DEE Development Engineers Limited

November 09, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term / Short-term bank facilities	RBI	825.00 (Enhanced from 673.00)	CARE A; Stable / CARE A1	Upgraded from CARE A-; Stable / CARE A2+
Long-term bank facilities	RBI	169.19 (Reduced from 205.08)	CARE A; Stable	Upgraded from CARE A-; Stable
Short-term bank facilities	RBI	480.00 (Enhanced from 437.00)	CARE A1	Upgraded from CARE A2+

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Upgrade in ratings assigned to bank facilities of DEE Development Engineers Limited (DDEL) factors in the consistent improvement in its operational performance supported by healthy revenue growth and steady improvement in operating margins over the past three years ending FY26 (FY refers to April 01 to March 31). The improvement is primarily driven by higher order execution and operational efficiencies. DDEL's order book has significantly increased to ₹2,531.04 crore as on September 30, 2026, from ₹1,228.17 crore as on March 31, 2025, due to which it is expected to sustain this growth trend in the near-to-medium term. The upgrade also favourably considers equity infusion of ₹300.00 crore raised through a preferential issue in July 2026, the proceeds of which were primarily deployed towards deleveraging. Of the total issue proceeds, ₹225.00 crore was utilised towards the repayment of fund-based working capital borrowings, resulting in lower reliance on external working capital debt and an improvement in leverage and debt-protection metrics. Ratings continue to derive strength from its experienced promoters with a long track record of operations, association with a reputed client base, though exposed to concentration risk.

However, ratings continue to remain constrained by DDEL's working capital intensive operations, due to elongated inventory holding period, though it is expected to improve by ~50-60 days in FY27, due to faster conversion cycle in power-sector orders. Ratings also factor DDEL's exposure to its subsidiaries in the form of loans and corporate guarantees, which are in the process of scaling up operations and susceptibility of operating margins to raw material price volatility.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant increase in the scale of operations while maintaining profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin above 17% on a sustained basis.
- Improvement in the total debt/PBILDT to 2.25x or lower on a sustained basis.

Negative factors

- Deterioration in the total debt/PBILDT to 4.00x or lower on a sustained basis.
- Significant decline in total operating income (TOI) and/ or PBILDT margin below 13.00% on a sustained basis.
- Moderation in capital structure with overall gearing ratio exceeding 1.00x on a sustained basis.
- Any significant increase in exposure towards subsidiaries in the form of corporate guarantee/investments and loans/debt-funded capex leading to adverse impact on group's cash flows/liquidity position.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has taken a consolidated approach for analysing DDEL, which has four wholly owned subsidiaries and one subsidiary. CareEdge Ratings has changed its approach from standalone to consolidated, considering the strong operational and business linkages among the entities and their common management. The company has shared the information at group level (including key figures of projections on a consolidated level), which was not provided in previous years. Entities consolidated are listed under Annexure-5.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

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

Outlook: Stable

The 'Stable' outlook reflects CareEdge Ratings' expectations that the group will continue to benefit from its experienced promoters, reputed clientele and healthy orders book, providing revenue visibility in the near-to-medium term.

Detailed description of key rating drivers:

Key strengths

Sustained growth in the group's scale of operations and healthy operating profitability: The group's scale of operations has grown at a compounded annual growth rate (CAGR) of ~21% in last three fiscals ended FY26. TOI increased by 37% to ₹1,150.62 crore in FY26 from ₹839.66 crore in FY25. The growth was primarily driven by fresh order inflows from the power sector, particularly from Bharat Heavy Electricals Limited (BHEL) and Larsen & Toubro Limited (L&T), which is expected to continue for at least next five years. The group also operates two biomass power plants of 14 MW, situated at Abohar, Punjab (8 MW) and Muktsar, Punjab (6 MW) (through subsidiary) contributing ~4.47% of TOI in FY26 (PY: 9.94%), supplying power to Punjab State Power Corporation Limited (PSPCL) under long-term power purchase agreement (PPA) contract of 30 years.

