



Press Release

Aditya Precitech Private Limited

April 15, 2025

Ratings

Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities	40.00	IVR BB+/ Stable (IVR Double B Plus With Stable Outlook)	-	Rating Assigned	Simple
Short Term Facilities	15.00	IVR A4+ (IVR A Four Plus)	-	Rating Assigned	Simple
Total	Rs. 55.00 crore (Rupees Fifty-five crore only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has assigned its ratings to the bank facilities of Aditya Precitech Private Limited (APPL) Experienced promoter group, improving profitability margins, moderate financial risk profile, established relationships with reputed clients and presence in niche and growing defence and aerospace segment. The ratings, however, are constrained by modest scale of operation, exposure to regulatory risk defence is a highly regulated industry and elongated working capital cycle.

The stable outlook indicates the fact that the group will benefit from the long track record of experience from the promoter. Infomerics believes that the APPL business & financials risk profile will improve over the medium term.



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Key Rating Sensitivities: (On a consolidated basis)

Upward Factors

- Substantial and sustained increase in revenue and profitability, led by continuous work orders
- Prudent management of cash conversion cycle and working capital requirements

Downward Factors

- Decline in revenue and/or profitability.
- Large, debt-funded capital expenditure or a substantial stretch in the working capital cycle.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced promoter group

The company is led by a seasoned promoter group with deep expertise in defence manufacturing and strategic operations. Mr. K.N. Venkateswara Rao brings over 2 decades of industry experience and has driven APPL's growth through key partnerships and innovation. Col. Anil Yadav (Retd.) adds over 2 decades of defence experience, including procurement and logistics with the Indian Army. Ms. K. Deepthi Sri contributes with her technical and financial acumen, supporting electronics and financial operations. Together, the leadership team underpins APPL's growth and credibility as a trusted defence manufacturer.

Improving profitability margins

The group has showcased a robust improvement in profitability margins, reflecting the company's operational efficiency and cost optimization. The EBITDA margin rose significantly from 17.08% in FY23 (refers to the period April 01, 2022, to March 31, 2023) to 29.75% in FY24 (refers to the period April 01, 2023, to March 31, 2024), driven by better product mix and



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execution of high margin defence contracts. EBITDA increased from Rs. 11.24 Cr in FY23 to Rs. 18.73 Cr in FY24. PAT more than doubled from Rs. 4.49 Cr in FY23 to Rs. 9.53 Cr in FY24 enhancing the PAT margin from 6.73% to 14.78%. Return on Net Worth improved to 41.85% in FY24 (from 32.44% in FY23), and Gross Cash Accruals rose from Rs. 7.19 Cr in FY23 to Rs. 12.06 Cr in FY24.

Moderate financial risk profile

The group has a moderate financial risk profile marked by improved gearing and debt protection metrics. Total debt stood at Rs. 46.57 Cr in FY24 (Rs. 38.22 Cr in FY23), while tangible net worth rose to Rs. 27.78 Cr in FY24 (Rs. 17.76 Cr in FY23), reducing overall gearing to 1.68x in FY24 from 2.15x in FY23. Long-term debt to equity moderated to 1.18x in FY24 from 1.37x in FY23. Interest coverage improved to 3.75x in FY24 from 3.51x in FY23, reflecting better debt servicing ability.

Established relationships with reputed clients

Aditya Precitech enjoys established and long-standing relationships with key clients in India's defense sector, reinforcing its credibility and revenue visibility. Major clients include the Indian Air Force, National Security Guard and Bharat Dynamics Limited units together comprising nearly 92% of the total ₹875.35 Cr order book. These repeat orders from prestigious government entities reflect the company's strong execution track record, technical capabilities, and alignment with India's defense modernization goals. Such associations not only enhance operational stability but also position the company well for future high-value contracts.

Presence in niche and growing defence and aerospace segment

Group has a presence in niche and growing defence segment. APPL provides services to aerospace and defence segments. Its products are niche and specialized in nature and the company has long standing relationships with majors in each segment which can be reflected by repetitive orders from customers.



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Key Rating Weaknesses

Modest scale of operation

The group's scale of operations remains modest in an intensely competitive industry which is marked by the presence of large companies as well as several small players. The total operating income reduced to Rs. 62.97 crore in FY24 from Rs. 65.82 crore in FY23. In 9MFY25, APPL had achieved total revenue of Rs. 62.17 crore. The scale of operations is expected improve over FY24-FY25, given the existing unexecuted order book. The scale is expected to improve over the medium term on the back of extensive experience of promoters and a good order book.

Exposure to regulatory risk defence is a highly regulated industry

Any changes in Offset Programme by Ministry of Defence, India might impact on the order inflow though it is unlikely to happen soon considering India's dependency on foreign OEMs for defence sector related requirements. With the increase in Defence requirement and the huge backlog of Off-set obligations from the overseas Defence OEM's, the revenues will continue to surge for the years to come.

Elongated working capital cycle

APPL's gross working capital cycle was 305 days in FY24 (FY23: 135 days). The elongated working cycle is inherent in the business where a typical life cycle (concept-R&D-design-fabrication-testing) of defence orders ranges 12-18-24 months. Sometimes, the cycle even gets extended owing a large number of critical tests and delays on account of clearances from customers. This leads to an elongated gross working capital cycle.

