

March 27, 2026

## PTC Industries Limited: Ratings upgraded to [ICRA]A(Stable)/ [ICRA]A1 and rated amount enhanced

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term fund-based term loans	-	10.00	[ICRA]A(Stable); assigned
Long-term fund-based limits	125.00	130.00	[ICRA]A(Stable); upgraded from [ICRA]A-(Stable)/ assigned for enhanced amount
Short-term non-fund based limits	50.00	215.00	[ICRA]A1; upgraded from [ICRA]A2+/ assigned for enhanced amount
<b>Total</b>	<b>175.00</b>	<b>355.00</b>	

\*Instrument details are provided in Annexure-I

### Rationale

The rating action for PTC Industries Limited (PTCIL) reflects the expected improvement in the company's scale of operations, earnings profile and product diversity. This is 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 propulsion segments. Over the past few quarters, PTCIL (through its subsidiary Aerolloy Technologies Limited; ATL) has installed/commissioned critical capacities including a vacuum arc remelting (VAR) furnace, a vacuum induction melting (VIM) facility, a plasma arc melting furnace and advanced manufacturing facilities for superalloys. Aided by this, the company has entered advanced qualification stages with global and domestic customers, translating into strong growth momentum and multi-year revenue visibility. Further, the expected commissioning of the electron beam cold hearth remelting (ECBHR) furnace is expected to be key in enabling large-scale titanium recycling, improved cost competitiveness and better operating leverage over the medium term.

The ratings also factor in PTCIL's strong business profile, marked by its increasing relevance in high-entry-barrier aerospace and space propulsion applications, a diversified export-oriented revenue base and a reputed global client portfolio. Its recent order wins and development programmes spanning aero-engines, space propulsion and defence platforms have enhanced revenue visibility, leading to expectations of strong revenue growth over the medium term. PTCIL's operating income of Rs. 308.1 crore in FY2025 is expected to more than double over FY2026 and FY2027, aided by increased business under ATL and the scale-up of the business under Trac Precision Solutions Limited (TPSL), which was acquired in December 2024. Operating profit margin (OPM) is also expected to improve over the medium to long term aided by healthy scaling up of business under ATL, which is expected to be margin accretive.

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 provide adequate financial flexibility to fund the ongoing capex programme. Healthy profitability and improvement in cash accruals, coupled with moderate term debt addition, are expected to result in the sustenance of comfortable capitalisation and coverage metrics, despite the inherent working capital-intensive nature of the business.

The company has a planned capex of Rs. 500 crore over FY2026 to FY2028. This capex shall be funded through a mix of debt and PTCIL's internal accruals and available liquidity. While PTCIL has commissioned several units over the past few quarters, it remains exposed to risks associated with project execution and the scale-up of operations. PTCIL is also exposed to risks associated with volatility in the prices of its raw materials, which are essentially driven by commodity prices. However, the risk is partly mitigated by the dynamic pricing strategy followed by PTCIL to address fluctuations in raw material costs.

The Stable outlook reflects ICRA's expectation that PTCIL will sustain its credit profile over the medium term, benefiting from the steady ramp-up of newly commissioned capacities and continued traction in the aerospace, defence and space propulsion 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, PTCIL 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 scaling 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 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 remain 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 improvement 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, PTCIL 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 is 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 operation 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 a social considerations perspective.

## Liquidity position: Strong

The liquidity position of PTCIL 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. It 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 scaling 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 lead to a downgrade is a DSCR below 2.0 times 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	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 by establishing 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	9MFY2026*
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 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 (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs. crore)	Mar 27, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	10.00	[ICRA]A (Stable)	-	-	-	-	-	-
Fund-based Limits	Long Term	130.00	[ICRA]A (Stable)	Jan 13, 2025	[ICRA]A- (Stable)	-	-	-	-
Non-fund-based limits	Short Term	215.00	[ICRA]A1	Jan 13, 2025	[ICRA]A2+	-	-	-	-

### Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term fund-based limits	Simple
Long-term fund-based term loans	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 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 term loans	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 II: List of entities considered for consolidated analysis

Company Name	PTCIL's Ownership	Consolidation Approach
<b>Subsidiaries</b>		
Aerolloy Technologies Limited	100.0%	Full Consolidation
Trac Holdings Limited	100.0%	Full Consolidation
Broomco (4266) Limited	100.0%	Full Consolidation
Trac Group Limited	100.0%	Full Consolidation
Trac Precision Solutions Limited	100.0%	Full Consolidation
<b>Joint Ventures</b>		
Advanced Materials (Defence) Testing Foundation	20.0%	Equity method

Source: PTCIL Q3FY2026 quarterly results

## ANALYST CONTACTS

**Jitin Makkar**

+91 124 4545 368

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

**Kinjal Shah**

+91 22 6114 3442

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

**Deepak Jotwani**

+91 124 4545 870

[deepak.jotwani@icraindia.com](mailto:deepak.jotwani@icraindia.com)

**Gaurav Kushwaha**

+91 40 6939 6405

[gaurav.kushwaha@icraindia.com](mailto:gaurav.kushwaha@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)

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## ICRA Limited



### Registered Office

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

Tel: +91 11 23357940-45



### Branches



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