The group's profitability margins remain healthy and marginally improved as marked by PBILDT margin of 17.77% in FY26 against 16.85% in FY25, due to higher capacity utilisation, improved operational efficiencies, better product mix, and securing higher-margin orders.

Significant improvement in order book position from reputed client base: There has been a significant improvement in the group's order book position as reflected from its healthy unexecuted order book of ₹2,531.04 crore as on September 30, 2026, compared to ₹1,228.17 crore as on March 31, 2025. The group's unexecuted order book is 2.20x of the TOI of FY26, which provides revenue visibility in the medium term. These orders are generally executed in 12-15 months.

The group mainly caters to national and multinational power generation original equipment manufacturer (OEMs), engineering, procurement, and construction (EPC) contractors serving power, oil and gas and process industry with organised customer support. The group's clientele includes companies, such as General Electric Company (GE), BHEL, Doosan Corporation, L&T, and Thermax Limited, among others, which have been providing repeated orders. Top 10 customers in FY26 contributed ~80% of the DDEL's TOI compared to 59% contribution in FY25, exposing it to customer concentration risk and changes in procurement policy of these customers may adversely impact the group's operations. However, the group's long and established track with these reputed customers mitigates this risk to an extent.

Comfortable financial risk profile: The group's financial risk profile is comfortable and expected to improve following the raising of ₹300.00 crore through a preferential issue in July 2026. Of the proceeds, ₹225 crore was utilised towards the repayment of fund-based working capital borrowings, resulting in lower reliance on working capital borrowings, and an improvement in leverage and debt-protection metrics. Consequently, overall gearing ratio is expected to remain below 1.0x from FY27 onwards. Moderation in inventory holding and higher execution of power-sector orders (where conversion cycle is faster in comparison to oil and gas sector), are expected to reduce working capital requirements and utilisation of fund-based limits, supporting the group's liquidity and financial risk profile.

Experienced promoters and long track record of operations: The group is promoted and managed by Krishan Lalit Bansal, a technically qualified professional with close to 30 years of experience in the industry. He is supported by Shikha Bansal, Whole-Time Director, DDEL, and Managing Director, DEE Piping Systems (Thailand) Co. Limited, who oversees group's corporate functions and operations across India and Southeast Asia, and Shruti Aggarwal, Whole-Time Director, DDEL, who oversees the group's operations in India, with particular emphasis on project execution. The group has been running operations since 1988 and is one of the leading players in prefabrication piping industry in India, and over the years, has also built-up its presence in the export market.

Key weaknesses

Working capital intensive operations: The group's operations are working capital intensive, primarily because of the requirement to procure raw materials equivalent to ~50% of the order value upon receipt of an order to mitigate volatility in raw material price. Given, the five to six execution timeline for most projects and the absence of price escalation clauses in contracts, this advance procurement is essential to protect profit margins and thus, inventory holding period remains high. However, inventory holding marginally improved to 227 days in FY26 (PY: 260 days). The group imports ~60%-70% of its raw material requirements under letters of credit (LC), with a lead time of approximately six months, contributing to elevated

inventory levels. Average collection period stood at 100 days in FY26 (PY: 96 days) due to milestone-based payment terms with customers. Average creditor period improved to ~66 days in FY26 (PY: 122 days). Due to this, overall operating cycle elongated to 261 days in FY26 (PY: 234 days).

With an increase in order inflows from the power sector since FY26, the power segment accounted for ~65% of the group's order book, while the oil and gas and other segments, accounted for the balance 35%. Power-sector orders have a relatively shorter conversion cycle, due to which management expects working-capital cycle to reduce by ~60 days in FY27 and remain in the range of 190-200 days from FY27 onwards.

