

Premier Cryogenics Limited

January 08, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	13.35 (Reduced from 17.77)	CARE BBB+; Stable	Reaffirmed
Long Term / Short Term Bank Facilities	7.50	CARE BBB+; Stable / CARE A3+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Premier Cryogenics Limited (PCL) continues to derive strengths from experienced promoter, established market position in north-east India, satisfactory financial performance in FY25 (refers to April 1 to March 31), satisfactory capital structure and debt protection metrics and steady capacity utilisation of the plants. Ratings also factor-in synergies in the form of managerial and operational linkages with another group entity, Assam Air Products Private Limited (AAPPL), which is engaged in trading and supplying industrial and medical gases. However, ratings are constrained by elongated working capital cycle, modest scale of operations with geographical concentration risk, profitability susceptible to volatility in power cost and transportation cost, vulnerability of the business risk profile to downturn in its end-user industry, and highly competitive nature of the industrial gas industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant increase in scale of operations while maintaining profitability margin of over 27% on a sustained basis.
- Reduction in collection period leading to significant improvement in operating cycle on a sustained basis.

Negative factors

- Decline in scale of operations below ₹60 crore and profit before interest, lease rentals, depreciation, and taxation (PBILDT) margins below 20% on a sustained basis.
- Deterioration in operating cycle resulting in sizeable increase in finance cost from existing level on a sustained basis.
- Any large debt-funded capex/ acquisition deteriorating the gearing over 0.50x on a sustained basis.

Analytical approach: Standalone factoring linkages with group entity Assam Air Products Private Limited.

Outlook: Stable

The 'Stable' outlook assigned to the long-term rating is based on the company's ability to maintain its market position in the industrial gases industry in the north-eastern region marked by sustenance of scale of operations and steady profitability levels while maintaining its capital structure and debt protection metrics at around the current levels.

Detailed description of key rating drivers:

Key strengths

Experienced promoter

PCL was promoted by Mr. Abhijit Barooah, Managing Director (MD), and his sister Ms. Anamika Choudhury. Mr. Barooah has over three decades of experience in the industrial gases industry and is a member of various government bodies in Assam, enhancing the company's industry visibility and credibility. The promoters also own AAPPL, a group entity engaged in trading and supplying industrial and medical gases, oilfield services, and construction activities, providing operational synergies.

Day-to-day operations are managed by a team of experienced technical, financial, and administrative professionals under the direct supervision of Mr. Barooah, ensuring strong governance and operational efficiency.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Established market position in north-east India

The group has a strong presence in the industrial gases industry and oilfield services in the north-eastern region, catering to a significant share of regional demand. PCL generates revenue from the sale of various gases, including oxygen, nitrogen, dissolved acetylene (DA), nitrous oxide, and specialty gas mixtures, along with construction of medical infrastructure.

Satisfactory capacity utilisation of the plants

The capacity utilisation of nitrogen/oxygen plants of PCL continued to remain satisfactory in FY25 on the back of sustained demand for gases. Nitrous oxide units have been running at over 100% capacity utilisation (CU) for the last three years. The capacity utilisation of dissolved acetylene (DA) also remained steady in FY25 against FY24 attributable to sustained demand from user industries. Going forward, CU is expected to remain range bound at around current level attributable to sustenance of demand and repeated orders from customers.

Satisfactory financial performance in FY25

The company's financial performance remained satisfactory in FY25 marked by steady total operating income (TOI) of ₹74.66 crore as compared to ₹73.01 crore in FY24. Revenue from sale of industrial and medical gases increased to ~₹59.77 crore in FY25 from ~₹57 crore in FY24. Operating profitability margin remained stable around 25-26%. The company reported profit after tax (PAT) of ₹13.04 crore and gross cash accruals (GCA) of ₹17.47 crore in FY25. In H1FY26, PAT stood at ₹11.96 crore on TOI of ₹43.29 crore, aided by government subsidy of ₹7.45 crore.

In Industrial & medical gases segment, the company has received an order along with Linde for setting up Nitrogen gas plant for Tata Group's upcoming semiconductor plant in Assam. Total order value is Rs.50 crore while Premier's share of the order is Rs.16 crore. Execution of this order book is expected to aid the company's TOI.

Satisfactory capital structure and debt protection metrics

The capital structure of the company remains strong, underpinned by a reduction in total debt as of March 31, 2025, attributable to scheduled term loan repayments. Consequently, overall gearing improved to 0.12x (previous year: 0.14x), while Total Debt to Gross Cash Accruals (TD/GCA) stood at 0.76x (previous year: 0.78x). The gearing profile is expected to strengthen further in the near term, supported by the absence of significant debt-funded capital expenditure, continued debt reduction, and accretion of profits to reserves.

Key weaknesses

Elongated working capital cycle

PCL has a high collection period as they offer credit periods of around three months to the customers, who are majorly government agencies, large corporates, and medical colleges and hospitals. However, the payment track record from customers has been satisfactory. In FY25, the operating cycle continued to remain at elevated level at 181 days (PY: 179 days) mainly due to high collection period of 179 days (PY: 178 days). In absolute term, sundry debtors increased by ₹3.35 crore to ₹37.68 crore as on March 31, 2025. CARE Ratings observes, the company has positive cash flow from operation in FY25 and despite high working capital cycle, the strong credit profiles of customers provide comfort to a large extent.

