



**Press Release**  
**PREMIER IRRIGATION ADRITEC PRIVATE LIMITED**  
**July 30, 2025**  
**Rating Assigned and Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	5.76	ACUITE BBB   Negative   Assigned	-
Bank Loan Ratings	64.16	ACUITE BBB   Negative   Reaffirmed   Stable to Negative	-
Bank Loan Ratings	1.24	-	ACUITE A3+   Assigned
Bank Loan Ratings	63.76	-	ACUITE A3+   Reaffirmed
Total Outstanding Quantum (Rs. Cr)	134.92	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has reaffirmed the 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 Rs. 127.92 Cr. bank facilities of Premier Irrigation Adritec Private Limited (PIAPL). The outlook is revised from "**Stable**" to **Negative**".

Acuite has assigned the 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 Rs. 7.00 Cr. bank facilities of Premier Irrigation Adritec Private Limited (PIAPL). The outlook is "**Negative**".

**Rationale for Rating**

The reaffirmation and revision in outlook is primarily driven by a decline in operating income in FY25 (Provisional), attributed to delays in issuance of work orders due to election-related activities, decline in exports to Bangladesh and the absence of new projects under the Jal Jeevan Scheme. Profitability margins have also weakened over the years which is a direct fallout of reduced operating profits and coupled with high interest costs. Additionally, the working capital cycle remains stretched, largely due to elongated receivables cycle linked to subsidy-based model. This resulted in dependence on bank lines for funding. Going forward, sustained improvement in revenue, along with profitability margins and working capital cycle, will be key monitorable factors.

The ratings further factor the moderate financial risk profile marked by steady network, gearing below unity and moderate debt protection metrics. The adequate liquidity position of the company is reflected by low but sufficient accruals against debt repayments, comfortable current ratio, cash and bank balances and no debt funded capex plans. However, the company availed inter corporate deposits and adhoc facility to manage liquidity due to delayed payments from governments. Comfort is drawn from the longstanding operations of the company, extensive experience of the promoters in the agricultural sector and favourable outlook for micro irrigation system. The company maintains strong relation with its customers evident from the repeat orders from Karnataka, Tamil Nadu, West Bengal and others and has also secured new orders. However, these strengths are partially offset by susceptibility to any change in government policy and volatility in raw material prices.

**About the Company**

Premier Irrigation Adritec Private Limited (PIAPL) is a leading manufacturer of irrigation equipment in India with over 60 years of experience. They are known for their drip irrigation and sprinkler systems. The day-to-day operations of the company is managed by their Managing Director, Mr. Shrikant Goenka. PIAPL was formed in 2008 from a joint venture between Premier Irrigation, a pioneer in Indian irrigation and Adritec Group

International (AGI), a global irrigation company.PIAPL bought back the shares of AGI in FY23.The registered office of the company is in Kolkata. The manufacturing facility is in Nagpur.

**Unsupported Rating**

## Analytical Approach

Acuite has considered the standalone business and financial risk profile of PIAPL to arrive at the rating.

## Key Rating Drivers

### Strengths

#### Long track record of operations and experienced management

The company has a long operational track record of six decades in the manufacturing of modern irrigation equipment and systems in India. The day to day operations of the company is managed by Mr. Shrikant Goenka and a team of experienced and qualified professionals. Acuite believes that the long operational track record of the company coupled with the extensive experience of the management will continue to benefit the company going forward, resulting in improving scale of operations.

#### Moderate Financial Risk profile

The company has a moderate financial risk profile marked by steady net worth, gearing below unity, and moderate debt protection metrics. The tangible net worth stood at Rs. 89.16 Cr. as on March 31, FY25 (Prov.) as against Rs. 86.80 crore as on March 31, FY24 due to small but steady accretion of reserves. The gearing ratio stood below unity at 0.65 times in FY25 (Prov.) as against 0.36 times in FY24. The external debt was undertaken to set up a solar power plant leading to lower carbon emissions and saving power costs. The short-term debt includes Foreign Currency Non-Resident (FCNR) of Rs.22.84 Cr. and Cash credit of Rs.29.75 Cr. The interest coverage ratio and debt service coverage ratio declined to 1.59 times and 1.16 times respectively as of March 31, 2025 (Prov.) as against 2.23 times and 1.39 times respectively as on March 31, 2024. This has been a result of decline in profitability over the past years. Acuite believes that the company's financial risk profile will remain at moderate level over the medium term backed by steady cash accruals and no debt funded capex plans.