Substantial exposure towards subsidiaries: DDEL has extended financial support to its subsidiaries in form of inter corporate loans which stood at ₹41.82 crore as on March 31, 2026 (PY: ₹44.78 crore). Same was extended during previous years for debt repayments and ramp-up of operational performance. Bank facilities of its two subsidiaries (Malwa Power Private Limited [MPPL] and DEE Fabricom India Private Limited [DFIPL]) are backed by corporate guarantee provided by DDEL with outstanding amount of ₹9.76 crore as on March 31, 2026 (PY: ₹52.54 crore). In FY26, the corporate guarantee given on behalf of its other subsidiary, DEE Piping Systems (Thailand) Co. Limited (DPSL) with outstanding of ₹40.10 crore as on March 31, 2025, has been waived off. Going forward, CareEdge Ratings expects group exposure to remain at similar level, considering improvement in operational performance of its subsidiaries. However, higher-than-envisaged financial support to the subsidiaries shall remain crucial for the DDEL's credit profile and shall remain a key monitorable.

Exposure to raw material price volatility risk: Major input material used by the group for fabrication is steel pipes, total cost of materials consumed constituted ~50% of TOI in FY26 (PY: 46%). Steel pipes prices are linked to demand-supply scenario of market, and the group generally enters fixed-price contracts with customers in piping segment, and hence, sharp variation in input costs may impact the group's margins as there is no pass through. However, the risk is partially mitigated as the group makes back-to-back arrangements with suppliers as soon as the order is secured. The group also has the strategy of partially hedging through natural hedge and remaining receivable through taking one year forward cover, trade payables are hedged by taking short-term cover to safeguard against forex fluctuations as ~50% of its raw materials are procured from outside India. The group reported foreign exchange gain of ₹8.62 crore in FY26 (PY: ₹12.30 crore). Going forward, the group's ability to effectively manage raw material prices volatility and foreign currency fluctuation risk shall remain imperative from credit perspective.

Liquidity: Adequate

The group's liquidity position is adequate, considering sufficient cushion in the group's cash accruals against its debt repayment obligations, moderate utilisation of working capital limits, and a moderate leverage profile. Average utilisation of overall working capital limits remained moderate at ~69% for the trailing 12 months ended September 2026. After raising funds from preferential issue, it has reduced to ~39% in last two months ending September 30, 2026. The group reported GCA of ₹131.81 crore in FY26 and is expected to generate GCA of ~₹154.00 crore in FY27 against repayment obligations of ₹47.63 crore in the same period. The group has adequate unencumbered cash and bank reserves of ₹39.27 crore as on March 31, 2026. Total planned capex in FY27 is of ~₹150.00 crore which includes routine expenses, capacity expansion in DFIPL, setting-up of a biomass pellet plant in MPPL, among others. These capex plans are proposed to be funded from term loan of ~₹40.00 crore and rest through internal accruals/preferential issue proceeds.

Applicable criteria

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Thermal Power
Financial Ratios – Non financial Sector
Short Term Instruments
Iron & Steel

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Industrial products	Iron & steel products

DDEL (erstwhile known as DE Development Engineers Private Limited) was incorporated by Krishan Lalit Bansal, Chairman and Managing Director, as a private limited company on March 21, 1988. Later in June 2024, it got listed on BSE and NSE. DDEL is an engineering and fabrication company providing specialised process piping solutions across diversified industries including oil and gas, power (including nuclear), petrochemicals and chemicals and other process industries through engineering, procurement, manufacturing and supply of prefabricated piping systems. The company operates seven manufacturing facilities across Palwal (Haryana), Anjar (Gujarat), Numaligarh (Assam), and one in overseas country through subsidiary, Bangpakong (Thailand) together with a dedicated engineering division in Chennai (Tamil Nadu). The group has total combined installed capacity of 93,500 MTs per annum in piping division and 32,400 MTs per annum in heavy fabrication division as on March 31, 2026. DDEL also operates a biomass power plant of 8 MW at Abohar, Punjab, and sells power to Punjab State Power Corporation Limited (PSPCL) under a long-term power purchase agreement (PPA) for 30 years.

