



**Press Release**  
**ORIENTAL ENGINEERING WORKS PRIVATE LIMITED**  
**May 05, 2025**  
**Rating Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	22.42	ACUITE BBB-   Stable   Reaffirmed	-
Bank Loan Ratings	4.82	-	ACUITE A3   Reaffirmed
Total Outstanding Quantum (Rs. Cr)	27.24	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has reaffirmed its long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minusa**) and short-term rating of '**ACUITE A3**' (read as **ACUITE A three**) on Rs.27.24 Cr. bank facilities of Oriental Engineering Works Private Limited (OEWPL). The outlook remains '**Stable**'.

**Rationale for Rating**

The rating indicates a small but stable business risk profile for the company, resulting in stagnation in both revenue and operating margin in FY24. However, there has been a decrease in the PAT margin during the same period due to an increase in tax provisions, whereas the previous year benefitted from a write-back of provisions for prior period taxes. The financial risk profile remains healthy, characterized by moderate net worth and comfortable capital structure and debt protection metrics. The liquidity position is adequate, supported by sufficient accruals for debt repayment, the infusion of unsecured loans, moderate current ratio, low utilization of bank limits, and the absence of debt-funded capital expenditure plans. The rating benefits from the company's experienced management and its long-standing relationships with suppliers and customers. However, these strengths are offset by an intensive but improving working capital cycle that will remain a key monitorable.

**About the Company**

Oriental Engineering Works Private Limited (OEWPL) was incorporated in 1933 as Karma Engineers in Lahore – India (undivided). The company is into the manufacturing of hydraulic jacks, cylinders, pumps, power packs among others for automobile, construction, power, steel and mining industries via the manufacturing facilities located in Yamuna Nagar (Haryana). Present directors of the company are Mr. Raman Saluja, Mr. Satish Chander Saluja, Ms. Gayatri Saluja, Ms. Divya Khanna, Ms. Samira Saluja and Mr. Shivam Saluja.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has considered the standalone view of the business and financial risk profile of OEWPL to arrive at the rating.

**Key Rating Drivers**

## **Strengths**

### **Established track record of operations supported by experienced promoters**

The management brings decades of experience, and the company has a strong presence in Haryana with over ninety years of operation. The company exports to UAE, US, Germany, and Netherlands, and imports from China and Germany. This extensive track record has fostered healthy long-standing relationships with customers and suppliers. Acuité believes that OEWPL will benefit from its established industry position, diversified geographical presence and the promoter's experience to scale operations through different industries.

### **Steady scale of operations**

The revenue of OEWPPL stood at Rs.65.66 Cr. in FY24 as against Rs.64.54 Cr. in FY2023. Further the company has achieved ~Rs.72.00 Cr. in FY25. The revenue was stagnant due to impact of Russia-Ukraine war which has affected the demand in European markets. The unexecuted order book stood at ~Rs.12.00 Cr. as of March 2025 which will be executed within 2 months and orders being added regularly. The operating margin of the company stood at 10.63% in FY24 as against 10.50% in FY2023. The increase in margin was due to decrease in expenses like gratuity to director (onetime adjustment in FY23) and other manufacturing costs. The company installed a rooftop solar power plant with a capacity of 225 KW in FY24 to reduce power cost. The company's PAT margin was 4.70 percent in FY24, compared to 6.16 percent in FY2023, when the previous year was positively impacted by a write-back of provisions for prior period taxes. Acuite believes that the scale of operations will improve over the medium term backed by order flow.

### **Healthy Financial Risk Profile**

The company has healthy financial risk profile marked by moderate net worth, gearing below unity and comfortable debt protection metrics. The Total Tangible net worth stood at Rs.26.63 Cr. as on 31<sup>st</sup> March 2024 as against Rs. 24.00 Cr. as on 31st March 2023 due to small accretion of reserves. The gearing stood at 0.43 times as on March 31, 2024, as against 0.45 times as on March 31, 2023. Interest coverage ratio stood at 6.75 times and debt service coverage ratio stood at 2.56 times as on March 31, 2024. The TOL/TNW stood at 0.78 times in FY24 as against 1.08 times in FY23. Acuite believes that the financial risk profile is expected to improve in near to medium terms in the absence of debt funded capex plans.

### **Weaknesses**

#### **Intensive working capital cycle**

The company has intensive working capital cycle as evident from gross current assets (GCA) of 177 days in FY24 as against 194 days in FY23 on account of debtor and inventory days. Debtor days stood at 98 days in FY24 as against 116 days in FY23, with average credit terms being around 60 days based on the relationship with them. The company also requires a 20% advance payment and delivers the supplies only after receiving full payment once the billing is done. The Inventory days stood at 60 days in FY2024 as against 67 days in FY2023. The company hold more of raw materials to accommodate any changes in production plans. Against this, creditor days stood at 42 days in FY24 as against 111 days in FY23. The reduction in creditor days is due to Section 15 of MSMED Act, 2006, that mandates payment to suppliers within 45 days. Acuite believes that the working capital cycle will remain on similar levels over the medium term.

