C.R.I. Pumps Private Limited

March 26, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	465.00	CARE AA-; Stable	Reaffirmed
Short-term bank facilities	80.00 (Reduced from 88.00)	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of ratings assigned to the bank facilities of C.R.I. Pumps Private Limited (CRI) derives strength from continued improvement in total operating income (TOI) on account of robust demand for residential and agricultural pumps, alongside an increasing shift towards solar-powered pumps. The rating also derive strength from the long-standing presence of CRI in the pump industry supported by well-established manufacturing facilities, operational efficiencies due to backward integration, diversified product profile, strong R&D capabilities, healthy cash accruals and favourable brand image.

In FY24, Total Operating Income (TOI) saw a robust growth of 34%, increasing from ₹1,773 crore in FY23 to ₹2,380 crore in FY24. This growth was supported by increased demand for residential and agricultural pumps, coupled with a rise in demand for solar-powered pumps. In FY24, ~70% of the company's revenue (standalone) came from the pump and motor segment, with wire and cable segment contributing 10%. On standalone basis, the TOI of the company improved during 9MFY25 to ₹2105.5 crore from ₹1,660.84 crore in 9MFY24. The company's profit before interest, lease rentals, depreciation, and taxation (PBILDT) margins improved to 11.42% in FY24 as against 9.32% in FY23 on account of normalisation in raw material prices, continued cost rationalisation initiatives and closure of loss-making subsidiaries.

The capital structure of the company is comfortable with no term debt and moderate utilisation of working capital borrowings as on March 31, 2024. The company has a planned capex of ₹330 crore in FY25 and FY26 funded through debt of ₹220 crore and balance internal accruals. With the debt funded capex, the capital structure is expected to moderate in the medium term though would continue to remain comfortable.

The ratings, However, continue to be constrained by the susceptibility of profitability margins to volatile raw material prices, working capital intensive nature of operations of the company, and the company's exposure to foreign subsidiaries in the form of investments. The pass-through ability for cost inflation is moderate, as the company operates in competitive environment.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained growth in the scale of operations while maintaining its PBILDT margin leading to healthy cash generation.
- Sustainable improvement in return on capital employed (ROCE) upwards of 25%.

Negative factors

- Deterioration in the working capital and liquidity indicators.
- Large debt-funded capital expenditure (capex) or lower than expected generation of profits, resulting in Total Debt /PBILDT deteriorating beyond 1.5x.

Analytical approach: Combined

CARE Ratings Limited (CARE Ratings) has taken a combined approach on C.R.I Pumps Private Limited and its subsidiaries in Annexure 6, as there exists operational and financial linkages between them. Further, most of these entities act as the trading and marketing arms of the main company, i.e. CRI.

Outlook: Stable

CARE Ratings believes that the company will continue benefitting from its long-standing presence in the pump industry. The company's financial risk profile is expected to remain comfortable with healthy operating profits and substantial net worth of ~₹900 crore.

[1]Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Detailed description of key rating drivers:

Key strengths

Long-standing presence in the pump industry with well-established brand in domestic and export markets

The company started its operations in 1961 as a small manufacturing unit focused on irrigation equipment. It holds ISO 9001 and 14001 certifications and exports to over 120 countries globally. The C.R.I. Group offers a diverse portfolio of more than 9,000 products and is one of the few manufacturers globally to produce 100% stainless steel pumps. With subsidiaries in several countries, CRI has extended its global reach. All products are sold under the trusted 'CRI' brand, allowing the company to capitalize on its strong brand equity. CRI operates a vast distribution network of over 5,000 dealers and more than 35 sales offices worldwide. As part of efforts to improve efficiency, CRI closed its subsidiary in Turkey in FY23, its Suzhou (China) subsidiary in FY24, and plans to shut down its subsidiary in Bangladesh in FY25. Additionally, it is set to close its Shanghai (China) subsidiary in FY26.

Well-established manufacturing facilities; operational efficiencies due to backward integration

The company has a total of 13 manufacturing units, of which 11 are in and around Coimbatore and one unit is in Erode, Tamil Nadu. The company has also established pipe manufacturing units over past five years. CRI also has tie-ups with feeder units, which exclusively cater to its requirements for silicon steel stamping, blanching, and other processes. Of its total manufacturing units, the company also has standalone units for manufacturing valves, pipes, copper wires, and cables.

Diversified product profile and strong R&D capabilities

CRI's product portfolio includes more than 9,000 products and caters to diverse sectors, including residential, agriculture, building services, general water supply, mining, oil and gas, sewage and wastewater, and coal bed methane applications. Such diversification in the end-user profile enables the company to be insulated from industry-specific slowdowns to an extent. CRI has a strong R&D wing equipped with latest technology and is recognised by the Ministry of Science & Technology, Government of India (GoI). CRI is the pioneer in introducing combination model pumps in the industry and has recently introduced new series in heating, ventilation, and air-conditioning (HVAC) pumps, solar pumps, and pressure booster pumps. The company continues investing in R&D year-over-year (y-o-y) and for FY24, the total amount spent stood at ₹31.92 crore (PY: ₹12.10 crore).

