

April 02, 2026

## Patton International Limited: Ratings reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term fund based – Working capital facilities <sup>^</sup>	15.00	15.00	[ICRA]AA- (Stable), reaffirmed
Short term fund based – Working capital facilities <sup>#</sup>	115.00	115.00	[ICRA]A1+, reaffirmed
Short term – Non-fund based – Working capital facilities	30.00	30.00	[ICRA]A1+, reaffirmed
<b>Total</b>	<b>160.00</b>	<b>160.00</b>	

\* Instrument details are provided in Annexure – I

<sup>^</sup> Both way interchangeable among cash credit/WCDL and export credit facilities

<sup>#</sup> 100% interchangeable among pre-shipment and post-shipment facilities

### Rationale

The ratings reaffirmation of Patton International Limited (PIL) factors in its comfortable financial risk profile in FY2025 and FY2026, characterised by conservative capital structure and strong debt coverage indicators. While the company reported a healthy performance in FY2025 with the operating revenues increasing to Rs. 780 crore from Rs. 721 crore in FY2024 on the back of robust export demand, the sales volumes are expected to moderate by 7-8% in FY2026, compressing the turnover to an extent.

In 9M FY2026, the company reported revenues of Rs. 535 crore, down ~7% over 9M FY2025, owing to tariff-related uncertainties after the US increased the import levy on steel products to 50% from 25% with effect from June 4, 2025. Exports accounted for around 91% of PIL's revenues in FY2025, with majority of the sales concentrated in the US market. Nevertheless, the operating margins are expected to remain comfortable in FY2026, reflecting the ability of the entity to pass on the tariff impact, resulting in comfortable OPBDITA and strong cash flow from operations. The liquidity continues to be comfortable, supported by low debt levels and adequate buffer in working capital limits, with an average utilisation of 30–35% in the last 12 months ended in February 2026.

The ratings continue to factor in the established track record of PIL in the export market for the supply of conduit fittings and a longstanding reputed clientele, reflecting the credibility of its products. ICRA notes that the entry barriers in this business remain high because of stringent quality norms requiring certification. The offtake risk for the company remains low as a major part of the production of conduit fittings is order-backed.

The ratings continue to derive comfort from PIL's healthy margins, a conservative capital structure and strong debt protection metrics, which are likely to continue going forward. The ratings also favourably consider PIL's market position in the plastic water tank manufacturing business in West Bengal, although its contribution to the top line has been below 10% over the past years. While PIL remains exposed to fluctuations in foreign currency rates, its practice of entering into forward contracts to partially hedge against any adverse currency movement mitigates such risk to some extent.

The ratings, however, continue to be constrained by the company's high working capital intensity owing to a stretched receivable position, and significant client concentration risk with around 90% of the export business derived from the top 10 clients. Further, any consistent unfavourable operating environment in the US, its target market, and/or increased

competition, which could affect PIL's top line and result in a material decline in the cash accruals from the business, would remain a key rating sensitivity, going forward.

The Stable outlook on the long-term rating reflects ICRA's expectations that PIL would continue to maintain a conservative capital structure and an adequate liquidity position, thus supporting its credit profile.

## Key rating drivers and their description

### Credit strengths

**Established track record of operations; repeat orders from reputed clientele support its export sales** – PIL's revenue from export sales witnessed a CAGR of around 16% during FY2021-2025, supported by repeat orders from its reputed clientele, which reflects the acceptability of the company's products in the US market. While the revenue declined in FY2023, it improved in FY2024 and FY2025 to a large extent. While the company reported a healthy performance in FY2025 with the operating revenues increasing to Rs. 780 crore from Rs. 721 crore in FY2024 on the back of robust export demand, the sales volumes are expected to moderate by 7-8% in FY2026, thereby contracting the turnover to an extent. In 9M FY2026, the company reported revenues of Rs. 535 crore, a decline of ~7% compared to 9M FY2025, owing to tariff-related uncertainties after the US raised the import duty on steel products to 50% from 25% with effect from June 4, 2025. The company has a reputed clientele, which includes large players in the field of electronics/electrical fittings based in the US. Although a reputed client profile mitigates the counterparty risk to a large extent, PIL remains exposed to high geographical concentration risk as almost the entire revenue from the sale of conduit fittings is derived from the US market.

**Order-backed production eliminates offtake risk to a large extent; exposed to fluctuations in steel prices** – A major part of the production of conduit fittings is backed by confirmed orders, which reduce the company's offtake risk. Steel prices have witnessed substantial fluctuations in the past, which are likely to keep the company's profitability and cash flow susceptible to the volatility in input and output prices. However, in the past, the company has been able to re-negotiate prices of the products with its customers to pass on the increased steel price to an extent.

**Entry barriers reduce competition** – All the electrical fittings manufactured by the company are certified by Underwriters Laboratories, an independent product safety certification organisation. Besides, PIL has in-house laboratories at each of its manufacturing locations to maintain strict control over its manufacturing process. ICRA notes the entry barriers in PIL's line of business, given the stringent quality norms expected by the key customers, which reduce the competition.