### **Rating Sensitivities**

- Movement in revenue and profitability margins
- Working capital cycle

### **Liquidity Position**

#### **Adequate**

The company has adequate liquidity marked by net cash accruals of Rs.4.86 Cr. against debt repayment of Rs.1.26 Cr. over the same period. The current ratio stood at 2.40 times in FY24 as against 1.80 times in FY23. The cash and bank balances stood at Rs.2.19 Cr. in FY24 as against Rs.1.34 Cr. in FY23. The unsecured loans stood at Rs.6.14 Cr. in FY24 as against Rs.5.62 Cr. in FY23. The promoters infuse funds in the business as and when required and are interest bearing. The bank limit utilization for fund based limits was utilized at ~36% per cent during the last six months ended March 2025. Acuite believes that liquidity position is expected to remain at adequate levels over the medium term.

### **Outlook: Stable**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	65.66	64.54
PAT	Rs. Cr.	3.09	3.97
PAT Margin	(%)	4.70	6.16
Total Debt/Tangible Net Worth	Times	0.43	0.45
PBDIT/Interest	Times	6.75	7.10

**Status of non-cooperation with previous CRA (if applicable)**

Not Applicable

**Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)**

**Not applicable**

**Any other information**

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
05 Feb 2024	Bank Guarantee (BLR)	Short Term	4.50	ACUITE A3 (Upgraded from ACUITE A4+)
	Derivative Exposure	Short Term	0.32	ACUITE A3 (Upgraded from ACUITE A4+)
	Cash Credit	Long Term	10.00	ACUITE BBB-   Stable (Upgraded from ACUITE BB+)
	Working Capital Term Loan	Long Term	0.27	ACUITE BBB- (Upgraded & Withdrawn from ACUITE BB+)
	Term Loan	Long Term	0.90	ACUITE BBB- (Upgraded & Withdrawn from ACUITE BB+)
	Term Loan	Long Term	0.92	ACUITE BBB- (Upgraded & Withdrawn from ACUITE BB+)
	Proposed Long Term Bank Facility	Long Term	10.78	ACUITE BBB-   Stable (Upgraded from ACUITE BB+)
	Working Capital Term Loan	Long Term	0.68	ACUITE BBB-   Stable (Upgraded from ACUITE BB+)
	Term Loan	Long Term	0.60	ACUITE BBB-   Stable (Upgraded from ACUITE BB+)
	Working Capital Term Loan	Long Term	0.34	ACUITE BBB-   Stable (Upgraded from ACUITE BB+)
	Term Loan	Long Term	0.02	ACUITE BBB-   Stable (Upgraded from ACUITE BB+)
11 Apr 2023	Stand By Line of Credit	Short Term	0.50	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3)
	Bank Guarantee (BLR)	Short Term	4.50	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3)
	Cash Credit	Long Term	9.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB-   Stable)
	Proposed Long Term Bank Facility	Long Term	11.60	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB-   Stable)
	Working Capital Term Loan	Long Term	1.29	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB-   Stable)
	Term Loan	Long Term	1.50	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB-   Stable)
	Term Loan	Long Term	0.94	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB-   Stable)
24 Jan 2022	Bank Guarantee/Letter of Guarantee	Short Term	4.50	ACUITE A3 (Reaffirmed)
	Stand By Line of Credit	Short Term	0.50	ACUITE A3 (Reaffirmed)
	Term Loan	Long Term	0.80	ACUITE BBB- (Reaffirmed & Withdrawn)
	Term Loan	Long Term	0.70	ACUITE BBB- (Reaffirmed & Withdrawn)
	Term Loan	Long Term	0.94	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	1.50	ACUITE BBB-   Stable (Assigned)
	Working Capital Term Loan	Long Term	1.29	ACUITE BBB-   Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	11.60	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Long Term	9.00	ACUITE BBB-   Stable (Reaffirmed)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.50	Simple	ACUITE A3   Reaffirmed
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.90	Simple	ACUITE BBB-   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Derivative Exposure	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.32	Simple	ACUITE A3   Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	11.84	Simple	ACUITE BBB-   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	20 Mar 2028	0.37	Simple	ACUITE BBB-   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 Oct 2026	0.02	Simple	ACUITE BBB-   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	05 Feb 2026	0.29	Simple	ACUITE BBB-   Stable   Reaffirmed

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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