DDEL has four wholly owned subsidiaries and one subsidiary, DFIPL (incorporated in 2018), engaged in heavy metal fabrication segment, which includes manufacturing of wind turbine tower, MPPL (incorporated in 2002; DDEL acquired stake in January 2016), operates a biomass power plant of 6 MW capacity at Muktsar, Punjab, DEE Piping Systems (Thailand) Co. Limited (DPSL) (incorporated in 2014), specialises in the pre-fabrication of high-pressure piping systems and modular industrial solutions, Atul Krishan Bansal Foundation (AKBF) (established in 2021), operates as a non-profitable charitable trust and Molsieve Designs Limited (MDL) (70% stake acquired in May 2025), specialises in on-site gas generation, purification, and processing systems.

Brief Financials (₹ crore) (Consolidated)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)^
Total operating income	839.66	1,150.62	294.46
PBILDT*	141.45	204.46	49.74
Profit after tax (PAT)	43.63	77.17	16.08
Overall gearing (times)	0.76	1.01	NA
Interest coverage (times)	3.14	3.37	2.90

A: Audited; UA: Unaudited; NA: Not Available; Note: these are latest available financial results.
*PBILDT: Profit before interest, lease rentals, depreciation, and taxation
^refers to April 01, 2026, to June 30, 2026.

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:
A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	NA	-		-	-	10.00	CARE A; Stable
Fund-based - LT-Term Loan	RBI	NA	-		-	September 2031	159.19	CARE A; Stable
Fund-based - LT/ ST-CC/Packing Credit	RBI	NA	-		-	-	350.00	CARE A; Stable / CARE A1
Non-fund-based - LT/ ST-BG/LC	RBI	NA	-		-	-	475.00	CARE A; Stable / CARE A1
Non-fund-based - ST-Letter of credit	RBI	NA	-		-	-	480.00	CARE A1

NA: Not applicable

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 2026-2027	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
1	Fund-based - LT-Term Loan	LT	159.19	CARE A; Stable	-	1)CARE A-; Stable (10-Oct-25)	1)CARE A-; Stable (09-Oct-24)	1)CARE BBB+; Stable (10-Oct-23)
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	475.00	CARE A; Stable / CARE A1	-	1)CARE A-; Stable / CARE A2+ (10-Oct-25)	1)CARE A-; Stable / CARE A2+ (09-Oct-24)	1)CARE BBB+; Stable / CARE A2 (10-Oct-23)
3	Non-fund-based - ST-Letter of credit	ST	480.00	CARE A1	-	1)CARE A2+ (10-Oct-25)	1)CARE A2+ (09-Oct-24)	1)CARE A2 (10-Oct-23)
4	Fund-based - LT-Cash Credit	LT	10.00	CARE A; Stable	-	1)CARE A-; Stable (10-Oct-25)	1)CARE A-; Stable (09-Oct-24)	1)CARE BBB+; Stable (10-Oct-23)
5	Fund-based - LT/ ST-CC/Packing Credit	LT/ST	350.00	CARE A; Stable / CARE A1	-	1)CARE A-; Stable / CARE A2+ (10-Oct-25)	1)CARE A-; Stable / CARE A2+ (09-Oct-24)	1)CARE BBB+; Stable / CARE A2 (10-Oct-23)
6	Fund-based-Short Term	ST	-	-	-	-	1)Withdrawn (09-Oct-24)	1)CARE A2 (10-Oct-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: Lender details

To view lender-wise details of bank facilities please click here

Annexure-5: List of entities consolidated

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Malwa Power Private Limited	Full	Wholly owned subsidiary
2	DEE Fabricom India Private Limited	Full	Wholly owned subsidiary
3	DEE Piping Systems (Thailand) Co. Limited	Full	Wholly owned subsidiary
4	Atul Krishan Bansal Foundation	Full	Wholly owned subsidiary
5	Molsieve Designs Limited	Full	Subsidiary

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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