**Comfortable financial risk profile, reflected in healthy margins, conservative capital structure and strong debt protection metrics** – The operating profit margin (OPM) of PIL remained in the range of 19-22% in the last three fiscal with the stabilisation of its new plant at Uluberia, West Bengal. Further, an increase in share of more value-added products (aluminium/zinc conduit fittings) and control over overhead expenses helped improve the OPM. The company's capital structure has remained conservative over the past years owing to a healthy net worth and low reliance on external debt. PIL's coverage indicators continued to be strong on account of healthy profits as well as cash accruals and low debt level. The rise in profits and cash accruals from the increased scale has supported the leverage and coverage indicators, reflected in a conservative total debt/OPBDIT of 0.3 times (0.5 times in FY2024) and a healthy net cash accrual relative to the total debt of 292% (172% in FY2024) in FY2025. The leverage and coverage metrics are expected to remain healthy in FY2026 as well.

### Credit challenges

**High customer concentration risk** – PIL remains exposed to high client concentration risk as a major portion of its export business is derived from the top five clients. Moreover, the company's export is made on a collection basis, which exposes it to counterparty risk as well. However, a reputed client base, coupled with PIL's long-term relationship with its clients, mitigates such risk to a large extent. Since FY2020, sales to its major customers are being routed through its marketing arm, Patton International Inc., a subsidiary of PIL, based in the US.

**Exposed to fluctuations in foreign currency rates; mitigated to some extent by PIL’s hedging mechanism** – Almost the entire portion of conduit fittings manufactured by PIL is exported to the US. While the company remains exposed to fluctuations in foreign currency rates, its practice of entering into forward contracts partially to hedge against any adverse currency movement mitigates the risk to some extent. Moreover, PIL imports some of its raw materials and consumables and pays shipping charges in foreign currency, which provide it with a natural hedge against any adverse movement in exchange rates. However, the absolute value of such imports remains low.

**Working capital-intensive operations**– Significant receivables keep the company’s operations working capital intensive, reflected in a net working capital of 34.4% (33.9% in FY2024) in FY2025 relative to the operating income, which in turn exerts pressure on its liquidity position. Given the nature of its operations, PIL’s working capital intensity of operations would continue to remain elevated, going forward.

### Liquidity position: Adequate

The company generated positive cash flow from operations in FY2025, driven by healthy revenue and profitability. The cash flow from operations is likely to remain positive in FY2026 as well. With limited capital expenditure requirement and lower working capital utilisation, the liquidity is expected to remain comfortable in FY2026. The average utilisation of the fund-based working capital limits remained at a moderate level of 33% during the last 12 months ended February 2026. PIL had a large portfolio of cash/bank balance and liquid investments as on March 31, 2025, which is likely to increase in FY2026 as well. ICRA expects PIL’s liquidity position to continue to be adequate, going forward.

### Rating sensitivities

**Positive factors** – ICRA may upgrade PIL’s long-term rating if the company substantially increases its scale of operations while maintaining a healthy operating margin and diversifying its customer base.

**Negative factors** – Pressure on PIL’s ratings may arise if there is a significant drop in profitability and/or increase in the working capital intensity of operations, adversely impacting the debt coverage metrics and liquidity position of the entity. Further, erosion of the liquidity buffer may also result in a downgrade.

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the standalone financial statements of the company.

### About the company

Patton International Limited (PIL), incorporated in 1990, manufactures steel/aluminium/zinc conduit fittings, which include locknuts, EMT fittings, hangers and clamps, among others, essentially used in the real estate and construction industries. The company has two manufacturing facilities in Kolkata (Behala and Garia), and one each at Falta and Uluberia in West Bengal. Almost all the conduit fittings manufactured by the company are exported to the US, while the plastic products are sold in the domestic market.

In October 2023, the National Company Law Tribunal (NCLT) approved Patton International Limited’s (transferor company) demerger of its investment portfolio and plastic pipe manufacturing unit at Kodalia, West Bengal, by vesting the same into two separate group entities with effect from April 1, 2023.

**Key financial indicators (audited):**

PIL, Standalone	FY2024	FY2025
Operating income	721.1	780.2
PAT	130.7	144.1
OPBDIT/OI	19.7%	22.0%
PAT/OI	18.1%	18.5%
Total outside liabilities/Tangible net worth (times)	0.8	0.3
Total debt/OPBDIT (times)	0.5	0.3
Interest coverage (times)	43.5	33.5

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

## Rating history for past three years

	Instrument	Current (FY2027)			Chronology of rating history for the past 3 years							
		Type	Amount rated (Rs. crore)	2-Apr-26	FY2026		FY2025		FY2024			
					Date	Rating	Date	Rating	Date	Rating	Date	Rating
1	Fund based – Working capital facilities <sup>^</sup>	Long term	15	[ICRA]AA-(Stable)	12-Jun-25	[ICRA]AA-(Stable)	13-Mar-25	[ICRA]AA-(Stable)	7-Mar-24	[ICRA]AA-(Stable)	10-Apr-23	[ICRA]AA-(Stable)
2	Fund based – Working capital facilities <sup>#</sup>	Short term	115	[ICRA]A1+	12-Jun-25	[ICRA]A1+	13-Mar-25	[ICRA]A1+	7-Mar-24	[ICRA]A1+	10-Apr-23	[ICRA]A1+
3	Non-fund based – Working capital facilities	Short term	30	[ICRA]A1+	12-Jun-25	[ICRA]A1+	13-Mar-25	[ICRA]A1+	7-Mar-24	[ICRA]A1+	10-Apr-23	[ICRA]A1+

