



Press Release
BINAYAK HI TECH ENGINEERING PRIVATE LIMITED
December 26, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	46.09	ACUITE BBB Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	46.09	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of **'ACUITE BBB' (read as ACUITE triple B)** on the Rs. 46.09 Cr. bank facilities of Binayak Hi Tech Engineering Private Limited (BHTEPL). The outlook remains **'Stable'**.

Rationale for rating

The rating reaffirmation factors in the augmentation in business risk profile of the company marked by increase in the scale of operations along with improvement in the profitability margins. The rating also draws comfort from established track record of operations of more than two decades and experienced management which helped the company in establishing long term relationships with its customers especially from the international market. The rating also considers the adequate liquidity position and above average financial profile of the company as reflected by the comfortable gearing and healthy debt coverage indicators. These strengths are, however, offset by the company's working capital intensive nature of operations, customer concentration risk and susceptibility of profitability to volatility in raw material prices and forex risk.

About the Company

Incorporated in 1995, Binayak Hi Tech Engineering Private Limited (BHTEPL) is engaged in the manufacturing of landscaping products namely cast iron / ductile iron manhole covers & gratings, fabricated mild steel manhole covers & gratings, ornamental castings like garden benches, tree gates, designer cast bamboos, fencing and others. The company is promoted by Mr. Mahesh Kumar Jhunjunwala, Mrs. Kiran Jhunjunwala, Mr. Atul Jhunjunwala and Mrs. Priyanka Jhunjunwala. The company's clientele is geographically distributed throughout the world, reducing the risk of geographic concentration. BHTEPL is fully export oriented and exports the products to more than 30 countries mainly USA, UK, Europe, Middle East, Africa and Australia.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of Binayak Hi Tech Engineering Private Limited (BHTEPL) to arrive at the rating.

Key Rating Drivers

Long operational track record and Experienced management

BHTEPL has been operating for more than two decades supported by the expertise of Mr. Mahesh Kumar Jhunjhunwala and Mr. Atul Jhunjhunwala who possess more than three decades of industry experience. The extensive experience of the management along with the established track record of operations has aided the company in establishing strong and healthy connections with the international customers. Acuite believes that the experienced management and the long-standing operations will continue to benefit the company going forward.

Improvement in the scale of operation

BHTEPL witnessed an improvement in its scale of operations marked by its revenues of Rs. 131.05 Cr. in FY2025 as against Rs. 106.15 Cr. in FY2024. The increase in the operating income is supported by the regular and timely execution of orders. Further, the company has already achieved Rs. 86.48 Cr. till November 2025. The growth in the operating income is further supported by the company's established market presence and steady demand for the products prevailing in the international market.

The operating margin improved to 10.51 per cent in FY2025 from 8.79 per cent in FY2024 on account of relaxation in the freight costs. The PAT margin of the company also increased to 5.92 per cent in FY2025 from 4.29 per cent in FY2024 due to decrease in the interest costs owing to reduction in the debt levels. The growth in profitability margins was primarily on account of high demand, better pricing power and variable cost reduction through operational efficiencies in production processes.

Acuite believes that the business risk profile of the company will continue to improve further backed by the continuous order flow and healthy execution of it followed by the ability of BHTEPL to pass on the rise in its input costs and protect any sharp erosion in margins over the near to medium term.

Above average financial risk profile

The company's above average financial risk profile is marked by modest net worth base, low gearing and healthy debt protection metrics. The tangible net worth of the company increased to Rs. 44.04 Cr. as on March 31, 2025 from Rs. 36.28 Cr. as on March 31, 2024, mainly on account of retention of profits. Further, the total debt of the Company stood at Rs. 22.87 Crore as on 31st March 2025 against Rs. 24.29 Crore as on 31st March 2024. Total debt of Rs. 22.87 Crores include of Rs. 1.28 Cr. of long-term debt, Rs. 20.27 Cr. of short-term debt, and Rs. 1.32 Cr. of current maturities of long-term debt as on March 31, 2025.

The gearing (debt to equity ratio) remained at the same level i.e. 0.52 times as on March 31, 2025 as compared to 0.67 times as on March 31, 2024. The Total outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 0.90 times as on March 31, 2025 as against 1.02 times as on March 31, 2024. Further, the above average debt protection metrics of the company is marked by Interest Coverage Ratio (ICR) at 8.47 times in FY2025 as against 5.71 times in FY2024 and Debt Service Coverage Ratio (DSCR) at 2.81 times in FY2025 as against 1.90 times in FY2024. Net Cash Accruals/Total Debt (NCA/TD) stood low at 0.39 times as on March 31, 2025 as against 0.24 times as on March 31, 2024. Acuite believes that, going forward, the financial risk profile of the company will remain above average backed by sufficient accruals and in absence of any major debt funded capex plan.

