>Total</b>	<b>51.00</b>	

\*Instrument details are provided in Annexure II

### Rationale

The ratings assigned to the bank facilities of Fives Combustion Systems Private Limited (FCSPL/ the company) are supported by the extensive experience and strong technical expertise of its French parent, the Fives Group, with a presence across the globe in various product categories, including combustion systems. Further, the ratings derive comfort from the company's established business in the Indian market and a diversified customer base across end-user industries, providing stability of operations and diversification. The company reported robust revenue growth of around 82% in FY2025 and further around 50% in FY2026 on a provisional basis, driven by expansion of clientele and healthy demand for combustion systems, particularly industrial burners, which accounted for around 80% of its revenues historically, while the balance was contributed by spares and services in FY2026.

The revenue sourcing remains diversified across various sectors, with the metal sector generating around 20%, energy around 25%, oil and gas around 23%, and other industries bringing up the rest in FY2025. The company had a healthy pending order book of around Rs. 165 crore as on March 31, 2026, providing steady revenue visibility for FY2027. The ratings are further aided by FCSPL's strong financial profile, reflected in its healthy operating margins (OPM) of around 28.3% in FY2025 against 28.8% in FY2024, supported by its niche product portfolio, in-house manufacturing capabilities, and relatively higher margins on spares and services, which are expected to remain healthy. The OPM is likely to improve further in FY2026 due to substantial economies of scale. The capital structure and debt coverage indicators remain strong, with the absence of fund-based bank borrowings. Working capital requirements are comfortably managed, supported by healthy free cash and bank balances of more than Rs. 120 crore and adequate cushion in non-fund based limits as on March 31, 2026.

However, the ratings remain partially constrained by the company's moderate scale of operations, albeit improving, which limits economies of scale. Nevertheless, FCSPL's revenue is expected to scale up over the medium term, supported by steady demand and a healthy order book. OPM remains susceptible to volatility in raw material prices and competition from a limited number of organised and large players, which could exert pressure on margins and revenue growth. Further, while FCSPL, a wholly owned subsidiary of the Fives Group, has not paid dividends in the past, any significant dividend payouts to the parent could adversely impact its financial profile.

The Stable outlook reflects ICRA's expectation that FCSPL will continue to report steady revenue growth and maintain healthy profitability, supported by its order book visibility, diversified end-user exposure, and the strong support and experience of the Fives Group. The outlook also factors in ICRA's expectation that the company will undertake its capital expenditure (capex) in a manner commensurate with the existing credit metrics.

## Key rating drivers and their description

### Credit strengths

**Strong parentage with a large global presence** – FCSPL is part of the Fives Group, France, a global industrial engineering group with a presence across aerospace, aluminium, automotive, cement and minerals, chemicals and petrochemicals, energy, general machining, glass, logistics, oil and gas, steel, and sugar, with operations across major countries. The Group provides continued support to FCSPL in terms of technology and development of new product lines to support business expansion. While the parent entity is primarily a financial investor, it provides technical support for new product development and critical operational requirements, for which FCSPL pays royalty.

**Established relationships with a reputed clientele** – FCSPL primarily manufactures customised industrial burners and combustion systems, which are critical for industrial operations. The company caters to a reputed and diversified customer base across metals, minerals, energy, oil and gas, and other engineering-led industries requiring combustion solutions. The customer concentration remains moderate, with the top five customers accounting for around 54% of the total operating income in FY2026 over around 50% in FY2025. Key customers include Tata Steels Limited, Jindal Southwest Group, ArcelorMittal Nippon Steel India Limited, Reliance Industries Limited, National Thermal Power Corporation Limited, UltraTech Cement Limited, Indian Oil Corporation Limited, Larsen & Toubro Limited, and Lloyds Metals and Energy Limited.

**Healthy financial profile with no reliance on debt** – FCSPL has a healthy financial risk profile, supported by steady internal accrual generation in the absence of any dividend payout to the parent entity over the years. This is reflected in the company's comfortable capital structure and healthy coverage metrics. The company's gearing and Total Debt/OPBDITA remained irrelevant in the absence of any bank debt while TOL/TNW stood healthy at 0.5 times as on March 31, 2025. The debt coverage indicators remain strong, with an interest coverage ratio of 48.1 times as on March 31, 2025, supported by nil external funded debt, barring non-fund based limits.

