

Brijbasi Hi-Tech Udyog Limited

March 27, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	10.00	CARE B+; Stable	Reaffirmed
Short Term Bank Facilities	8.00	CARE A4	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of the ratings assigned to the bank facilities of Brijbasi Hi-Tech Udyog Limited (BHTUL) continue to be constrained by modest scale of operation with moderate profitability, leveraged capital structure coupled with weak debt coverage indicators and elongated operating cycle. The ratings also continue to remain constrained due to the company's existence in a competitive nature of business and tender driven nature of business. The ratings, however, derive strength from the experienced and resourceful promoters.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in the total operating income (TOI) of the company above Rs.50.00 crore on sustained basis.
- Improvement in operating cycle to below 100 days on sustained basis.

Negative factors

- Decline in scale of operations with TOI below Rs. 15 crore or decline in PBILDT margin below 5.00% on sustained basis.
- Deterioration in capital structure marked by an overall gearing of more than 2.50x on sustained basis.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects that the company will continue to benefit from experience of the directors in the industry.

Detailed description of key rating drivers:

Key weaknesses

Modest scale of operations

The scale of operations of the company moderated and continued to remain small at Rs. 19.61 crore in FY24 (refers to period April 01 to March 31) as compared to Rs. 25.15 crore during FY23 on account of subdued demand from customers and delay in inspection of already executed orders. As of March 31, 2024, BHTUL had approximately Rs 5.00 crores worth of executed orders awaiting inspection. Scale of operations remained modest, which limits the entity's ability to scale up the business significantly. The company majorly supplies fire-fighting vehicles to public and private sector entities, hence, any changes in the procurement policy or government organization's spending on firefighting are likely to affect the revenues of the company. Further, the company has achieved total operating income of Rs. 20.50 crore during 11MFY25 (refers to period April 01 to February 28).

Moderate profitability

BHTUL's operating profitability exhibited a volatile trend with a profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin within the range of -1-9% in the past three years ended FY24. The PBILDT margin of the company improved slightly from 7.47% in FY23 to 8.90% in FY24. The improvement in PBILDT margin is on account of decline in cost of raw material. The PAT margin also increased from 0.96% in FY23 to 2.20% in FY24 due to decline in interest and finance cost. Additionally, the profitability margins of BHTUL are directly associated with the technical aspect of the contract. Further, the profitability varies with the project due to the tender driven nature of the business owing to varying margins in the different projects undertaken by the company.

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

Leveraged capital structure and weak coverage indicators

The debt profile of the company comprised of working capital outstanding of Rs 10.18 crores as on March 31, 2024 and unsecured loan from related parties of Rs. 4.03 crores. Further, tangible net worth was moderate at Rs. 6.24 crore as on March 31, 2024. The capital structure of the company stood leveraged at 2.28x as on the balance sheet date ending March 31, 2024, on account of high debt level of the company against small tangible net worth base. Further owing low gross cash accruals levels, the debt coverage indicators of the company as marked by interest coverage ratio and total debt to gross cash accrual stood weak at 1.36x and 25.83x respectively in FY24 as against 1.14x and 39.63x respectively in FY23.

Elongated operating cycle

The operating cycle of BHTUL increased and remained elongated at 316 days in FY24 as against 243 days in FY23. The deterioration was due to increase in collection period and inventory holding period from 97 days and 208 days respectively during FY23 to 102 days and 260 days respectively during FY24. High inventory days are the result of varied range of fire fighting vehicles offered by BHTUL to meet the customers' demand, which also necessitates maintaining of adequate inventory in form of raw material for smooth running of its production process. BHTUL's high collection period is owing to long clearance process with the government departments with regards to clearance of bills raised to customers. The company procures raw material from traders and manufactures located in overseas and domestic market and enjoys a credit period of 1-2 months resulting in an average creditor period of 46 days in FY24.

Competitive nature of business and tender driven nature of business

BHTUL operates in a competitive market for fire-fighting vehicles marked by the presence of number of players in the unorganized sector and organized sector. The company majorly supplies fire-fighting vehicles to public and private sector entities as well defence sector entities such as the Indian Navy. Orders for the products are awarded through tender-based system. Thus, exposing the company to risks associated with tender-based business, which is characterized by intense competition. The growth of business depends on its ability to successfully bid for the tenders and emerge as the lowest bidder. Furthermore, any changes in the procurement policy or government organization's spending on firefighting are likely to affect the revenues of the company.

Key strengths

Experienced and resourceful promoters

Maresh Chandra Agrawal, Suresh Chandra Agarwal and Rajesh Kumar Agrawal are directors of the company, having more than four decades of experience in manufacturing industry. Company's overall operations are managed by Maresh Chandra Agrawal. Suresh Chandra Agarwal and Rajesh Kumar Agrawal look over supply chain and marketing division.

Liquidity: Stretched

The company has stretched liquidity marked by elongated operating cycle at 316 days as on March 31, 2024, deteriorating from 243 days as on March 31, 2023, on account of high inventory and receivables. The average working capital utilization for trailing twelve months ending February 2025 stood moderate at ~80%. BHTUL's cash and bank balance stood at Rs. 2.06cr as on March 31, 2024. The company earned gross cash accruals of Rs. 0.55 crore in FY24 which are expected to improve to Rs.0.63 Crores in FY25. However, the company does not have any scheduled repayment obligations for FY25. BHTUL's current ratio stood comfortable at 1.74x, however, quick ratio was below unity at 0.67x as on March 31, 2024.

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](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Automobile and Auto Components	Automobiles	Passenger Cars & Utility Vehicles

Mathura-based (Uttar Pradesh) Brijbasi Hi-Tech Udyog Limited (BHTUL) incorporated in 1993 by Mr Mahesh Chandra Agrawal, Mr Suresh Chandra Agrawal and his family members. The company is engaged in the manufacturing and assembling of fire fighting vehicles viz. fire vans, water tenders, water bourses, foam tender, DCP tenders, crash fire tenders. BHTUL is selling its product under its own brand name i.e., "Brijbasi". Hot Rolled (HR), Cold Roll (CR) coil, Aluminium sheet, diesel engine etc. are key raw material for the manufacturing and assembling of fire fighting vehicles. The company procures HR/CR coil from the traders located in the Delhi-NCR. Furthermore, company procures equipment from intermediaries such as IDEX India, MCD (France). The company's operations are mainly order based and orders are acquired through process of tender.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	11MFY25 (UA)
Total operating income	25.15	19.61	20.50
PBILDT	1.88	1.74	-
PAT	0.24	0.43	-
Overall gearing (times)	2.46	2.28	-
Interest coverage (times)	1.14	1.36	-

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: India Ratings have kept the ratings to the bank facilities of Brijbasi Hi-tech Udyog Limited in the 'issuer not-cooperating' category vide their press release dated July 14, 2024, on account of their inability to carryout review in the absence of requisite information from the company.

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	10.00	CARE B+; Stable
Non-fund-based - ST-Bank Guarantee		-	-	-	8.00	CARE A4

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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Cash Credit	LT	10.00	CARE B+; Stable	-	1)CARE B+; Stable (13-Mar-24)	1)CARE B+; Stable (30-Mar-23)	1)CARE B+; Stable (21-Mar-22)
2	Non-fund-based - ST-Bank Guarantee	ST	8.00	CARE A4	-	1)CARE A4 (13-Mar-24)	1)CARE A4 (30-Mar-23)	1)CARE A4 (21-Mar-22)

LT: Long term; ST: 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	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CARE 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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