Analytical Approach: Consolidated

For arriving at the rating, Infomerics has taken the consolidated approach by combining financial profiles of Aditya Precitech Private Limited (APPL), Blue Horizon Strategic Engineering Private Limited (BHSEPL) & AVision Systems Private Limited (ASPL). The



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consolidation is on account of common management, legal linkages, and significant business & operational linkages.

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

[Financial Ratios & Interpretation \(Financial Sector/ Non-Financial Sector\).](#)

[Criteria on assigning Rating outlook.](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Criteria on Consolidation of companies](#)

Liquidity: Adequate

The Company's liquidity is expected to remain adequate as it expects sufficient cushion in its cash accruals vis-a-vis debt repayments. The company maintains moderate cash and bank balance to meet its liquidity requirements. The unencumbered cash and bank balances remained at Rs. 12.94 crore as on March 31, 2024. The average utilization of working capital limits remained at 62.13% during the 12 months ended February 2025. The current ratio stood moderate at 1.18x as on March 31, 2024. Overall, the liquidity position remains adequate.

About the Company:

M/s. Aditya Precitech Private Limited (APPL) is a company registered under the Companies Act 1956 to carry out the business of manufacturing the Precision Components, Sub- Systems and Systems for Aerospace & Defence Organisations. APPL has an AS 9100 D certification for manufacturing of Precision Defence and Aerospace Components, Sub- Systems and Systems.

APPL is in six locations in and around Hyderabad with built up area of 120,000 Sq. Ft approximately with 1000 H P connected Load. APPL has 390 Employees serving the organization including Graduate Engineers, Diploma Engineers, Technicians and Commercial Graduates. APPL serves various organizations such as Defence Research and Development Organization (DRDO) Laboratories, Bharat Dynamics Limited (BDL), Hindustan Aeronautics Limited (HAL), Vikram Sarabhai Space Centre (VSSC) and Indian Space Research Organization (ISRO)



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About the Group:

The Aditya Precitech group is Hyderabad, Telangana based group. The Aditya Precitech group consists of three companies i.e. Aditya Precitech Private Limited (APPL) holds a 51% stake in its subsidiary Blue Horizon Strategic Engineering Private Limited (BHSEPL), a joint venture between APPL, Hyderabad, and Elbit Systems Land Limited (ESL), Israel. Additionally, APPL holds a 34% stake in AVision Systems Private Limited (ASPL)—a joint venture between APPL and Israel-based UVision Systems.

Financials (Consolidated): Aditya Precitech Group

(Rs. crore)

For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	65.82	62.97
EBITDA	11.24	18.73
PAT	4.49	9.53
Total Debt	38.22	46.57
Tangible Net Worth	17.76	27.78
EBITDA Margin (%)	17.08	29.75
PAT Margin (%)	6.73	14.78
Overall Gearing Ratio (x)	2.15	1.68
Interest Coverage (x)	3.51	3.75

*Classification as per Infomerics' standards

Financials (Standalone): Aditya Precitech Private Limited (APPL)

(Rs. crore)

For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	65.92	51.97
EBITDA	11.77	13.68
PAT	5.08	5.66
Total Debt	38.22	46.57
Tangible Net Worth	15.56	21.70
EBITDA Margin (%)	17.85	26.32
PAT Margin (%)	7.69	10.73
Overall Gearing Ratio (x)	2.46	2.15
Interest Coverage (x)	3.68	2.75

*Classification as per Infomerics' standards



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Status of non-cooperation with previous CRA: CARE Ratings vide its press release dated October 14, 2024, has moved ratings at non-cooperation category on account of non-availability of information.

Brickwork Ratings vide its press release dated November 18, 2024, has continued to classify the ratings at non-cooperation category on account of non-availability of information.

Crisil Ratings vide its press release dated March 08, 2024, has continued to classify the ratings at non-cooperation category on account of non-availability of information.

Any other information: N.A.

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					-	-	-
1.	Term Loan	Long Term	25.00	IVR BB+/Stable	-	-	-
2.	Cash Credit	Long Term	15.00	IVR BB+/Stable	-	-	-
3.	Bank Guarantee	Short Term	13.00	IVR A4+	-	-	-
4.	Letter of Credit	Short Term	2.00	IVR A4+	-	-	-
Total			55.00				

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About Infomerics:

Infomerics Valuation And Rating Ltd. (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd.] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).



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Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy, or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	September 2032	25.00	IVR BB+/ Stable
Cash Credit	-	-	-	Revolving	15.00	IVR BB+/ Stable
Bank Guarantee	-	-	-	Revolving	13.00	IVR A4+
Letter of Credit	-	-	-	Revolving	2.00	IVR A4+

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Aditya-Precitech-15apr25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable



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Annexure 4: List of companies considered for consolidated/Combined analysis:

Name of the Company	Extent of Consolidation
Aditya Precitech Private Limited	Full*
Blue Horizon Strategic Engineering Private Limited	Full*
AVision Systems Private Limited	34%

**Intercompany transactions have been adjusted*

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.