Robust growth in total operating income (TOI) in FY24 with improved profitability margins

Income from operations surged by 34%, rising from ₹1,773 crore in FY23 to ₹2,380 crore in FY24. This growth was primarily driven by strong demand for residential and agricultural pumps, alongside an increasing shift towards solar-powered pumps. Profitability also improved, with PBILDT margins rising to 11.42% in FY24 from 9.32% in FY23 mainly due to the normalization of raw material prices, effective cost-rationalisation measures, the closure of loss-making subsidiaries, and overall operational efficiencies. On a standalone basis, the company continued to show strong performance during the first nine months of FY25 (9MFY25), with TOI increasing to ₹2,105.5 crore from ₹1,660.84 crore in 9MFY24. However, the PBILDT margin saw a slight moderation, falling to 11.46% in 9MFY25 from 11.88% in 9MFY24. Despite this slight dip, the company's PBILDT margin is expected to range between 12-14% over the next two years, driven by stable input prices and ongoing cost reduction initiatives. Furthermore, The company is expanding its solar pump business, with sales of ₹133 crore in FY24 and ₹302 crore in the first nine months of FY25. In January 2025, the company has secured significant orders, including ₹754 crore from MSEDCL for 25,000 solar pumps and ₹300 crore from different states (Haryana, Uttar Pradesh, Maharashtra, and Rajasthan), part of the execution for these orders remains pending. This expansion in the solar pump segment is expected to continue driving revenue growth.

Comfortable financial risk profile

As on March 31, 2024, the company has no outstanding term debt. However, it plans to make a capital expenditure of ~₹330 crore over the next 2-3 years. This expenditure will be funded through ₹220 crore term loan from the bank and ₹110 crore from internal accruals. Despite of the debt funded capex, the financial risk profile is expected to remain stable in the medium term. The working capital loan stood at ₹219.03 crore as of March 31, 2024. The overall gearing ratio improved slightly to 0.24x in FY24 from 0.28x the previous year. Additionally, Debt coverage ratios (total debt to gross cash accrual [TD/GCA]) improved from 2.03x in FY23 to 1.25x in FY24.

Key weaknesses

Exposure to volatility in raw material prices and foreign currency fluctuations

The primary raw materials used for manufacturing pumps include stainless steel, copper, among others. Prices of these materials are inherently volatile and are driven largely by global and local demand and supply conditions. The company's profit margins are also exposed to pricing pressures due to CRI's sizeable presence in the agricultural and domestic pumps segment. To mitigate this risk, the company is diversifying into new business segments such as industrial pumps, pipes, and other value-added product offerings. However, until the new business segments gain traction, CARE Ratings expects this volatility to continue. CRI also has exposure to foreign currency fluctuation however it hedges 90% of its foreign currency receivables to mitigate this risk to some extent.

Working capital intensive nature of business

CRI's operations are working capital intensive due to the diverse product segments requiring the company to maintain larger inventories. CRI has adopted a cash-and-carry model for 70% of its domestic pump sales which enables it to manage working capital efficiently. However, with an expected rise in revenue from solar pumps under the PM-KUSUM scheme and the tender-based nature of the business and delayed collection from government entities is expected to keep the working capital requirement high during the medium term.

Highly competitive industry

The demand for the electrical pumps industry is driven primarily by growth in infrastructure, new sources of water, increase in irrigated cultivation area, increase in urban density, and the need for energy-efficient solutions. India is a strong base for manufacturing pumps, with presence of more than 800 pump manufacturers including international players. India's low-cost manufacturing and local demand has made it a profitable proposition. The presence of international players in the market has led to significant up-gradation in technology, leading to better solutions for end-users. CRI's presence is largely concentrated in agricultural and household pump segments and its ability to diversify into other segments (industrial pumps, EPC, among others) and into related activities (manufacturing of pipes, among others) will remain critical in sustaining future growth. Going forward, the company's ability to scale-up operations with increasing share of other diversified segments while improving its profit margins, prudently manage its working capital, and improve capital structure will be key rating sensitivities.

Liquidity: Strong

The company's liquidity is strong with adequate gross accruals. The average fund-based working capital utilisation stood at ~57% for last 12 months ended November 30, 2024. The company is expected to generate cash accruals of ₹250-350 crore from FY25-FY26. Considering the trend of GCA levels generated with the presence of unutilised credit lines, CARE Ratings believes that the company is in a comfortable liquidity position to meet its interest obligations in FY25 and FY26. These internal accruals will partially be utilized for capital expenditure of approximately ₹330 crore, planned over the next two years.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

Consolidation & Combined
Definition of Default
Factoring Linkages Parent Sub JV Group
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Electrical equipment	Other electrical equipment

CRI is the flagship company of the CRI group founded by the late K Gopal in Coimbatore (Tamil Nadu) and is currently managed by second generation of promoters C Velumani, G Soundararajan, G Rajendran, and G Selvaraj. The company's strategic decisions are handled by G Soundararajan (Chairman), while day-to-day operations are managed by G Selvaraj (Managing Director), supported by qualified professionals. The company's product profile includes agricultural and residential pumps, industrial pumps, solar pumping systems, and allied products such as valves and castings.

