



Press Release
Kilburn Engineering Limited
November 25, 2025
Rating Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	98.15	ACUITE A- Stable Upgraded	-
Bank Loan Ratings	111.85	-	ACUITE A2+ Upgraded
Total Outstanding Quantum (Rs. Cr)	210.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgrade its long-term rating to '**ACUITE A-**' (read as **ACUITE A minus**) from '**ACUITE BBB+**' (read as **ACUITE triple B plus**) and its short-term rating to '**ACUITE A2+**' (read as **ACUITE A two plus**) from '**ACUITE A2**' (read as **ACUITE A two**) on the Rs. 210.00 crore bank facilities of Kilburn Engineering Limited (KEL). The outlook has been revised from '**Positive**' to '**Stable**'.

Rationale for upgraded and revision in outlook

Acuite, vide its press release dated 04th November 2025, had reaffirmed its rating and revised its outlook from 'Stable' to 'Positive' against which the client had appealed and provided further information with respect to H1FY2026 financials. Accordingly, Acuite takes note of group's continued improvement in the operating performance as reflected in the Q2FY2026 financials. Further, the rating upgrade continues to derive comfort from the group's longstanding relationship with reputed clients. The ratings favourably factors in Kilburn Group's (KGs) healthy order book position providing strong medium-term revenue visibility buoyed by its execution capabilities. The rating also factors in long track record of operations and expertise of the group in the manufacturing of customised systems and equipment's for diverse applications. The rating is further supported by the healthy financial risk profile characterized by healthy net worth, below unity gearing and comfortable debt protection metrics. These strengths are however, partly offset by the working capital-intensive nature of operations, cyclicity in the end user industry and their capex plans and business cycles.

Further, the rating reflects the expected synergetic benefits at financial and business level from Kilburn Engineering Limited's (KEL) 100 per cent acquisition of M E Energy Private Limited (MEEPL) in February 2024, as well as the further 100 per cent acquisition of Monga Strayfield Private Limited (MSPL) in January 2025. However, the stabilization of operations and the realization of these benefits on the group's operational and financial risk profile remain to be seen, thereby it will remain a key rating monitorable.

About the Company

Incorporated in 1987, Kilburn Engineering Limited (KEL) is engaged in the designing, manufacturing, and commissioning of customised equipment/systems for diverse applications in industries such as chemical, petrochemical, oil & gas, refineries, power, steel, cement, fertilizer, mining, sewage treatment, food, among others. It also manufactures specially

designed packages required for various onshore and offshore applications. It has a

manufacturing and testing facility near Thane, Maharashtra. KEL is based in Kolkata and is managed by Mr. Ranjit Pamo Lala. In February 2024, the company acquired M E Energy Private Limited. The company is engaged in designing, manufacturing, and installing waste heat reutilization systems solutions in India, Turkey, Japan, USA, Spain, France, Bangladesh, Indonesia, and many more countries worldwide. Further in January 2025, KEL has acquired Monga Strayfield Private Limited which is engaged in radio frequency drying and heating technologies and specializes in sheet metal fabrication.

About the Group

Kilburn Group (KG) includes three companies viz. Kilburn Engineering Limited (KEL), M E Energy Private Limited (MEEPL) and Monga Strayfield Private Limited (MSPL). MEEPL and MSPL are wholly owned subsidiaries of KEL. KEL is engaged in manufacturing of drying systems, MEEPL specializes in the production of thermal engineering and heat recovery systems and MSPL is engaged in frequency drying and heating technologies and specializes in sheet metal fabrication, which is a complement to Kilburn Engineering's existing drying systems.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuite has consolidated the business and financial risk profiles of Kilburn Engineering Limited (KEL), M E Energy Private Limited (MEEPL) and Monga Strayfield Private Limited (MSPL) together referred to as the 'Kilburn Group' (KG). The consolidation is on the basis of MEEPL and MSPL being the wholly owned subsidiaries of KEL, corporate guarantee given to the MEEPL on its bank facilities by KEL and operational and financial synergies within the group. Further the consolidation also includes the step-down subsidiaries of KEL.

