

**Rating Rationale**

**10 July 2025**

**Aditya Precitech Private Limited**

**Brickwork Ratings withdraws the ratings for the bank loan facilities of Rs. 8.43 Cr. and upgrades the long-term & short-term ratings, removes the ratings from ISSUER NOT COOPERATING\* category with simultaneous withdrawal of ratings for the Bank Loan Facilities of Rs. 30.00 Crs. of Aditya Precitech Private Limited.**

**Particulars:**

Facilities**	Amount (Rs. Crs)		Tenure	Rating#	
	Previous	Present		Previous (18 Nov 24)	Present
Fund Based	15.00	<b>15.00</b>	Long Term	BWR BB -/Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded	<b>BWR BB+/Stable removal from ISSUER NOT COOPERATING* category/Upgraded and Withdrawn</b>
	8.00	<b>0.00</b>		BWR BB -/Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded	<b>Withdrawal</b>
	0.43	<b>0.00</b>			
Non Fund Based	13.00	<b>13.00</b>	Short Term	BWR A4 Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	<b>BWR A4+ removal from ISSUER NOT COOPERATING* category/Upgraded and Withdrawn</b>
	(4.00)	<b>(4.00)</b>			
	(4.00)	<b>(4.00)</b>			
	2.00	<b>2.00</b>			
<b>Grand Total</b>	38.43	<b>30.00</b>	<b>(Rupees Thirty Crores Only)</b>		

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

\*\* Details of Bank Loan facilities is provided in Annexure-I

**RATING ACTION / WITHDRAWAL**

The company was previously rated by BWR for the bank loan facilities of Rs. 38.43 Cr. in Nov 2024 by downgrading the long-term rating to “BWR BB-/Stable” from “BWR BB/Stable” and reaffirmed the short-term rating at “BWR A4” with continuation of ratings under the ISSUER NOT COOPERATING\* category. At present the company requested for withdrawal of ratings and submitted the No Objection Certificate from the Punjab National Bank which is held on record.



Moreover, the company has closed a term loan of Rs. 8.00 Cr. & GECL of Rs. 0.43 Cr. which was previously rated by BWR and No Due Certificate against these loans has been submitted which is also held on record. Hence, in accordance with extant regulatory guidelines and as per BWR Rating Withdrawal Policy, the rating of the said instrument is now as follows: BWR withdraws the ratings for the bank loan facilities of Rs. 8.43 Cr. (Upon closure of the said facilities) and upgrades the long-term & short-term ratings to “BWR BB+/Stable/BWR A4+” from “BWR BB-/Stable/BWR A4”, removes the ratings from ISSUER NOT COOPERATING\* category and simultaneously withdraws the ratings for the Bank Loan Facilities of Rs. 30.00 Crs.

### **RATING ACTION / OUTLOOK**

BWR withdraws the ratings for the bank loan facilities of Rs. 8.43 Cr. and upgrades the long-term & short-term ratings to “BWR BB+/Stable/BWR A4+” from “BWR BB-/Stable/BWR A4”, removes the ratings from ISSUER NOT COOPERATING\* category and simultaneously withdraws the ratings for the Bank Loan Facilities of Rs. 30.00 Crs.

The Rating has factored, inter alia, the experienced management, moderate financial risk profile and Improvement in scale of operations. However, the rating is constrained by the working capital intensive nature of business, intensive competition in the industry and inherent risk associated with tender-based business. Going forward, the ability of the company to Improve their operational scale, profitability, liquidity and credit profile would be the key rating sensitivities.

The rating outlook has been assigned as "Stable" as BWR believes that Aditya Precitech Private Limited., business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term.

### **KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED**

The terms of sanction of the rated facilities include standard covenants normally stipulated for such facilities.

