

Binayak Tex Processors Limited

September 25, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term / Short Term Bank Facilities	-	-	Reaffirmed at CARE BBB; Stable / CARE A3 and Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed and withdrawn the outstanding ratings of 'CARE BBB; Stable/CARE A3' assigned to the bank facilities of Binayak Tex Processors Limited (BTPL) with immediate effect. The above action has been taken at the request of BTPL and 'No Objection Certificate' received from the bank that have extended the facilities rated by CARE.

The reaffirmation in the ratings factors in company's stable operating and financial performance in FY25 and its long track record in the textile processing industry and focus on value-added products. Ratings continue to derive strength from experienced promoters, comfortable gearing levels and debt service coverage indicators, and diversified customer base.

However, ratings continue to be constrained by working capital intensive operations, support extended to related parties, customer and geographical concentration risk, foreign exchange fluctuation risk, and the highly fragmented industry.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CARE Ratings' expectations that it would continue to benefit from the extensive support and experience of its promoters and management.

Detailed description of key rating drivers:

Key strengths

Increase in total operating income (TOI) with moderation in PBILDT margin in FY2025

BTPL's TOI has increased by 5.50% YoY in FY25 majorly due to improved demand in both domestic and export markets. Nevertheless, PBILDT margins declined by 108 bps Y-o-Y to 6.30% in FY25 from 7.38% in FY24. Such moderation was partly attributable to marginal increase of its key raw material prices. Sustained improvement in BTPL's revenue and profitability remain key rating monitorable.

Comfortable capital structure and adequate debt coverage indicators

The company's debt mainly consists of working capital borrowings and term loan. The overall gearing ratio witnessed a marginal improvement from 0.67x as on March 31, 2024, to 0.57x as on March 31, 2025, considering scheduled repayment of term loan availed for the modernisation of its machinery. Its PBILDT interest coverage ratio remained adequate at 2.35x in FY25 compared to that of 3.48x in FY24. The moderation in the same was due to increase in the finance cost during the year. Total debt / PBILDT stood comfortable at 3.90x in FY25 as against 4.00x in FY24.

Established relationship with diversified customer and supplier base

BTPL continues to maintain established relationship with reputed customers with track record of repeat orders. It derived ~50% of its revenue from the top five customers in FY24 (~42% in FY23) with the top customer accounting for ~27% of revenue in FY24 (~20% in FY23). Supplier concentration risk remains low with top five suppliers constituting 22% of total purchases for FY24 (49% in FY23) considering availability of the better pricing from its suppliers. The company's established relations with key export customers provides stable revenue visibility over the near-to-medium term.

Established track record and experienced promoters

BTPL was promoted by brothers, Dilip Pachariwala and Pradeep Pachariwala. The promoters have over three decades of experience in segments/aspects of the textile industry. Pradeep Pachariwala was instrumental in setting up the group's business in African countries, including South Africa, Tanzania, and Namibia and involved in promoting business in new markets. CARE Ratings notes, the company is expected to continue to benefit from the industry relations and experience of its promoters over the coming years.

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

Key weaknesses

Working capital intense nature of operations

The company procures grey cloth and polyester from South India and Maharashtra, the credit terms from the suppliers generally varies from making upfront payments to credit period of ~70 days. BTPL provides open credit of ~120 days to its customers. Also, the company generally maintains an inventory of ~30-45 days. The working capital cycle improved to 73 days in FY25 (PY: 84 days) due to improvement in collection period in FY25. Collection period stood at 97 days in FY25 from 108 days in FY24.

Investments in related parties

BTPL holds ₹7.20 crore worth (Book Value) of shares (43.12% stake) in Valiant Glass Works Pvt. Ltd. and ₹0.17 crore worth (Book Value) of shares (24.38% stake) in Paramount Fine Tex & Industries (I) Pvt Ltd as on March 31, 2025. BTPL has also extended loans to other related parties with outstanding balance of ₹9.84 crore as on March 31, 2025. Any substantial investment or loans given to related parties could put pressure on the company's liquidity.

Foreign exchange fluctuation risk

BTPL receives 41% (PY: 41%) of its overall revenues from exports sales while most of the raw materials are sourced domestically, exposing its revenue and profitability to volatility in foreign exchange rates. However, BTPL hedges a part of its exposure through forward contracts which mitigates the risk to an extent. The forex gain in FY25 stood at ₹1.81 crore (PY: gain of ₹1.40 crore).

Highly fragmented industry and intense competition

BTPL is a dyeing and processing unit which faces stiff competition from integrated and non-integrated players from both domestic and other low cost producing countries. The industry is cluttered with large number of MSME players operating on thin margins hampering the industry. Textile is a cyclical industry and closely follows the macroeconomic business cycles. Raw material and finished goods prices are determined by global demand-supply scenario and are not limited to only domestic factors, and thus are sensitive to any shift in macroeconomic environment globally

Liquidity: Adequate

BTPL's liquidity position is adequate marked by satisfactory levels of expected gross cash accruals of ~₹8-10 crore per annum over the next 2-3 years against debt repayment obligations of ₹4-5 crore p.a. Average unutilised working capital limit was ~23% based on the last 12 months ended September 30, 2024, which indicates an adequate liquidity buffer. The cash flow from operating activities stood positive of ₹15.68 crore in FY25 (vis-à-vis positive of ₹14.67 crore in FY24).

Assumptions/Covenants: Not Applicable

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](#)

[Withdrawal Policy](#)

[Cotton Textile](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Textiles	Textiles & Apparels	Other Textile Products

Incorporated in 1983, BTPL is an export-oriented textile processing house primarily engaged in dyeing and printing/processing of fabrics and linen. The company is promoted by the Pachariwala family, holding 59.10% equity stake in the company. BTPL is also involved in the job work processing. As on March 31, 2024, BTPL had total installed capacity of processing 60 million metres of fabric annually. In the export market, it primarily caters to Africa, Middle East, and Sri Lanka, with Africa being the major export destination in which it operates through agents. The company is listed on the BSE and NSE.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	June 30, 2025 (UA)
Total operating income	209.98	221.53	47.19
PBILDT	15.50	13.96	2.73
PAT	5.56	2.78	0.15
Overall gearing (times)	0.67	0.57	NA
Interest coverage (times)	3.48	2.35	2.38

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

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/ ST-CC/PC/Bill Discounting		-	-	-	0.00	Withdrawn
Fund-based - LT/ ST-Term loan		-	-	June 2029	0.00	Withdrawn

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/ ST-Term loan	LT/ST	-	-	1)CARE BBB; Stable / CARE A3 (25-Sep-25)	1)CARE BBB; Stable / CARE A3 (12-Nov-24)	1)CARE BBB; Stable / CARE A3 (04-Jan-24)	1)CARE BBB; Stable / CARE A3 (05-Jan-23)
2	Fund-based - LT/ ST-CC/PC/Bill Discounting	LT/ST	-	-	1)CARE BBB; Stable / CARE A3 (25-Sep-25)	1)CARE BBB; Stable / CARE A3 (12-Nov-24)	1)CARE BBB; Stable / CARE A3 (04-Jan-24)	1)CARE BBB; Stable / CARE A3 (05-Jan-23)

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/ ST-CC/PC/Bill Discounting	Simple
2	Fund-based - LT/ ST-Term loan	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.

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