Key Rating Drivers

Strengths

Long operational track record and strong customer base

KEL has a long track record of more than three decades in the industry and has built healthy relationships with its customers and suppliers, ranging from 5 to 30 years. The strong relationships with customers, who have a very strong credit profile, ensure regular orders and low counterparty credit risk. Further, in February 2024, KEL acquired 100 per cent of the equity share capital of MEEPL. This acquisition is expected to augment the organizational prowess, as MEEPL specializes in the production of thermal engineering and heat recovery systems, which are expected to complement Kilburn Engineering's existing drying systems. Furthermore, on January 28, 2025, KEL acquired 100% of the equity share capital of Monga Strayfield Private Limited, which is engaged in radio frequency drying and heating technologies and specializes in sheet metal fabrication. This acquisition is expected to further strengthen Kilburn's market position and expand its offerings in key industrial sectors. The synergy of both acquisitions is expected to help tap into the existing client bases of all three entities, while also providing a bundled solution.

Revenue growth and improvement in the profitability

The group's operating income stood at Rs. 424.46 crore in FY2025 as against Rs. 329.48 crore in FY2024. The group's EBITDA margin improved marginally to 24 per cent in FY2025 as against 23.37 per cent in FY 2024. Further, in H1FY2026, the group reported operating income of Rs. 288.99 crore and EBITDA of Rs. 79.23 crore as against Rs. 190.40 crore and Rs. 42.72 crore in H1FY2025. Further, the PAT margin stood at 14.70 per cent in FY2025 as against 15.34 per cent in FY2024. The improvement in the overall performance of the group is primarily on account of

acquisition of MEEPL (acquired in February 2024) and Monga Strayfield Private Limited (acquired in January 2025). The group has an unexecuted order book position of around Rs. 492.03 crore as of September 2025, of which Rs. 340.72 crore pertains to KEL. The group's order book position remains moderate, providing revenue visibility for the near to medium term. Acuité believes that the revenue of the group is expected to improve further due to the healthy order book position and its execution on the back of expansion plans.

Healthy financial risk profile

The group's financial risk is healthy, with a healthy net worth, below-unity gearing, and comfortable debt protection metrics. The tangible net worth increased to Rs. 351.14 crore as of March 31, 2025, reflecting sustained profitability and an increase from Rs. 175.93 Cr. as of March 31, 2024 due to accretion of profits to reserves and conversion of equity share warrants to equity share capital. The group's gearing is comfortable at 0.25 times as of March 31, 2025 as against 0.48 times as of March 31, 2024. The comfortable coverage debt protection metrics are reflected by the Interest Coverage Ratio (ICR), which stood at 7.05 times and the Debt Service Coverage Ratio (DSCR), which stood at 4.29 times as of March 31, 2025 as against 8.14 times and 6.48 times as of March 31, 2024 respectively. Total outside Liabilities/Total Net Worth (TOL/TNW) improved to 0.74 times as on 31st March 2025 as against 1.27 times as on 31st March 2024 while the Debt/EBITDA improved to 0.84 times as on 31st March 2025 as against at 1.06 times as on 31st March 2024. KG is undertaking a brownfield expansion at Saravali involving a capital outlay of ~Rs. 30 crore and a Phase 2 expansion at subsidiary MEEPL with an indicative capex requirement of Rs. 7-12 crore funded by internal accruals to meet growing captive demand from increasing order inflows. Acuité believes, the financial risk profile of the group will continue to remain healthy over the medium term due to steady cash accruals.

Weaknesses

Working capital intensive nature of operations

The working capital-intensive nature of the group's operations is marked by high and increased Gross Current Assets (GCA) to 361 days as of March 31, 2025 as against 326 days as on March 31, 2024, primarily due to unbilled revenue of Rs. 199.09 crore as of March 31, 2025. The inventory days stood at 54 days, and debtor's collection period stood at 91 days in FY2025 as against 45 days and 87 days in FY2024 respectively. Due to the time taken to execute the orders, the operating cycle takes between 2 to 6 months, resulting in a large working capital requirement and staggered deliverables. Acuité believes that the working capital operations of the group will remain intensive due to the nature of business.

Susceptibility of profitability to volatility in raw material prices and cyclicity in end user industry

The group's major raw material is steel, making its profit margins susceptible to fluctuations in raw material prices. However, since steel purchases are spread over a period of time, the impact of price volatility is mitigated to some extent through averaging. Further, demand for the group's products is driven by the capital expenditure plans of end-user industries, which are inherently cyclical.