### Weaknesses

#### Decline in scale of operations

PIAPL's operating income declined to Rs. 243.72 Cr. in FY25 (Prov.) as against Rs. 293.55 Cr. in FY24. The revenue declined in FY25 because work orders were not issued due to Election Code of Conduct, decline in exports to Bangladesh, lack of newer project tenders under Jal Jeevan Scheme and introduction of new payment system. Despite the above reasons, sales of Drip Irrigation Systems (DIS) have increased in FY25 due to the introduction of this mechanism in tea plantations and offering better margins than Sprinkler Irrigation System (SIS). Further, the company has reported revenue of ~Rs. 25.00 Cr. in Q1FY26. During FY25 (Provisional), the company recorded highest sales from Karnataka, followed by Tamil Nadu and West Bengal.

The EBITDA margins stood at 6.23% in FY25 (Prov.) as against 7.74% in FY24 and 9.53% in FY23. In FY24, profitability declined due to first time implementation of Direct Benefit Plan for retirement benefits and one-time royalty payment to Adritec Group International post buyback of their shares. Further, operating margin declined in FY25 due to increase in selling expenses, primarily driven by higher commission/discount on sales. The PAT margin stood at 0.97% in FY25 (Prov.) as against 2.35% in FY24 and 3.45% in FY23. Acuite believes that the scale of operations will increase over the medium term backed by normalization of demand post-election and recovery in other business segments.

#### Intensive Working capital cycle

The operations of the company are working capital intensive as reflected by Gross Current Assets (GCA days) of 304 days in FY25 (Prov.) as against 233 days in FY2024 mainly due to debtor days. The debtor days stood at 232 days in FY25 (Prov.) as against 159 days in FY2023 due to introduction of new payment process in subsidy-based business. Most payments were released only by February–March 2025, and the system is now gradually stabilizing. Payments from Tamil Nadu, West Bengal and Karnataka have improved since June 2025.

The inventory days stood at 64 days in FY25 (Prov.) as against 66 days in FY2024. The company leverages idle inventory to meet regional demand, thereby reducing the need for fresh production. Against this, the company has high dependence on its suppliers as reflected from creditor days of 211 days in FY25 (Prov.) as against 197 days in FY24. Acuite believes that the working capital cycle will remain intensive due to larger dependence on subsidy-based business but improved payments from state governments are expected to reduce receivables cycle.

#### Susceptibility to volatility in raw material prices

The company is vulnerable to adverse fluctuations in raw material prices. Raw materials (high- and low-density polyethylene) are predominantly crude oil derivatives, and their prices move in line with crude oil rates. Acuite believes that the profitability margins are susceptible to raw material prices and will remain a key monitorable factor.

### **Rating Sensitivities**

Movement in operating income and profitability margins  
Working capital cycle

### **Liquidity Position**

#### **Adequate**

The company has an adequate liquidity profile as reflected from sufficient net cash accruals of Rs. 4.65 Cr. in FY25 (Prov.) as against a long-term debt repayment of Rs. 2.71 Cr. over the same period. The Current ratio stood moderate at 1.52 times in FY25 (Prov.) as against 1.57 times in FY24. However, the GCA days stood intensive at 304 days in FY25 (Prov.) compared to 233 days in FY24. The fund-based limit remained utilised at 87.00 % (consolidated) for last 15 months ended June 2025 (included ad hoc limit of Rs.1.50 Cr. for 6 months from September 2024 till April 2025). PIAPL also took intercorporate deposits to manage their liquidity due to delayed payments from the governments. These were taken for typically 90-120 days. The cash and bank balance stood at Rs. 2.44 Cr. in FY25 (Prov.) compared to Rs. 2.94 Cr. in FY2024. Acuite believes the liquidity will continue to remain adequate because of sufficient cash accruals against debt repayments, moderate current ratio, cash balances and no debt funded capex plans