### **KEY RATING DRIVERS**

#### **Credit Strengths:-**

- **Experienced Management** : The company is led by a well-qualified and experienced management team who has vast experience & knowledge about the business/industry with presence in the market for more than 3 decades. Their combined expertise has significantly contributed to the company's operational and financial growth over the years and has helped establish strong relationships with customers and suppliers.
- **Growth in scale of operations** : The operating performance has significantly improved, as reflected by an increase in operating income from Rs. 51.97 Cr in FY2024 to Rs. 108.44 Cr in FY2025 with a CAGR of 108.65% in traded sales during FY2024–FY2025. The increase in operating income has eventually contributed to an increase in operating profit from Rs. 13.90 Cr. in FY2024 to Rs. 24.68 Cr in FY2025 and PAT from Rs. 5.65 Cr. in FY2024 to Rs. 12.44 Cr. in FY2025.
- **Moderate Financial Risk Profile** : The company has achieved TOI of Rs. 108.44 Cr in FY2025 which increased from Rs. 51.97 Cr. in FY2024. It reported an Operating Profit of Rs. 13.90 Cr. in FY2024 & Rs. 24.68 Cr. in FY2025 which was sufficient enough to cover the interest expenses of Rs. 5.20 Cr. in FY2024 & Rs. 6.17 Cr. in FY2025. Moreover, Net cash accruals of Rs. 7.33 Cr. in FY2024 & Rs. 14.99 Cr. in FY2025 were sufficient enough to cover the CPLTD Expenses of Rs.



2.37 Cr. in FY2024 & Rs. 6.03 Cr. in FY2025. The company had healthy debt protection metrics with an ISCR of 2.67 times in FY2024 & 4 times in FY2025, DSCR of 1.43 times in FY2024 & 2.48 times in FY2025, current ratio stood at 1.67 times at the end of FY2025 & Total debt/TNW improved from 2.01 times in FY2024 to 1.72 times in FY2025.

#### **Credit Risks-:**

- **Working Capital Intensive Business :** The business continues to remain highly working capital-intensive, having recently faced challenges due to inadequate funds to meet its working capital requirements. Although there was a marginal decrease in the conversion cycle in FY2025, primarily driven by a reduction in inventory days, the company still relies significantly on bank funding for its working capital needs.
- **Intensive competition in the Industry and Inherent risk associated with tender-based business :** Since the company's business model is tender-based, revenue depends on the company's ability to win tenders successfully. Additionally, the presence of many established and large players in the industry results in intense competition, creating pressure to innovate, reduce costs, and comply with stringent regulatory and technical standards.

#### **ANALYTICAL APPROACH - Standalone**

For arriving at its ratings, BWR has considered the standalone performance of Aditya Precitech Private Limited. BWR has applied its rating methodology.

#### **RATING SENSITIVITIES**

Going forward, the ability of the firm to Improve their operational scale, profitability, strengthen liquidity and credit profile would be the key rating sensitivities.

#### **Positive:**

- The rating may be upgraded if the company achieves the projected revenues for FY2026, while maintaining profitability margins with a decline of no more than 5%, along with an improvement in its liquidity profile.
- Improvement in Long Term Debt / TNW to less than 1 times.

#### **Negative:**

- The ratings could be downgraded if there is a decline in the business and financial risk profile, specifically due to decline in the profit margins by more than 7% from the FY2024 levels.
- Increase in the overall gearing and weakening of the debt protection metrics.

#### **LIQUIDITY INDICATORS - Adequate**

The company has average utilization of more than 80% of its working capital limits in the past 6 months. Moreover, the inventory days are significantly higher than the payable days and due to low internal working capital, the business is highly dependent on bank borrowings. However, in the past years the company has adequately covered the interest & CPLTD obligations with more than sufficient OPBDIT & net cash accruals. It also had healthy debt protection metrics with an ISCR of 2.67 times in FY2024 & 4 times in FY2025, DSCR of 1.43 times in FY2024 & 2.48 times in FY2025 and current ratio stood at 1.67 times at the end of FY2025.

Considering all these factors, the liquidity position is assessed as "Adequate".



**COMPANY’S PROFILE**

Aditya Precitech Private Limited (APPL) is a private limited company incorporated on 01 April 2004 with its registered address at 5-5-35/205/B, Shaktipuram, Kukatpally, Hyderabad, Telangana-500072. The company is involved in manufacturing of precision components, sub-systems and systems for Aerospace & Defence organisations. The company is having AS 9100 D certification for manufacturing of Precision Defence and Aerospace components, sub systems and systems. APPL is serving the various DRDO laboratories, BDL units, HAL divisions and ISRO/VSSC etc. The current directors of the company are Mr. K N Venkateshwara Rao, Ms. K Deepthi Sri and Mr. Anil Yadav.

