



**Press Release**  
**INDUSTRIAL BOILERS LIMITED**  
**August 22, 2025**  
**Rating Reaffirmed**

| Product                            | Quantum (Rs. Cr) | Long Term Rating                 | Short Term Rating       |
|------------------------------------|------------------|----------------------------------|-------------------------|
| Bank Loan Ratings                  | 7.50             | ACUITE BBB   Stable   Reaffirmed | -                       |
| Bank Loan Ratings                  | 4.50             | -                                | ACUITE A3+   Reaffirmed |
| Total Outstanding Quantum (Rs. Cr) | 12.00            | -                                | -                       |
| Total Withdrawn Quantum (Rs. Cr)   | 0.00             | -                                | -                       |

**Rating Rationale**

Acuite has reaffirmed its long-term rating of ‘**ACUITE BBB**’ (read as **ACUITE triple Ba**) and short-term rating of ‘**ACUITE A3+**’ (read as **ACUITE A Three Plus**) on the Rs.12.00 crore bank facilities of Industrial Boilers Limited (IBL). The outlook is ‘**Stable**’.

**Rationale for Rating**

The rating reaffirmation reflects the moderation in revenues with stable profitability margins along with moderate financial risk profile. The rating also factors in the promoters’ extensive experience in the industry and healthy order book position. However, these strengths are offset by working capital intensive operations on the back of elongated receivable cycle and exposure to volatility in raw material prices and cyclicalities in industry impacting profitability and foreign exchange risk.

**About the Company**

Industrial Boilers Limited (IBL) is a Mumbai-based company incorporated in 1974. The company is engaged in manufacturing of industrial boilers of capacities ranging from 500KG to 50TPH at Vapi Industrial Township. The company is headed by Mr. Rohinton Rusi Engineer, Mr. Cyrus Rusi Engineer, Mrs. Dilnavaz Rohinton Engineer, and Mrs. Kaenaz Cyrus Engineer.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has considered the standalone business and financial risk profiles of Industrial Boilers Limited (IBL) to arrive at this rating.

**Key Rating Drivers**

**Strengths**

**Established management and established track record of operations**

IBL was incorporated in 1997 by Mrs. Homai R Engineer who is having an extensive experience in the boiler segment for more than four decades. She was equally supported by second generation management comprising of Mr. Rohinton R Engineer and Mr. Cyrus R Engineer, who have experience of more than two decades in the

industry. The extensive experience of the promoters and the established presence in the industry has helped the company to generate long standing relations with various customers and suppliers in both domestic as well as global market. The company has pan India presence and has a global customer base spread across Nairobi, Thailand,

Bangladesh, Myanmar, among others.

Acuité believes that IBL will continue to benefit from the management's established presence in the industry and relations with its customers over the medium term.

### **Moderation in revenues albeit stable Profitability Margins**

The company's operating income declined to Rs.167.92 crore in FY2025 (Prov.) from Rs.198.11 crore in FY2024, the moderation was primarily due to a temporary slowdown in market demand and execution delays. The company has maintained stable operating margins at 4.46 percent in FY2025 (Prov.) compared to 4.42 percent in FY2024, and improved PAT margins to 3.24 percent from 2.37 percent, reflecting effective cost control and operational efficiency. The company's strategic shift toward larger, higher-value boilers has supported profitability despite a decline in units sold (130 units in FY2025 vs. 161 units in FY2024). The average selling price increased to Rs.1.24 crore, indicating improved revenue realization per unit and a move toward more value-added offerings. Additionally, ~Rs.45.00 crore revenue already booked in 4MFY26. The presence of an order book of Rs.190.00 crore as of July 2025 further supports medium-term revenue visibility. Acuité believes, IBL would continue to maintain its operating performance on the back of value added offerings.

### **Moderate Financial Risk Profile**

The company maintains a moderate financial risk profile, supported by consistent capital structure and strong debt protection metrics. The tangible net worth improved to Rs.43.71 crore as on March 31, 2025 (Prov.), from Rs.38.27 crore in the previous year, driven by internal accruals. Gearing remained moderate at 0.48 times, indicating controlled leverage. Debt servicing ability is at comfortable level, with Interest Coverage Ratio improving to 5.91 times and DSCR to 4.54 times in FY2025 (Prov.). The Net Cash Accruals to Total Debt (NCA/TD) stood at 0.34 times in FY25(Prov.) and in FY24, and TOL/TNW improved to 1.87 times in in FY25(Prov.) from 2.28 times in FY24, reflecting reduced reliance on external liabilities. The company has adopted a phased and conservative capex approach, with no major debt-funded expansion falling due during the year. Recent investments, including robotic welding machinery in FY2025, were funded through internal accruals. Planned capex of Rs.2.50-3.00 crore each in FY2026 and FY2027 will also be internally funded, supporting operational efficiency without impacting leverage. Acuité believes that with no major debt-funded capex planned, the financial risk profile is expected to remain moderate over the near to medium term.