Rating Sensitivities

- Sustainable improvement in revenue while improving profitability
- Elongation of the working capital cycle
- Deterioration in financial risk profile on the back of higher-than expected debt funded capex
- Stabilization of operations and realization of benefits from the recent acquisitions on the group's operational and financial risk profile.

Liquidity Position

Adequate

The liquidity position remains adequate, evidenced by moderate net cash accruals against no maturing debt obligations. The group's has generated healthy net cash accruals of Rs.

69.72 crore in FY2025 against Rs. 4.86 crore repayment obligations during the same period. The free cash and bank balances stood minimal at Rs. 5.69 crore on March 31, 2025. The current ratio of the group improved to 2.14 times as on March 31, 2025 as against 1.72 times as on March 31, 2024. Further, the group has buffer in the fund-based limits with an average utilisation of ~44% for 6 months ending 31st August 2025 while the average utilisation for non fund based limits for 6 months ending 31st August 2025 is ~62%.

Outlook:

Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	424.46	329.48
PAT	Rs. Cr.	62.39	50.54
PAT Margin	(%)	14.70	15.34
Total Debt/Tangible Net Worth	Times	0.25	0.48
PBDIT/Interest	Times	7.05	8.14

Key Financials (Standalone)

Standalone figures of KEL.

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	335.50	293.21
PAT	Rs. Cr.	54.82	39.67
PAT Margin	(%)	16.34	13.53
Total Debt/Tangible Net Worth	Times	0.20	0.30
PBDIT/Interest	Times	7.49	7.10

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

Not Applicable

Any Other Information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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. Acuite'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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
04 Nov 2025	Letter of Credit	Short Term	22.50	ACUITE A2 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A2 (Reaffirmed)
	Letter of Credit	Short Term	8.35	ACUITE A2 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	29.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	12.00	ACUITE A2 (Assigned)
	Proposed Bank Guarantee	Short Term	10.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A2 (Reaffirmed)
	Cash Credit	Long Term	4.00	ACUITE BBB+ Positive (Assigned)
	Working Capital Demand Loan (WC DL)	Long Term	7.50	ACUITE BBB+ Positive (Reaffirmed)
	Cash Credit	Long Term	6.00	ACUITE BBB+ Positive (Reaffirmed)
	Cash Credit	Long Term	4.00	ACUITE BBB+ Positive (Assigned)
	Cash Credit	Long Term	4.00	ACUITE BBB+ Positive (Reaffirmed)
	Cash Credit	Long Term	3.99	ACUITE BBB+ Positive (Reaffirmed)
	Term Loan	Long Term	53.70	ACUITE BBB+ Positive (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB+ Positive (Reaffirmed)
	Proposed Cash Credit	Long Term	9.96	ACUITE BBB+ Positive (Reaffirmed)
20 Feb 2025	Proposed Bank Guarantee	Short Term	41.15	ACUITE A2 (Upgraded from ACUITE A3+)
	Bank Guarantee (BLR)	Short Term	18.00	ACUITE A2 (Upgraded from ACUITE A3+)
	Letter of Credit	Short Term	8.35	ACUITE A2 (Upgraded from ACUITE A3+)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A2 (Upgraded from ACUITE A3+)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A2 (Upgraded from ACUITE A3+)
	Letter of Credit	Short Term	12.50	ACUITE A2 (Upgraded from ACUITE A3+)
	Term Loan	Long Term	53.70	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Positive)
	Cash Credit	Long Term	6.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Positive)
	Cash Credit	Long Term	3.99	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Positive)
		Long		ACUITE BBB+ Stable (Upgraded from