<sup>^</sup> Both way interchangeable among cash credit/WCDL and export credit facilities

<sup>#</sup> 100% interchangeable among pre-shipment and post-shipment facilities

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long term fund based – Working capital facilities	Simple
Short term fund based – Working capital facilities	Simple
Short term non-fund based – Working capital facilities	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

**Annexure I: Instrument details**

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Cash credit/ WCDL <sup>^</sup>	-	-	-	15.00	[ICRA]AA- (Stable)
NA	EPC/PCFC/FBP/FBD/FUBD/PSFC <sup>#</sup>	-	-	-	115.00	[ICRA]A1+
NA	Letter of credit	-	-	-	15.00	[ICRA]A1+
NA	Bank guarantee	-	-	-	15.00	[ICRA]A1+

Source: Patton International Limited

<sup>^</sup> Both way interchangeable among cash credit/WCDL and export credit facilities

<sup>#</sup> 100% interchangeable among pre-shipment and post-shipment facilities

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure II: List of entities considered for consolidated analysis - Not applicable**

## ANALYST CONTACTS

**Girishkumar Kadam**

+91 22 6114 3441

[girishkumar@icraindia.com](mailto:girishkumar@icraindia.com)

**Ankit Jain**

+91 12 4454 5865

[ankit.jain@icraindia.com](mailto:ankit.jain@icraindia.com)

**Sumit Jhunjunwala**

+91 33 6521 6814

[sumit.jhunjunwala@icraindia.com](mailto:sumit.jhunjunwala@icraindia.com)

**Sujoy Chatterjee**

+91 33 6521 6815

[sujoy.chatterjee@icraindia.com](mailto:sujoy.chatterjee@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



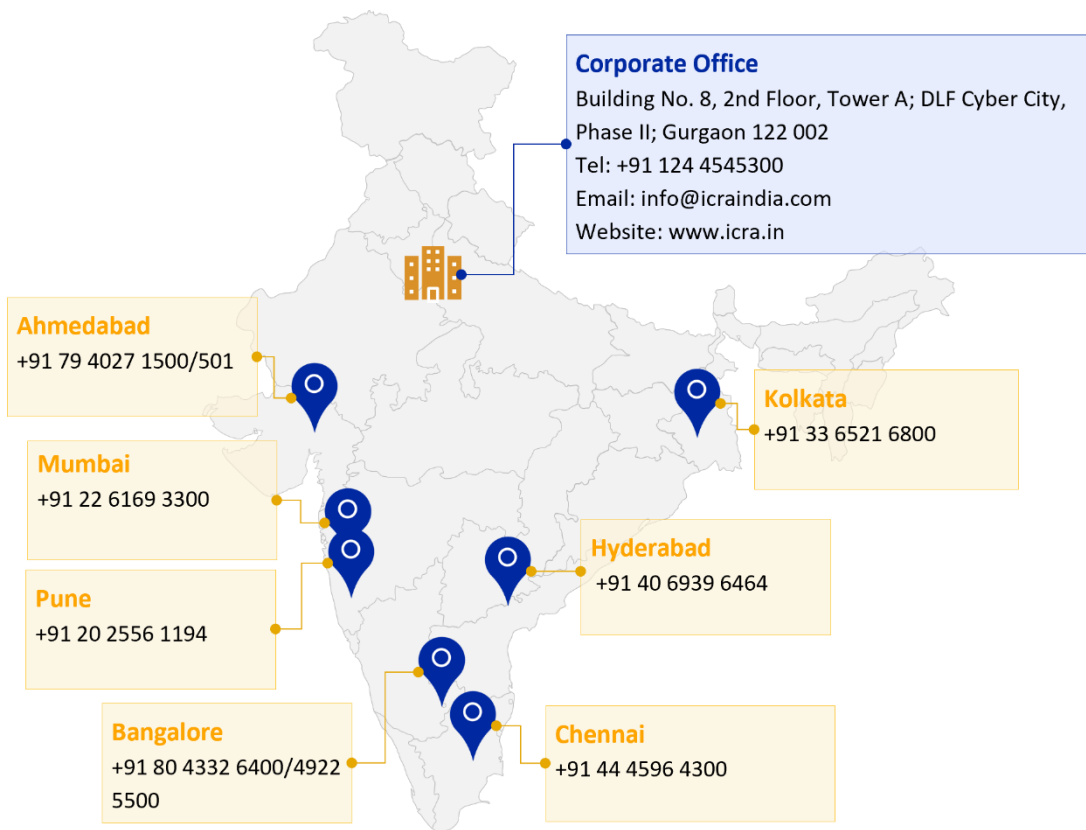
### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.