### **Weaknesses**

#### **Working Capital Intensive Operations**

The company's working capital cycle remains intensive, with Gross Current Asset (GCA) days increasing to 177 days in FY2025 (Prov.) from 158 days in FY2024. This is primarily due to a rise in debtor days to 57 days in FY2025 (Prov.), driven by client payment structures that retain 10–15 per cent of the payment post-completion for performance evaluation, often extending to 4–6 months. This trend is expected to continue, keeping receivables elevated. Inventory days remained high at 92 days in FY2025 (Prov.), indicating slower turnover, while creditor days rose to 86 days in FY25 (Prov.) from 43 days in FY2024, reflecting extended payment cycles to suppliers. Additionally, fund-based utilization averaged ~79 per cent and non-fund-based ~72 per cent, indicating limited liquidity headroom. Acuité believes that working capital operations of the company may continue to remain intensive considering the nature of the business wherein inventory turn around period is high.

#### **Exposure to volatility in raw material prices and foreign exchange fluctuation risk**

Out of the total revenue of IBL, around 10 percent of its revenues come from exports while the company procures the raw materials domestically, thereby rendering it to the risk associated with foreign exchange fluctuations for the unhedged portion of exports. Also, the profitability of the company remains susceptible towards volatility in steel prices which constitutes ~60 percent of the total raw material costs.

### **Rating Sensitivities**

- Improvement in the scale of operation and profitability margins
- Stretch in the working capital management leading to deterioration in credit profile
- Changes in financial risk profile owing to higher-than-expected debt funded capex

### **Liquidity Position**

#### **Adequate**

The company's liquidity position is adequate, marked by moderate net cash accruals against its maturity debt obligations. The company generated net cash accruals of Rs.7.14 Crore in FY2025 (Prov.) as against its maturity repayment obligations of Rs.0.44 crore in the same tenure. In addition, it is expected to generate sufficient cash accrual in the range of Rs.6.50-7.30 crore against the maturing repayment obligations of Rs.0.35-0.50 crore over the medium term. Average fund-based utilization stands at around 79 per cent and average non-fund-based utilization stands around ~72 per cent for the last 08 months ended March 2025. The company maintains

unencumbered cash and bank balances of Rs.0.78 crore as on March 31, 2025 (Prov.). The current ratio stands at 1.31 times as on March 31, 2025 (Prov.). The company has liquid investment of Rs.12.83 crore as fixed deposits.

**Outlook: Stable**

**Other Factors affecting Rating**

None

## Key Financials

| Particulars                   | Unit    | FY 25 (Provisional) | FY 24 (Actual) |
|-------------------------------|---------|---------------------|----------------|
| Operating Income              | Rs. Cr. | 167.92              | 198.11         |
| PAT                           | Rs. Cr. | 5.44                | 4.69           |
| PAT Margin                    | (%)     | 3.24                | 2.37           |
| Total Debt/Tangible Net Worth | Times   | 0.48                | 0.48           |
| PBDIT/Interest                | Times   | 5.91                | 5.42           |

### Status of non-cooperation with previous CRA (if applicable)

Not Applicable

### Any other information

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

| Date        | Name of Instruments/Facilities     | Term       | Amount (Rs. Cr) | Rating/Outlook   |
|-------------|------------------------------------|------------|-----------------|--|
| 24 May 2024 | Bank Guarantee/Letter of Guarantee | Short Term | 2.50            | ACUITE A3+ (Upgraded from ACUITE A3)                     |
|             | Letter of Credit                   | Short Term | 2.00            | ACUITE A3+ (Upgraded from ACUITE A3)                     |
|             | Cash Credit                        | Long Term  | 7.50            | ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable) |
| 24 Feb 2023 | Bank Guarantee/Letter of Guarantee | Short Term | 2.50            | ACUITE A3 (Reaffirmed)                                   |
|             | Letter of Credit                   | Short Term | 2.00            | ACUITE A3 (Reaffirmed)                                   |
|             | Cash Credit                        | Long Term  | 7.50            | ACUITE BBB-   Stable (Reaffirmed)                        |
| 23 Feb 2022 | Bank Guarantee/Letter of Guarantee | Short Term | 2.50            | ACUITE A3 (Reaffirmed)                                   |
|             | Letter of Credit                   | Short Term | 2.00            | ACUITE A3 (Reaffirmed)                                   |
|             | Cash Credit                        | Long Term  | 7.50            | ACUITE BBB-   Stable (Reaffirmed)                        |

## Annexure - Details of instruments rated

| Lender's Name       | ISIN                 | Facilities                         | Date Of Issuance     | Coupon Rate          | Maturity Date        | Quantum (Rs. Cr.) | Complexity Level | Rating                           |
|---------------------|----------------------|------------------------------------|----------------------|----------------------|----------------------|-------------------|------------------|----------------------------------|
| Union Bank of India | Not avl. / Not appl. | Bank Guarantee/Letter of Guarantee | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 2.50              | Simple           | ACUITE A3+   Reaffirmed          |
| Union Bank of India | Not avl. / Not appl. | Cash Credit                        | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 7.50              | Simple           | ACUITE BBB   Stable   Reaffirmed |
| Union Bank of India | Not avl. / Not appl. | Letter of Credit                   | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 2.00              | Simple           | ACUITE A3+   Reaffirmed          |

## Contacts

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|--|---|
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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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