	Cash Credit	Term	4.00	ACUITE BBB Positive)
	Cash Credit	Long Term	5.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Positive)
	Proposed Cash Credit	Long Term	12.31	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Positive)
	Working Capital Demand Loan (WCDL)	Long Term	5.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Positive)
06 Feb 2025	Bank Guarantee (BLR)	Short Term	18.00	ACUITE A3+ (Reaffirmed)
	Letter of Credit	Short Term	8.35	ACUITE A3+ (Reaffirmed)
	Proposed Bank Guarantee	Short Term	23.46	ACUITE A3+ (Reaffirmed)
	Proposed Bank Guarantee	Short Term	17.69	ACUITE A3+ (Assigned)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A3+ (Reaffirmed)
	Letter of Credit	Short Term	12.50	ACUITE A3+ (Reaffirmed)
	Cash Credit	Long Term	6.00	ACUITE BBB Positive (Reaffirmed)
	Term Loan	Long Term	53.70	ACUITE BBB Positive (Reaffirmed)
	Cash Credit	Long Term	3.99	ACUITE BBB Positive (Reaffirmed)
	Cash Credit	Long Term	4.00	ACUITE BBB Positive (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB Positive (Reaffirmed)
	Proposed Cash Credit	Long Term	5.00	ACUITE BBB Positive (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	5.00	ACUITE BBB Positive (Reaffirmed)
	Proposed Cash Credit	Long Term	7.31	ACUITE BBB Positive (Assigned)
22 May 2024	Bank Guarantee (BLR)	Short Term	18.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Letter of Credit	Short Term	8.35	ACUITE A3+ (Upgraded from ACUITE A3)
	Proposed Bank Guarantee	Short Term	23.46	ACUITE A3+ (Upgraded from ACUITE A3)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Letter of Credit	Short Term	12.50	ACUITE A3+ (Upgraded from ACUITE A3)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Cash Credit	Long Term	5.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Proposed Cash Credit	Long Term	5.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Working Capital Demand Loan (WCDL)	Long Term	5.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Cash Credit	Long Term	4.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)

	Term Loan	Long Term	53.70	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Cash Credit	Long Term	6.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Cash Credit	Long Term	3.99	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
24 Feb 2023	Bank Guarantee (BLR)	Short Term	18.00	ACUITE A3 (Assigned)
	Letter of Credit	Short Term	8.35	ACUITE A3 (Assigned)
	Proposed Bank Guarantee	Short Term	33.65	ACUITE A3 (Assigned)
	Bank Guarantee (BLR)	Short Term	19.50	ACUITE A3 (Assigned)
	Term Loan	Long Term	58.70	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	6.00	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	3.99	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	4.30	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BBB- Stable (Assigned)
	Proposed Cash Credit	Long Term	7.51	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Punjab National Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	29.00	Simple	ACUITE A2+ Upgraded (from ACUITE A2)
RBL Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A2+ Upgraded (from ACUITE A2)
THE FEDERAL BANK LIMITED	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	22.00	Simple	ACUITE A2+ Upgraded (from ACUITE A2)
INDUSIND BANK LIMITED	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A2+ Upgraded (from ACUITE A2)
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A- Stable Upgraded Positive to Stable (from ACUITE BBB+)
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.99	Simple	ACUITE A- Stable Upgraded Positive to Stable (from ACUITE BBB+)
THE FEDERAL BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE A- Stable Upgraded Positive to Stable (from ACUITE BBB+)
RBL Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A- Stable Upgraded Positive to Stable (from ACUITE BBB+)
Union Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.35	Simple	ACUITE A2+ Upgraded (from ACUITE A2)
INDUSIND BANK LIMITED	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	22.50	Simple	ACUITE A2+ Upgraded (from ACUITE A2)
	Not	Proposed	Not avl.	Not	Not			ACUITE A2+

Not Applicable	avl. / Not appl.	Bank Guarantee	/ Not appl.	avl. / Not appl.	avl. / Not appl.	10.00	Simple	Upgraded (from ACUITE A2)
Not Applicable	Not avl. / Not appl.	Proposed Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.96	Simple	ACUITE A- Stable Upgraded Positive to Stable (from ACUITE BBB+)
RBL Bank	Not avl. / Not appl.	Term Loan	23 Feb 2021	Not avl. / Not appl.	30 Sep 2033	53.70	Simple	ACUITE A- Stable Upgraded Positive to Stable (from ACUITE BBB+)
INDUSIND BANK LIMITED	Not avl. / Not appl.	Working Capital Demand Loan (WC DL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	7.50	Simple	ACUITE A- Stable Upgraded Positive to Stable (from ACUITE BBB+)

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr. No	Company Name
1	Kilburn Engineering Limited
2	M E Energy Private Limited
3	Monga Strayfield Private Limited
4	Strayfield Ltd, U.K.
5	Quantum Global Technologies Inc.

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About Acuité Ratings & Research

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