Modest scale of operation and geographical concentration risk

The company has modest scale of operations marked by TOI of ~₹74.66 crore and net worth of ~₹110.50 crore as on March 31, 2025. The modest size deprives it from the benefits of economies of scale and restricts the financial flexibility of the PCL in the times of stress. Also, PCL operations are concentrated in north-east India, which exposes the company to geographical concentration risk.

Profitability susceptible to volatility in power cost and transportation cost

Electricity is the main input for production of gases and the quality and cost of power remain critical. Also, companies manufacturing industrial gases face several challenges with transportation, storage, and the ever-changing regulatory landscape. Conversion and transportation of gases adds to overall costs. However, the company enters into a separate contract for transporting the gases to its customers and charges additional freight charges which safeguard it from incurring additional costs.

Vulnerability of the business risk profile to any downturn in its end-user industry

Industrial gases are a consumable product and not a standalone finished product. Since the product has derived demand, its growth and profitability depends on the growth and profitability of user industries.

Highly competitive nature of the industrial gas industry

The industrial gas industry is highly competitive due to the commoditised nature of the products and limited product differentiation, and the company faces competition from the Indian subsidiaries of the international majors and other local players.

However, long distance transportation is not viable in the industry and the local manufacturer has the advantage of freight cost over other players. AAPPL and PCL are well placed in the north-east region with their long track record, established customer base, and distribution system.

Liquidity: Adequate

Liquidity remains adequate, supported by gross cash accruals of about ₹17.47 crore against debt repayment obligations of around ₹2.29 crore in FY25. Projected cash accruals are expected to remain adequate to meet debt obligations of ~1.17 crore in FY26, supported by cash and cash equivalents ~₹58.23 crore (incl. lien FDR of ₹5.72 crore) in the form of FDRs and mutual funds as on March 31, 2025. Its fund-based bank limits are utilised in the range of 80% in the last 12 months ended September 2025. Consequently, unutilised limits are adequate to meet the working capital requirement in near term.

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

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Factoring Linkages Parent Sub JV Group](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Chemicals	Chemicals & Petrochemicals	Industrial Gases

PCL is engaged in manufacturing and supplying industrial and medical gases, oxygen, nitrogen, dissolved acetylene (DA), nitrous oxide, and specialty gas mixtures. The company has a combined installed capacity to manufacture 32775.85 metric tonne per annum (MTPA) of nitrogen and oxygen (liquid and gas), 340.56 MTPA of dissolved acetylene and 65.55 MTPA of nitrous oxide at its manufacturing unit in Guwahati. The company also processes liquid carbon dioxide into gaseous and solid (dry ice) form. This apart, the company is also engaged in construction activities related to healthcare. The company is listed on Calcutta Stock Exchange (CSE).

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26(UA)
Total operating income	73.01	74.66	43.29
PBILDT*	18.10	19.03	15.71
Profit after tax (PAT)	12.18	13.04	11.96
Overall gearing (x)	0.14	0.12	NA
Interest coverage (x)	12.29	15.55	NA

A: Audited UA: Unaudited; NA: Not Available Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

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		-	-	-	12.00	CARE BBB+; Stable
Fund-based - LT-Term Loan		-	-	Jan, 2027	1.35	CARE BBB+; Stable
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	7.50	CARE BBB+; Stable / CARE A3+

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 2025-2026	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
1	Fund-based - LT-Term Loan	LT	1.35	CARE BBB+; Stable	-	1)CARE BBB+; Stable (04-Dec-24)	1)CARE BBB+; Stable (09-Oct-23)	1)CARE BBB+; Stable (21-Sep-22) 2)CARE BBB+; Stable (05-Sep-22)
2	Fund-based - LT-Cash Credit	LT	12.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable (04-Dec-24)	1)CARE BBB+; Stable (09-Oct-23)	1)CARE BBB+; Stable (21-Sep-22) 2)CARE BBB+; Stable (05-Sep-22)
3	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	7.50	CARE BBB+; Stable / CARE A3+	-	1)CARE BBB+; Stable / CARE A3+ (04-Dec-24)	1)CARE BBB+; Stable / CARE A3+ (09-Oct-23)	1)CARE BBB+; Stable / CARE A3+ (21-Sep-22) 2)CARE BBB+; Stable (05-Sep-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-Term Loan	Simple
3	Non-fund-based - LT/ ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge 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.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Arindam Saha Director CARE Ratings Limited Phone: +91-033-4018-1631 E-mail: arindam.saha@careedge.in
Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Punit Singhania Associate Director CARE Ratings Limited Phone: +91-033-4018-1620 E-mail: punit.singhania@careedge.in
	Rajeev Jaiswal Analyst CARE Ratings Limited E-mail: Rajeev.jaiswal@careedge.in

About us:

Established in 1993, CareEdge 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 Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge 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, CareEdge 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. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**