**Healthy revenue growth and strong profitability** – The company has reported strong revenue growth, recording a compounded annual growth rate (CAGR) of around 35% during FY2022–FY2026. The revenues are estimated to reach around Rs. 203 crore in FY2026, reflecting a YoY growth of over 50%, driven by sustained demand from end-user industries. Further, the company's presence in a niche product segment, supported by in-house manufacturing capabilities and strong technological expertise, is reflected in healthy operating margins of 28.3% in FY2025, which remained largely stable compared to 28.8% in FY2024. The OPM is expected to improve further in FY2026 due to substantial economies of scale.

### Credit challenges

**Moderate scale of operations** – FCSPL's scale of operations remains moderate, with revenues of Rs. 203 crore in FY2026 (provisional) over Rs. 138 crore in FY2025 and Rs. 76 crore in FY2024. Revenues have remained moderate owing to the niche nature of the product portfolio, which typically has a lifecycle of 10–15 years. Going forward, the company's revenues are expected to improve gradually, with the addition of new customers and healthy demand from end-user industries, which is to be ably supported by capacity enhancement from ongoing capex. The moderate scale of operations limits the company's ability to absorb fixed overheads and benefit from economies of scale.

**Susceptibility of profitability to raw material prices** – Steel constitutes the primary raw material for FCSPL, along with certain bought-out components such as valves, scanners, igniters, control panels, and instrumentation, with around 78% of its total purchases sourced domestically. Procurement of inputs is largely aligned with its order book, and the company does not have any long-term contracts with suppliers. Consequently, FCSPL remains exposed to raw material price volatility, as most customer orders are executed under fixed-price contracts, while input prices, particularly steel, are subject to fluctuations. Any adverse movement in raw material prices could impact profitability over the medium to long term. However, the company retains some flexibility to revise commercial terms prior to dispatch in case of significant cost escalations, providing limited mitigation. The company hedges most of its forex outright, while the rest is naturally hedged by imports.

## Liquidity position: Adequate

The liquidity profile of the company is adequate on account of negligible reliance on debt, supported by healthy free cash and bank balances of more than Rs. 120 crore as on March 31, 2026. The company's funding requirements are mainly toward bank guarantees and associated margin money requirements. The company has adequate non-fund based limits of Rs. 50 crore, whose average utilisation stood at around 54% over the last 12-month period ended in March 2026. The company does not have any major capex plans or debt repayment obligations in the near term.

## Rating sensitivities

**Positive factors** – The ratings could be upgraded if there is significant increase in revenue and earnings, while maintaining the healthy debt coverage metrics and comfortable liquidity position on a sustained basis.

**Negative factors** – Pressure on the ratings could arise if there is a material decline in revenues and earnings or any large debt-funded capex / acquisition or large dividend payout weakening the debt coverage indicators and liquidity position on a sustained basis.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

## About the company

Fives Combustion Systems Private Limited is a 99.99% wholly-owned subsidiary of Fives India Engineering & Projects Private Limited and is ultimately held (majority shareholders) by the Fives Group based in France. The company is engaged in the design, engineering, manufacturing, installation, and servicing of industrial combustion systems, such as burners, offering end-to-end customised solutions with an equipment life of around 10–15 years. Formerly known as Coen Bharat Limited, the company was fully acquired by the Fives Group in FY2012, following the exit of the foreign joint venture partner and was subsequently renamed. Since 2012, FCSPL has been operating under a technical collaboration with Fives Pillard, France.

## Key financial indicators (audited)

FCSPL (Standalone)	FY2024	FY2025
Operating income	76.0	138.0
PAT	18.6	31.6
OPBDIT/OI	28.8%	28.3%
PAT/OI	24.4%	22.9%
Total outside liabilities/Tangible net worth (times)	0.6	0.5
Total debt/OPBDIT (times)	0.0	0.0
Interest coverage (times)	41.0	48.1

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 (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	April 29, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund-based - Cash credit	Long-term	1.00	[ICRA]A-(Stable)	-	-	-	-	-	-
Non-fund based - Bank guarantee	Short-term	50.00	[ICRA]A2+	-	-	-	-	-	-
Interchangeable limits-- LC - (ILC/FLC)	Short-term	(13.50)	[ICRA]A2+	-	-	-	-	-	-
Interchangeable limits- Standby LC (SBLC)	Short-term	(15.00)	[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 the regulatory purview of various Financial Sector Regulators (FSRs), 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 the regulatory purview of various FSRs, as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual 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 FSRs other than SEBI.

### Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term-Fund-based-Cash credit	Simple
Short-term-Non-fund based-Bank guarantee	Simple
Short term – Interchangeable - Sub limit of Non-Fund Based - LC - (ILC/FLC)	Simple
Short term - Interchangeable - Sub limit of Non Fund Based - Standby LC (SBLC)	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	Cash credit	NA	NA	NA	1.00	[ICRA]A- (Stable)
NA	Bank guarantee	NA	NA	NA	50.00	[ICRA]A2+
NA	Non-Fund Based - LC - (ILC/FLC)	NA	NA	NA	(13.50)	[ICRA]A2+
NA	Non Fund Based - Standby LC (SBLC)	NA	NA	NA	(15.00)	[ICRA]A2+

Source: Company

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

**Annexure III: List of entities considered for consolidated analysis - Not applicable**

## ANALYST CONTACTS

**Jitin Makkar**

+91 124 4545 368

[jitinm@icraindia.com](mailto:jitinm@icraindia.com)

**Uday Kumar**

+91 124 4545 867

[kinjal.shah@icraindia.com](mailto:kinjal.shah@icraindia.com)

**Ronak Vadher**

+91 22 6169 3341

[ronak.vadher@icraindia.com](mailto:ronak.vadher@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

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

[info@icraindia.com](mailto: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](http://www.icra.in)

## ICRA Limited



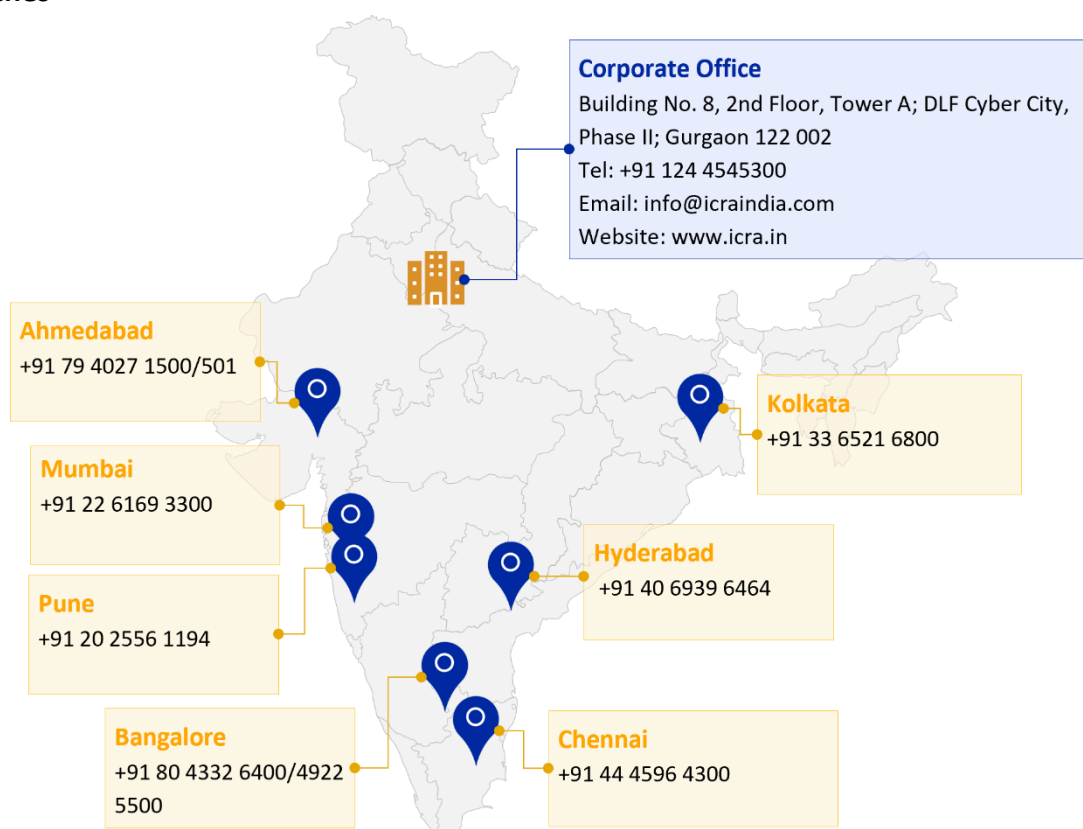
### Registered Office

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

Tel: +91 11 23357940-45



### Branches



© Copyright, 2026 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](http://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.