Brief Financials (₹ crore)	March 31, 2023 (C)	March 31, 2024 (C)	9MFY24 (UA, S)
Total operating income	1,773.47	2,380.33	2,105.5
PBILDT	165.34	271.92	241.22
PAT	63.34	139.51	148.92
Overall gearing (times)	0.28	0.24	NA
Interest coverage (times)	6.50	13.88	13.63

C: Combined; S: Standalone; UA: Unaudited; NA: Not available; Note: these are latest available financial results.
To arrive at the financials, CARE Ratings Limited has combined the financials of C.R.I Pumps Private Limited and its subsidiaries by line by line addition eliminating for inter group transactions.

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
Complexity level of instruments rated: Annexure-4
Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	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		-	-	-	225.00	CARE AA-; Stable
Fund-based - LT-Packing Credit in Indian rupee		-	-	-	15.00	CARE AA-; Stable
Fund-based - LT-Working Capital Demand loan		-	-	-	80.00	CARE AA-; Stable
Fund-based - LT-Working Capital Limits		-	-	-	145.00	CARE AA-; Stable
Non-fund-based - ST-Bank Guarantee		-	-	-	50.00	CARE A1+
Non-fund-based - ST-Letter of credit		-	-	-	30.00	CARE A1+

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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Cash Credit	LT	225.00	CARE AA-; Stable	-	1)CARE AA-; Stable (28-Mar-24)	1)CARE AA-; Stable (31-Mar-23) 2)CARE A+; Positive (06-Apr-22)	-
2	Fund-based - LT-Working Capital Limits	LT	145.00	CARE AA-; Stable	-	1)CARE AA-; Stable (28-Mar-24)	1)CARE AA-; Stable (31-Mar-23) 2)CARE A+; Positive (06-Apr-22)	-
3	Fund-based - LT-Packing Credit in Indian rupee	LT	15.00	CARE AA-; Stable	-	1)CARE AA-; Stable (28-Mar-24)	1)CARE AA-; Stable (31-Mar-23) 2)CARE A+; Positive (06-Apr-22)	-
4	Non-fund-based - ST-Bank Guarantee	ST	50.00	CARE A1+	-	1)CARE A1+ (28-Mar-24)	1)CARE A1+ (31-Mar-23) 2)CARE A1+ (06-Apr-22)	-
5	Fund-based - LT-Working Capital Demand loan	LT	80.00	CARE AA-; Stable	-	1)CARE AA-; Stable (28-Mar-24)	1)CARE AA-; Stable (31-Mar-23) 2)CARE A+; Positive (06-Apr-22)	-
6	Non-fund-based - ST-Letter of credit	ST	30.00	CARE A1+	-	1)CARE A1+ (28-Mar-24)	1)CARE A1+ (31-Mar-23) 2)CARE A1+ (06-Apr-22)	-
7	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (31-Mar-23) 2)CARE A+; Positive (06-Apr-22)	-

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: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Packing Credit in Indian rupee	Simple
3	Fund-based - LT-Working Capital Demand loan	Simple
4	Fund-based - LT-Working Capital Limits	Simple
5	Non-fund-based - ST-Bank Guarantee	Simple
6	Non-fund-based - ST-Letter of credit	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1.	C.R.I. Pumps (FZC), United Arab Emirates	Full	Subsidiary
2.	C.R.I. Bombas Hidraulicas Ltda., Brazil	Full	Subsidiary
3.	Bombas C.R.I. Espana S.L.U., Spain	Full	Subsidiary
4.	C.R.I. Pumps S.A (Pty) Ltd., South Africa	Full	Subsidiary
5.	C.R.I. Pumps (Shanghai) Co., Ltd., People's Republic of China^	Full	Subsidiary
6.	F.I.P.S. Fabbrica Italiana Pompe Sommergibilli S.R.L., Italy	Full	Subsidiary
7.	C.R.I. Fluid Systems USA LLC, USA	Full	Subsidiary
8.	PT. C.R.I. Fluid Systems, Indonesia	Full	Subsidiary
9.	C.R.I. Fluid Systems (BD) Limited, Bangladesh#	Full	Subsidiary
10.	C.R.I. Fluid Systems Inc., Philippines	Full	Subsidiary
11.	Suzhou C.R.I. Pumps Co., Ltd., People's Republic of China*	Full	Subsidiary
12.	C.R.I. Fluid Systems Mexico S. DE R.L. DE C.V., Mexico	Full	Subsidiary

*Operations of Suzhou C.R.I. Pumps Co., Ltd., China, have been wound up in FY24.
#Operations of C.R.I. Fluid Systems (BD) Limited, Bangladesh have been wound up in FY25.
^Operations of C.R.I. Pumps (Shanghai) Co., Ltd., China will be closed in FY26.

Note on complexity levels of rated instruments: CARE 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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About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

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