Fives Combustion Systems Private Limited

March 24, 2026

Facilities/Instruments	Amount (₹ crore)	Rating1	Rating Action
Long-term / Short-term bank facilities	-	-	Reaffirmed at CARE BBB+; Stable / CARE A2 and Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers:

CARE Ratings Limited (CareEdge Ratings) has reaffirmed and withdrawn the outstanding ratings of 'CARE BBB+; Stable/CARE A2' [pronounced as Triple B Plus; Outlook: Stable/ A Two] assigned to bank facilities of Fives Combustion Systems Private Limited (FCSPL) with immediate effect. This action has been taken at the request of FCSPL and 'No Objection Certificate' received from the bank(s) that have extended the facilities rated by CareEdge Ratings.

Ratings assigned to bank facilities of FCSPL continue to derive comfort from strong parentage of well-established and experienced promoter, Fives Group. FCSPL being wholly owned subsidiary of the Fives group, derives continual support in terms of technology and new product line, its custom-built product profile, and reputed clientele base. Ratings further derive comfort from the company's financial risk profile marked by healthy profitability, comfortable capital structure and debt coverage indicators, and adequate liquidity.

However, ratings continue to remain constrained considering FCSPL's susceptibility of profit margins to fluctuation in raw material prices.

Analytical approach: Standalone

Outlook: Stable

'Stable' outlook reflects CareEdge Ratings' expectation that the entity will continue benefiting from stable demand of its products with long track record and established presence of the parent group, which provides support from technical know-how and orders to enable the company to sustain its operational performance over the medium term.

Detailed description of key rating drivers:

Key strengths

Continual support from well-established and experienced promoter

FCSPL is a part of the Fives group, France (established in 1812), engaged in industrial engineering with network of over 100 operational units engaged in segments such as aerospace, aluminium, automotive, cement and minerals, chemicals and petrochemicals, energy, general machining, glass, logistics, oil and gas, steel and sugar in 30 countries across six continents. The Fives Group continues to provide support in technology, and new product line to expand business. FCSPL has also entered a manufacturing and license agreement with Fives Pillard (a Fives Group company specialised in manufacturing combustion equipment) for receiving technological support.

Reputed clientele

FCSPL is essentially engaged in manufacturing customised industrial burners and combustion systems for industries, which are critical components for manufacturing entities. The company caters to reputed customers from diverse industry segments, including cement, oil and gas, steel, other metals, chemicals, and other engineering.

Customised product portfolio leading to healthy profitability

The company is essentially into manufacturing combustion systems and industrial burners for industries which are critical in nature, and hence, commands healthy profitability. In FY25, the profit before interest, lease rentals, depreciation and taxation (PBILDT) and profit after taxation (PAT) margins remained stable and healthy at 28.79% and 22.75%, respectively.

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

Comfortable capital structure and strong debt coverage indicators
The company's capital structure remained comfortable marked by negligible debt as on March 31, 2025, comprising lease liability worth ₹0.04 crore. FCSPL had no outstanding fund-based working capital borrowings as of year-end.

The tangible net worth (TNW) increased to ₹116.67 crore in FY25 (PY: ₹85.06 crore) considering accretion of profits to reserves.

With minimal reliance on debt (non availment of fund-based debt), the debt coverage indicators remained strong marked by PBILDT interest coverage of 49.25x.

Key weaknesses

Moderate scale of operations
FCSPL majorly receives orders from customers for their capex plans, resulting in the entity's TOI remaining volatile due to capex and order-driven nature of business. In FY25, FCSPL's TOI increased by ~82% y-o-y and stood at ₹138.89 crore in FY25 against ₹76.35 crore in FY24 majorly considering higher order execution in FY25.

The company has achieved TOI of ₹196 crore in 11MFY26 and the full year's TOI is expected at ~₹225 crore.

Susceptibility of profit margins to fluctuation in raw material prices
Steel is the primary raw material for FCSPL, and the company does not enter long-term contract with suppliers for its procurement. As a result, FCSPL is exposed to raw material price fluctuation, as orders are fixed-price contracts, while fluctuating steel prices. Adverse price fluctuation may affect the profitability in the long run.

Liquidity: Adequate
FCSPL's liquidity remained adequate marked by moderate cash accruals against negligible repayment obligations towards lease liability, healthy unencumbered cash and bank balance, low working capital limit utilisation and moderate cash flow from operations (CFO). Unencumbered cash and bank balance with the company remained healthy at ₹71.76 crore as on March 31, 2025. FCSPL continued to have positive CFO of ₹9.29 crore in FY25 [PY: ₹41.44 crore]. The company only utilises its non-fund-based limit, which is utilised at ~62% [PY: ~55%] in the same period. FCSPL reported GCA of ₹32.29 crore in FY25 against negligible lease obligations of ₹0.04 crore in FY26. Operating cycle marginally improved at 130 days in FY24 against 169 days in FY24.

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
Financial Ratios – Non financial Sector
Withdrawal Policy
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Industrial products	Other industrial products

FCSPL (CIN: U74999GJ1981PTC079214) is engaged in manufacturing industrial burners and combustion equipment. On January 10, 2012, Fives Group, France acquired 100% stake in FCSPL through its wholly owned subsidiary, Fives India Engineering and Projects Private Limited (FIEPL). Fives Group has a proven track record of over 200 years in designing and supplying process equipment, production lines, and turnkey plants catering to sectors including aluminium, steel, glass, automobile, cement, and energy among others.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	11MFY26 (Prov.)
Total operating income	76.35	138.89	196.00
PBILDT*	22.27	39.98	NA
Profit after tax (PAT)	18.56	31.60	NA
Overall gearing (x)	0.00	0.00	NA
Interest coverage (x)	42.35	49.25	NA

A: Audited UA: Unaudited Prov.: Provisional; 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/ ST-Cash Credit	-	-	-	-	0.00	Withdrawn
Non-fund-based - LT/ ST-Bank Guarantee	-	-	-	-	0.00	Withdrawn

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/ ST-Cash Credit	LT/ST	-	-	1)CARE BBB+; Stable / CARE A2 (24-Mar-26)	1)CARE BBB+; Stable / CARE A2 (06-Mar-25)	1)CARE BBB+; Stable / CARE A2 (20-Feb-24) 2)CARE BBB+; Stable / CARE A2 (05-Apr-23)	-
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	-	-	1)CARE BBB+; Stable / CARE A2 (24-Mar-26)	1)CARE BBB+; Stable / CARE A2 (06-Mar-25)	1)CARE BBB+; Stable / CARE A2 (20-Feb-24)	-

							2)CARE BBB+; Stable / CARE A2 (05-Apr-23)	

LT: Long term; ST: Short 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/ ST-Cash Credit	Simple
2	Non-fund-based - LT/ ST-Bank Guarantee	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.

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