### **Outlook: Negative**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	243.72	293.55
PAT	Rs. Cr.	2.36	6.89
PAT Margin	(%)	0.97	2.35
Total Debt/Tangible Net Worth	Times	0.65	0.36
PBDIT/Interest	Times	1.59	2.23

### 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
21 May 2024	Bank Guarantee (BLR)	Short Term	2.60	ACUITE A3+ (Reaffirmed)
	Letter of Credit	Short Term	15.60	ACUITE A3+ (Reaffirmed)
	Letter of Credit	Short Term	16.30	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	3.10	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	4.00	ACUITE A3+ (Reaffirmed)
	Letter of Credit	Short Term	20.00	ACUITE A3+ (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	0.53	ACUITE BBB   Stable (Reaffirmed)
	Cash Credit	Long Term	15.60	ACUITE BBB   Stable (Reaffirmed)
	Cash Credit	Long Term	18.64	ACUITE BBB   Stable (Reaffirmed)
	Cash Credit	Long Term	28.00	ACUITE BBB   Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	0.88	ACUITE BBB   Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	0.59	ACUITE BBB   Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	0.56	ACUITE BBB   Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	0.43	ACUITE BBB   Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	1.09	ACUITE BBB   Stable (Reaffirmed)
21 Feb 2023	Bank Guarantee (BLR)	Short Term	2.60	ACUITE A3+ (Assigned)
	Letter of Credit	Short Term	15.60	ACUITE A3+ (Assigned)
	Letter of Credit	Short Term	16.30	ACUITE A3+ (Assigned)
	Bank Guarantee (BLR)	Short Term	3.10	ACUITE A3+ (Assigned)
	Bank Guarantee (BLR)	Short Term	4.00	ACUITE A3+ (Assigned)
	Letter of Credit	Short Term	19.00	ACUITE A3+ (Assigned)
	Cash Credit	Long Term	15.60	ACUITE BBB   Stable (Assigned)
	Cash Credit	Long Term	18.64	ACUITE BBB   Stable (Assigned)
	Cash Credit	Long Term	24.00	ACUITE BBB   Stable (Assigned)
	Term Loan	Long Term	1.98	ACUITE BBB   Stable (Assigned)
	Covid Emergency Line.	Long Term	2.44	ACUITE BBB   Stable (Assigned)
	Covid Emergency Line.	Long Term	2.83	ACUITE BBB   Stable (Assigned)
	Covid Emergency Line.	Long Term	1.83	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
Canara Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.60	Simple	ACUITE A3+   Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.10	Simple	ACUITE A3+   Reaffirmed
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.00	Simple	ACUITE A3+   Reaffirmed
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.60	Simple	ACUITE BBB   Negative   Reaffirmed   Stable to Negative
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	28.00	Simple	ACUITE BBB   Negative   Reaffirmed   Stable to Negative
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	18.64	Simple	ACUITE BBB   Negative   Reaffirmed   Stable to Negative
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.76	Simple	ACUITE BBB   Negative   Assigned
Canara Bank	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 Oct 2026	0.53	Simple	ACUITE BBB   Negative   Reaffirmed   Stable to Negative
Punjab National Bank	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	30 Nov 2026	0.64	Simple	ACUITE BBB   Negative   Reaffirmed   Stable to Negative
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A3+   Reaffirmed
Canara Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.60	Simple	ACUITE A3+   Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	18.46	Simple	ACUITE A3+   Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.24	Simple	ACUITE A3+   Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.75	Simple	ACUITE BBB   Negative   Reaffirmed   Stable to Negative

## Contacts

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### About Acuité Ratings & Research

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