Hiten Fasteners Private Limited

August 31, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long Term Bank Facilities	RBI	45.95	CARE BB; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB+; Stable and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	RBI	13.02	CARE A4; ISSUER NOT COOPERATING*	Downgraded from CARE A4+ and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.
*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. (CareEdge Ratings) has been seeking information from Hiten Fasteners Private Limited (HFPL) to carry out surveillance of the rating through e-mail communications and letters dated May 21, 2026, May 28, 2026, June 29, 2026, July 30, 2026, among others, as well as through numerous follow-up phone calls. However, despite repeated requests, the company has not provided the requisite information for monitoring the ratings.

In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the ratings based on the best available information, which, however, in CareEdge Ratings' opinion, is not sufficient to arrive at a fair rating. The rating of HFPL's bank facilities will now be denoted as CARE BB; Stable; ISSUER NOT COOPERATING and CARE A4; ISSUER NOT COOPERATING*.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The revision in the rating assigned to the bank facilities of HFPL factors in the non-availability of requisite financial and operational information, leading to constrained transparency and credit assessment.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers

At the time of the last rating on July 03, 2025, the following were the rating strengths and weaknesses.

Key weaknesses

Moderation in scale of operations and profitability in FY25

The company's Total Operating income showed a decline of Rs.156 crore as against Rs.232 crore projected for FY25 and Rs.186 crore reported during FY24(A), PBILDT margins declined from 11.01% in FY24 to 9.34% in FY25(UA) as compared to a projected PBILDT margin of 13.82%. This apart, with pending government approval for utilizing power generated at the Gadag facility for operations in Maddur, the cost benefit could not be accrued in FY25 as envisaged. This approval, which was expected to reduce power costs significantly, remains incomplete. However, the company has changed its plan to shift its forging unit to Gadag location so as to utilise the excess power. Presently, the surplus power is sold to government department through which HFPL is generating revenue of Rs.1.86 crores.

Moreover, the company reported GCA of Rs.9 crore and a PAT of Rs.1 crore (lowest in last 4 years) as against a projected GCA of GCA of Rs.19 crores and PAT of Rs.12 crores in FY25(P).

Below unity current ratio

Due to better cash flow from operations, the company had funded the capex more from internal accruals, although it had a term debt sanction in place, leading to the company's current ratio less than unity. Although the current ratio has improved compared

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority
[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

to the last year(i.e. from 0.79x as on March 31, 2024 to 0.87x as on March 31, 2025, it remained lower than unity. Nevertheless, with majority of the capex being done, future cash accruals are expected to be utilised towards working capital (WC) purpose and will improve the current ratio gradually. The company had availed 7 crores of mortgaged term loan which was used for windmill and capacity enhancement, done by the company. This loan was availed primarily to reimburse the company for its capex expenses and to improve the current ratio, however it did not happen, and current ratio remained below unity. However, in order to improve current ratio going forward the company has approached the new banks for a mortgaged loan which will be used for reducing working capital borrowings. Hence, the company's ability to increase its current ratio remain critical from credit perspective.

Profitable margins susceptible to volatile steel prices and cyclicality
The fasteners industry is cyclical, as the prospects depends upon infrastructure spend. Moreover, the primary raw material in this industry is steel. The steel prices have been fluctuating in the last years due to the volatility in the global commodity markets. Moreover, due to the competitive nature of the industry, increase in raw material prices is difficult to pass on to the customers.

Key strengths

Experienced promoters and established track record
The company is promoted by B Saikumar, who is the Managing Director, and a BSC graduate. The company is supported by experienced directors having experience in managing and operating a similar line of business. With more than 40 years of experience in the fasteners business, the company has developed established relationship with some of the reputed customers.

Established customer base and supplier relations
The company has continuous addition of new customers and repetitive orders from the existing ones. Vossloh, Siemens, and Vestas are some of the company's prominent customers. While HFPL is exposed to customer concentration risk with 92% of the revenues being generated from these customers, CARE Ratings expects that the association with reputed customers will continue to benefit the company in terms of regular order inflow and the timely collection of receivables.

Moderate financial risk profile
The financial risk profile of the company remained moderate marked by overall gearing ratio of 0.99 times as on March 31, 2025, with moderation in interest coverage of 2.01 times (PY: 3.11 times) and TDGCA of 5.85 times as on March 31, 2025. The tangible networth though improved remain modest at Rs.54 crores as at the end of FY25(UA).

Liquidity: Stretched

The company's liquidity position is stretched, marked by GCA which stood at ₹9.20 crore with repayment obligation of ₹6.19 crore in FY25, high utilisation of limits coupled with continued below unity current ratio. The company has availed 7 crores of mortgaged term loan which was used for windmill and capacity enhancement, done by the company. This loan was availed primarily to reimburse the company for its capex expenses and to improve the current ratio, however it did not happen, and current ratio remained below unity indicating inadequate liquid assets compared to liabilities. During FY25(UA) the company has significantly increased its utilization of CC limits which remained high consistently at 94-97% throughout the year. The average utilisation company also increased to 96% for the last 12 months ended April 2025 from previous year level of 83%., indicating increased reliance on CC limits for managing its working capital gap. The terms of receivables have changed from FY25 (UA), as export customers now make payments only after receiving goods from HFPL due to longer lead time because of red-sea crisis. This operational adjustment have had a cascading effect on HFPL's working capital cycle. Inventory holding periods have increased, resulting in prolonged stock retention. Simultaneously, the delay in customer payments has led to elevated utilization of cash credit (CC) limits to support day-to-day liquidity requirements. Consequently, the company is experiencing a widened working capital gap, which may impact short-term financial agility.

Applicable criteria

Information Adequacy Risk and Issuer Non-Cooperation
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

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Industrial Manufacturing	Industrial Products

Hiten Fasteners Private Limited (HFPL), established in 1983, manufactures high-tensile steel fasteners for use in metro rail tracks and wind turbine foundations, industrial machinery, heavy engineering equipment and automobile industry. HFPL has 3 plants in Karnataka with one each in Bangalore, Maddur and Gadag and one plant at Ludhiana. It has total manufacturing capacity of 18,000 MT per annum. It owns seven windmills of total capacity of 5.00 MW and two solar power plants of total capacity of 0.2 MW for Captive consumption.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	182.51	159.20
PBILDT*	20.09	16.6
Profit after tax (PAT)	4.68	0.91
Overall gearing (x)	1.37	1.19
Interest coverage (x)	3.11	2.26

A: Audited; UA: Unaudited; 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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	RBI	Simple	-		-	-	25.00	CARE BB; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	RBI	Simple	-		-	30-03-2028	20.95	CARE BB; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC	RBI	Simple	-		-	-	13.02	CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

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 2026-2027	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
1	Fund-based - LT-Term Loan	LT	20.95	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (03-Jul-25)	1)CARE BBB-; Stable (05-Aug-24)	1)CARE BBB-; Stable (04-Aug-23)
2	Fund-based - LT-Cash Credit	LT	25.00	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (03-Jul-25)	1)CARE BBB-; Stable (05-Aug-24)	1)CARE BBB-; Stable (04-Aug-23)
3	Non-fund-based - ST-BG/LC	ST	13.02	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4+ (03-Jul-25)	1)CARE A3 (05-Aug-24)	1)CARE A3 (04-Aug-23)

*Issuer did not cooperate; based on best available information.
LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Lender details

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

Annexure-5: List of entities consolidated: Not Applicable

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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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

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