Macro Economic Indicator	Sector	Industry	Basic Industry
Industrials	Capital Goods	Aerospace & Defense	Aerospace & Defense

**KEY FINANCIAL INDICATORS**

Key Financial Indicators	Units	FY 22 - 23	FY 23 - 24	FY 24 - 25*
Result Type		Audited	Audited	provisional
Operating Revenue	Rs.Crs.	65.95	51.97	108.44
EBITDA	Rs.Crs.	11.92	13.90	24.68
PAT	Rs.Crs.	5.08	5.65	12.44
Tangible Net Worth	Rs.Crs.	17.08	23.22	35.66
Total Debt / Tangible Net Worth	Times	2.24	2.01	1.72
Current Ratio	Times	1.35	1.90	1.81

**NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY:**

Credit Rating Agency	Status and Reason for Non-Cooperation	Date of Press Release
CARE	CARE Rating vide its press release dated 14 Oct 2024 has downgraded the long-term & short-term ratings to “CARE BB-/Stable/CARE A4” and migrated the ratings to ‘Issuer Not Cooperating’ category.	14 Oct 2024

**ANY OTHER INFORMATION: NONE**

**RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal & suspended]**

Facilities		Current Rating (2025)		2024		2023		2022	
Type	Tenure	Amount (Rs.Crs.)	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based	LT	15.00	BWR BB+/Stable removal from ISSUER NOT COOPERATING* category/Upgraded and Withdrawn	18Nov2024	BWR BB-/Stable Continues to be in ISSUER NOT COOPERATING* category/Dow ngraded	03Nov2023	BWR BB Stable (ISSUER NOT COOPERATING*/Downgrade)	17 Aug 2022	BWR BB+/Stable (Upgrade)
Fund Based	LT	0.00	Withdrawal	18Nov2024	BWR BB-/Stable Continues to be in ISSUER NOT COOPERATING* category/Dow ngraded	03Nov2023	BWR BB Stable (ISSUER NOT COOPERATING*/Downgrade)	17 Aug 2022	BWR BB+/Stable (Upgrade)
Non - Fund Based	ST	15.00	BWR A4+ removal from ISSUER NOT COOPERATING* category/Upgraded and Withdrawn	18Nov2024	BWR A4 Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	03Nov2023	BWR A4 (ISSUER NOT COOPERATING*/Downgrade)	17 Aug 2022	BWR A4+ (Upgrade)
Non - Fund Based (Sublimit)	ST	(8.00)	BWR A4+ removal from ISSUER NOT COOPERATING* category/Upgraded and Withdrawn	18Nov2024	BWR A4 Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	03Nov2023	BWR A4 (ISSUER NOT COOPERATING*/Downgrade)	17 Aug 2022	BWR A4+ (Upgrade)

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Approach to financial ratios](#)
- [Short Term Debt](#)
- [Manufacturing Company](#)
- [BWR Withdrawal Policy](#)

**Analytical Contacts**

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**Aditya Precitech Private Limited**  
**ANNEXURE I**

Details of Bank Loan Facilities rated by BWR

Sl. No.	Name of the Bank/Lender	Type of Facilities	Long Term (Rs.Crs.)	Short Term (Rs.Crs.)	Total (Rs.Crs)	Complexity of the instrument*
1	Punjab National Bank	CC Limit- Sanctioned	15.00	-	15.00	Simple##
2	Punjab National Bank	Term Loan-Sanctioned	0.00	-	0.00	Simple##
3	Punjab National Bank	GECL-Out-standing	0.00	-	0.00	Simple##
4	Punjab National Bank	Bank Guarantee-Sanctioned	-	13.00	13.00	Simple##
		Sub-Limit (FBG) -Sanctioned		(4.00)		
		Sub-Limit (FLC) -Sanctioned		(4.00)		
5	Punjab National Bank	Inland Letter of Credit (ILC)-Sanctioned	-	2.00	2.00	Simple##
<b>TOTAL</b>			15.00	15.00	30.00	
<b>Rupees Thirty Crores Only.</b>						

\*For more information visit: [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

**ANNEXURE II**  
**INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS**  
**NIL**

**ANNEXURE III**  
**List of entities consolidated**  
**NIL**



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