Weaknesses

Working capital intensive operations

The working capital-intensive nature of operations of the company is marked by moderate Gross Current Assets (GCA) days of 161 days as on March 31, 2025, as compared to 158 days as on March 31, 2024. The moderate GCA days are due to increase in the debtor period which stood at 65 days as on March 31, 2025 as compared to 64 days as on 31st March 2024. The debtor days increased in FY2025 due to the shipping crisis as the ships took longer time to reach destination and payments are typically made by customers about 5-10 days before the shipment is just about to reach their country. Moreover, the inventory period increased and stood comfortable at 72 days as on 31st March 2025 against 65 days in the previous year. The inventory days increased as there was subdued demand for the products, and the products were stored with the company for longer time period. Acuite believes that, going forward, the working capital cycle of the company will remain around the similar levels as evident from the

existing collection mechanism and comfortable inventory levels over the medium term.

Customer concentration risk

The company's revenues are highly concentrated to the extent of ~48 per cent coming in from its top five customers. However, the vintage of its client relationships mitigates the concentration risk to a certain extent. The company has a global presence, mainly catering to US and European markets. The US market is expected to continue to be the highest contributing region, going forward, by securing the repeat high-value orders from the same. Acuite believes that going forward the company's revenue will remain concentrated with the top 5 clients over the medium term though the established relationship with clients will help the company mitigate the risk.

Susceptibility of profitability to volatility in raw material prices and forex risk

Fluctuations in raw material prices have led to increased production costs, significantly impacting the company's operating profit margins. Further, being an export-oriented entity, the company remains exposed to adverse changes in foreign currency, as it exports over 90 per cent of its sales to European countries with imports constituting ~ 5-10 per cent of purchases. While the forex risk is mitigated to an extent by natural hedging, the company is also using forward contracts to hedge the ~80 per cent of its exposure. This insulates the company from adverse fluctuations in the forex rates to a great extent.

Rating Sensitivities

- Sustain growth in revenue along with improvement in profitability margins
- Elongation of working capital cycle
- Change in financial risk profile

Liquidity Position

Adequate

The company's liquidity is adequate marked by steady net cash accruals which stood at Rs. 8.99 Cr. in FY2025 as against long term debt repayment of only Rs. 2.15 Cr. during the same period. The cash and bank balances of the company stood at similar level i.e. Rs. 4.93 Cr. as on March 31, 2025 as compared to Rs. 5.16 Cr. as on March 31, 2024. Further, the current ratio improved and stood at 1.62 times as on March 31, 2025, as against 1.43 times as on March 31, 2024. However, the working capital management is intensive in nature marked by Gross Current Assets (GCA) days of 161 days as on March 31, 2025 as compared to 158 days as on March 31, 2024. The fund-based limit utilization stood low at 33.69 percent over the six months ended November, 2025.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	131.05	106.15
PAT	Rs. Cr.	7.76	4.56
PAT Margin	(%)	5.92	4.29
Total Debt/Tangible Net Worth	Times	0.52	0.67
PBDIT/Interest	Times	8.47	5.71

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

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. Acuité'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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
27 Sep 2024	Term Loan	Long Term	0.03	ACUITE BBB Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	4.16	ACUITE BBB Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	0.37	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	1.87	ACUITE BBB Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	1.66	ACUITE BBB Stable (Reaffirmed)
	PC/PCFC	Long Term	38.00	ACUITE BBB Stable (Reaffirmed)
02 Aug 2023	PC/PCFC	Long Term	26.00	ACUITE BBB Stable (Reaffirmed)
	PC/PCFC	Long Term	12.00	ACUITE BBB Stable (Assigned)
	Covid Emergency Line.	Long Term	4.23	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	3.77	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	0.09	ACUITE BBB Stable (Assigned)
08 Aug 2022	PC/PCFC	Long Term	26.00	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	3.11	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	0.08	ACUITE BBB Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	4.81	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
YES BANK LIMITED	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 Dec 2026	0.83	Simple	ACUITE BBB Stable Reaffirmed
YES BANK LIMITED	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	38.00	Simple	ACUITE BBB Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.17	Simple	ACUITE BBB Stable Reaffirmed
YES BANK LIMITED	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	28 Feb 2027	1.09	Simple	ACUITE BBB Stable Reaffirmed

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About Acuité Ratings & Research

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