

Privilege Biksons Boilers Private Limited

December 05, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	15.00	CARE BB+; Stable	Reaffirmed
Short Term Bank Facilities	57.00	CARE A4+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to the bank facilities of Privilege Biksons Boilers Private Limited (PBBPL) continue to remain constrained on account of PBBPL's moderate scale of operations, moderate profit margins with susceptibility of margins to fluctuations in raw material prices, exposure to segment concentration risk and cyclicity in end user industry and presence in a fragmented industry with intense competition.

The ratings, however, continue to derive strength from the promoters' long-standing experience in the boiler fabrication industry, satisfactory debt coverage indicators and adequate liquidity position.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in total operating income (TOI) to more than ₹350 crore along with operating margin of 5% and above on sustained basis.
- Ability of the company to reduce revenue concentration towards sugar sector along with diversifying its customer base.

Negative factors

- Slower than expected execution or lower than envisaged addition to order book significantly impacting TOI and revenue visibility.
- Decline in PBILDT margin by 150 bps from envisaged level on a sustained basis.
- Any un-envisaged debt funded capex leading to deterioration in overall gearing levels to more than 1x on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

Stable outlook indicates that PBBPL will continue to benefit from promoters' extensive experience in the industry.

Detailed description of key rating drivers

Key weaknesses

Moderate scale of operations

PBBPL generated total operating income (TOI) of ₹246.21 crore in FY25 (refers to April 1 to March 31) as against ₹366.40 crore in FY24. The decline was primarily driven by government restrictions on using sugarcane and sugar syrup for ethanol production amid lower sugar output. This led to the temporary halt of several ongoing projects, which resumed once the restriction was lifted.

In response, the company revised its business strategy by diversifying into specialised boilers for the grain-based liquor and renewable energy segments. This diversification supported better capacity utilisation, improved absorption of fixed costs, and contributed to stronger operating margins. PBBPL achieved TOI of ₹121.02 crore in H1FY26 (refers to April 01 to September 30). The scale of operations is expected to improve steadily, supported by an order book of above ₹300 crore as on November 1, 2025.

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

Moderate profit margins with susceptibility of margins to fluctuation in raw material prices

Steel is the key raw material for PBBPL, the prices of which are volatile in nature. In the absence of any price-escalation clauses in the normal course of business, PBBPL's profitability is exposed to the fluctuations in prices of steel and other raw materials. PBILDT margin improved to 6.18% in FY25 compared to 4.21% in FY24, supported by execution of higher margin orders. PAT margin improved in line with PBILDT margin to 5.23% in FY25 compared to 3.56% in FY24.

Exposure to segment concentration risk and cyclicity in end user industry

PBBPL's products find application in various end user industries such as sugar, Food and Beverages, Oil and Gas, however, the revenue profile has remained concentrated to sugar industry. In FY25, approximately 80% of PBBPL's revenue (80% in FY24) was derived from the sugar industry. Further, these end user industries are cyclical in nature and any deferment of capital expenditure by counterparties, slowdown in the end-user sector, or delay in receipt of regulatory clearances by customers could adversely impact PBBPL's business risk profile.

Presence in a fragmented industry with intense competition

The boiler manufacturing industry is highly fragmented and labour intensive with the presence of a large number of medium and small-scale industries, leading to pricing pressure, thus profitability margins come under pressure because of competitive nature of the industry.

Key strengths**Promoters' long-standing experience and expertise in the boiler fabrication industry**

Nitesh Kantrod possesses extensive experience, and he has dedicated over two decades to the boiler and fabrication industry which supports the business risk profile of the company. This extensive tenure has enabled them to develop robust technical expertise in engineering and fabricating various types of boilers.

Satisfactory debt coverage indicators

PBBPL's overall gearing (excluding advances) as on March 31, 2025, stood at 0.24x, improved from 0.48x as on March 31, 2024. Working capital requirements are largely met through interest free mobilization advances. Interest coverage ratio and total debt to GCA for FY25 were satisfactory at 11.43x and 0.84x respectively (FY24: 13.31 and 1.07x). Overall gearing considering customer advances as a part of debt stood at 2.56x (PY: 3.36x) as on March 31, 2025. While there are no large debt funded capital expenditure (capex) plans envisaged, going forward, PBBPL's reliance on bank borrowings in the form of fund-based/ non-fund-based limits is likely to increase commensurate with the growing scale of operations and will be a key rating monitorable.

Liquidity: Adequate

Liquidity is adequate, supported by moderate gross cash accruals and minimal debt repayment obligations in the form of small vehicle loans. PBBPL had cash and bank balance of ₹99.25 crore as on March 31, 2025 (including lien marked Fixed Deposits). Operating cycle was seen satisfactory at 24 days during FY25. Further, the company is able to manage its working capital requirements through mobilization advances and internal accruals and accordingly relies moderately on cash credit. The unutilized credit lines provide extra cushion in meeting its daily working capital requirements.

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
Industrials	Capital Goods	Industrial Products	Other Industrial Products

Established in 2011, Privilege Biksons Boilers Private Limited (PBBPL) holds an ISO 9001:2015 certification for quality management. PBBPL is engaged in manufacturing, installation, erection and commissioning of boilers, as well as supply of boiler components such as piping, heat exchangers, pressure vessels, and feedwater heaters. It also undertakes upgradation of boilers and super heater coils, retubing and repair work. The company is promoted by Nitesh Kantrod who has prior experience in the steam industry as a service provider along with his spouse Deepti Kantrod.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)	H1FY26 (UA)
Total operating income	366.40	246.21	121.02
PBILDT	15.44	15.22	9.43
PAT	13.04	12.87	NA
Overall gearing (times)	0.48	0.24	NA
Interest coverage (times)	13.31	11.43	NA

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-Cash Credit		-	-	-	15.00	CARE BB+; Stable
Non-fund-based-Short Term		-	-	-	24.00	CARE A4+
Non-fund-based-Short Term		-	-	-	33.00	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 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	Non-fund-based-Short Term	ST	33.00	CARE A4+	-	1)CARE A4+ (12-Sep-24)	1)CARE A4+ (25-Aug-23)	-
2	Fund-based - LT-Cash Credit	LT	15.00	CARE BB+; Stable	-	1)CARE BB+; Stable (12-Sep-24)	1)CARE BB+; Stable (25-Aug-23)	-
3	Non-fund-based-Short Term	ST	24.00	CARE A4+	-	1)CARE A4+ (12-Sep-24)	1)CARE A4+ (25-Aug-23)	-

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-Short Term	Simple

Annexure-5: Lender details

To view 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.

Contact us

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