

Toolfab Renewable Energy & Infra Private Limited

January 05, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	99.44 (Reduced from 100.00)	CARE BB; Stable	Upgraded from CARE BB-; Stable
Long Term / Short Term Bank Facilities	120.00	CARE BB; Stable / CARE A4	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The revision in ratings assigned to the bank facilities of Toolfab Renewable Energy & Infra Private Limited (TREIPL) is on account of timely completion of project with no major cost or time overrun along with a healthy order book comprising marquee clients.

However, the ratings are constrained by the nascent stage of operations, highly fragmented and competitive industry, and susceptibility of margins to fluctuation in the prices of raw material. The ratings, also, factor in the experience of the promoters in the industry and strategic location of the project in Karnataka.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Execution and efficient billing leading to increase in total operating income (TOI) over ₹250 crore with PBILDT margins of 15% on sustained basis.
- Improvement of capital structure marked by overall gearing below 2.50x.

Negative factors

- Any delay in execution of the orders and inefficient collection leading to stretch in operating cycle on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

The stable outlook by CARE Ratings Limited (CareEdge Ratings) reflects that the company's operational performance is expected to be stable backed by the orderbook from reputed clientele and prior experience of the promoters in the industry.

Detailed description of key rating drivers:

Key weaknesses

Nascent stage of operations

The company, incorporated in August 2024, will be primarily focusing on manufacturing of windmill towers for turbines with capacities ranging from 2 MW to 7 MW. The manufacturing plant was constructed a cost of ₹85.56 crore with ₹68.44 crore financed through bank debt and the rest through promoters' contributions. The company has completed the project with trial runs commencing in June 2025, and commercial production starting in October 2025. While no billing has been done yet, the company has an outstanding order book of ₹697.04 crore from marquee clients, expected to be executed by FY27.

Highly fragmented and competitive industry

The windmill tower manufacturing industry in India is highly fragmented, with a wide range of players from large multinational corporations to small and medium-sized enterprises. This fragmentation is driven by the diverse geographical and climatic conditions across the country, which offer significant potential for wind energy generation. The industry includes both established companies with extensive experience and newer entrants looking to capitalize on the growing demand for renewable energy.

Susceptibility to raw material prices

Companies involved in the manufacturing of steel windmill towers are highly vulnerable to fluctuations in raw material prices, especially steel. Steel is an essential component in the construction of windmill towers, comprising a significant portion of the overall materials used. For onshore wind turbines, steel accounts for approximately 20% of the turbine mass, while for offshore turbines, it can be as high as 90%. This heavy reliance on steel means that any changes in steel prices can directly and significantly impact manufacturing costs.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Key strengths

Extensive experience of the promoters with reputed clientele

The promoters, Chava Madan Mohan, a Mechanical Engineering graduate, and Chava Harshavardhan, who holds a bachelor's degree in commerce, bring over three decades of experience in heavy engineering fabrication with expertise in manufacturing power plant equipment, railway overbridges, high-quality boilers, and windmill towers through a group company 'Toolfab Engineering Industries Private Limited' (TEIPL) which was established in 1995. Since its inception, TEIPL has manufactured and supplied over 1,300 windmill towers with a combined capacity exceeding 1,576 MW and catered to reputed clients such as RPSG group, Suzlon Energy, Vestas, JSW Renewables, Enercon, etc.

Strategic location of the project in Karnataka

The company's manufacturing unit is strategically located in Kanakuppe Village, Chitradurga District, Karnataka for operational efficiency and market reach. With better road access via the Bangalore-Bellary National Highway, nearby railway stations, and airports in Hubli and Vidyanagar, transport is highly efficient. The site also benefits from reliable water, uninterrupted power, and a skilled labour force, making it ideal for serving markets in Karnataka, Maharashtra, Andhra Pradesh, and Telangana.

Liquidity: Stretched

The liquidity of the company is stretched as the company is in nascent stage of operations and term loan repayments of ₹0.75 crore in FY26. The company has been sanctioned a fund-based working capital limit of ₹31 crore, which is expected to see higher utilization as operations scale up. The company has secured advances of ~₹25 crore from customers for the ongoing projects and expected to bill around ₹90 crore in FY26.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Project Stage Entities](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Electrical Equipment	Heavy Electrical Equipment

TREIPL was incorporated in August 2024 by the promoters Chava Madan Mohan and Chava Harshavardhan. The company has set up a plant for manufacturing windmill towers at the Karnataka-Andhra Pradesh border (Chitradurga District, Karnataka), to cater to markets of Karnataka, Maharashtra, Andhra Pradesh, and Telangana. The plant, with an installed capacity to produce 25 towers per month, was commissioned in June 2025.

Particular	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	0.00	0.00
PBILDT*	0.00	-0.02
PAT	0.00	-0.02
Overall gearing (times)	0.00	5.73
Interest coverage (times)	0.00	0.00

A: Audited UA: Unaudited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	31.00	CARE BB; Stable
Fund-based - LT-Term Loan		-	-	30-12-2033	68.44	CARE BB; Stable
Non-fund-based - LT/ ST-BG/LC		-	-	-	120.00	CARE BB; Stable / CARE A4

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	68.44	CARE BB; Stable	-	1)CARE BB-; Stable (04-Nov-24)	-	-
2	Fund-based - LT-Cash Credit	LT	31.00	CARE BB; Stable	-	1)CARE BB-; Stable (04-Nov-24)	-	-
3	Non-fund-based - LT/ ST-BG/LC	LT/ST	120.00	CARE BB; Stable / CARE A4				

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - LT/ ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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