



Press Release
BST INFRATECH LIMITED
April 08, 2025
Rating Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	188.00	ACUITE BBB+ Stable Upgraded	-
Bank Loan Ratings	100.00	-	ACUITE A2 Upgraded
Total Outstanding Quantum (Rs. Cr)	288.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded its long-term rating of ‘**ACUITE BBB+**’ (read as **ACUITE triple B plus**) and the short-term rating of ‘**ACUITE A2**’ (read as **ACUITE A two**) from ‘**ACUITE D**’ (read as **ACUITE Do**) on the Rs.32.79 Cr. bank facilities of BST Infratech Limited. The outlook is ‘**Stable**’.

Acuite has upgraded its long term rating of ‘**ACUITE BBB+**’ (read as **ACUITE triple B plus**) from ‘**ACUITE C**’ (read as **ACUITE C**) and the short-term rating of ‘**ACUITE A2**’ (read as **ACUITE A two**) from ‘**ACUITE A4**’ (read as **ACUITE A four**) on Rs.255.21 Cr. bank facilities of BST Infratech Limited (BSTIL). The outlook is ‘**Stable**’.

Rational for rating upgrade

The rating was downgraded earlier on account of 1 day delay in WCDL in the month of October and November 2024 as reported in Credit bureau Information report (CRIF) as SMA – 0 and delay reported in GECL account as per the written confirmation from the banker. The rating is upgraded since we have received original sanction letter for WCDL sighting it is part of cash credit facility thus 1 day delay cannot be construed as a default as per the default recognition criteria for working capital limits. Further, for GECL loan, we have received written confirmation from the banker as delay was on part of technical issue from the banker side, furthermore, the delay is not reflected in the CRIF report, thus not establishing a default.

Further, the rating draws support from moderation in operating performance albeit improvement in profitability coupled with moderate financial risk profile and adequate liquidity position. However, the rating is constrained by working capital intensive operations, strong competition and cyclical nature of the steel industry.

About the Company

Incorporated in 2007, BST Infratech Limited (BSTIL) is engaged in the manufacturing of mild steel (MS) strips, MS Bars & wire rods, MS/GI Wires, MS & Galvanized Iron (GI) pipes, tubular poles and transmission towers. BSTIL is promoted by Mr. Gopal Kumar Agarwal and Mr. Pradip Kumar Agarwal. The manufacturing unit is located in Asansol (West Bengal) with an installed capacity of 60,000 MTPA for MS strips, 96,000 MTPA for MS/GI pipes, 60,000 MTPA for MS Bars & wire rods, 12,000 MTPA for MS/GI wires, 10,000 MTPA tubular poles and 24,000 MTPA transmission towers, wherein company undertakes EPC contracts.

Unsupported Rating

Not Applicable

Analytical Approach

Key Rating Drivers

Strengths

Long track record of operations and segmental diversification

BST Infratech Limited (BSTIL) has established a long-standing presence of around two decades in the manufacturing industry of iron & steel products. BSTIL is supported by the extensive experience of Mr. Gopal Kumar Agarwal and Mr Pradip Kumar Agarwal. The company has achieved segmental divergence and executes EPC contracts relating to installation and supply of power transmission towers along with the manufacturing business. Acuité believes, that the experienced management and the established presence of the BSTIL will continue to benefit the company going forward.

Locational advantage

BSTIL's unit is located at Raniganj, West Bengal a major steel manufacturing and consuming hub due to its large coal reserves, BIL avails operational advantages from its strategic location. The manufacturing unit is located under a single roof where they have two rolling mills. 1 rolling mill is used for manufacturing of TMT and wire rod, whereas the other rolling mill is used for manufacturing MS Strip and MS Structural steel. BIL's clients are largely located in the state of West Bengal resulting in low transportation cost and timely delivery of products. Proximity to both raw materials sources and customers results in significant freight cost reduction and enhanced sales volume.

Improvement in operating performance

The company has witnessed a revenue growth of around 8.24 percent in FY2024 and has achieved revenues of Rs.1220.30 Cr. in FY2024 as compared to Rs.1127.38 Cr. in FY2023. The increase in operating income is driven by increase in the capacity utilisation of the products with better price realisation along with regular order flow coupled with timely execution. Further in 11M FY25 the company has reported revenue of Rs. 1051 Cr. (Gross level) and expected to close the year with revenue of Rs. 960 Cr. (Net level) for FY25. The profitability witnessed a volatility, wherein the operating margin stood at 3.23 per cent in FY2024 as against 3.18 percent in FY2023 and 4.44 percent in FY2022 on account of rising input cost as prices of intermediate product has increased. Further, the PAT margins improved and stood at 0.62 percent in FY2024 as against 0.56 percent in FY2023 and 0.52 percent in FY2022. Further, in 11 M FY25 the operating margin of the company stood at 4.62 per cent and PAT margin at 1.15 percent. Acuite believes, the operating performance of BSTIL would remain steady owing to stable revenues with comfortable profitability.

Moderate financial risk profile

The company's financial risk profile remained moderate marked by moderate net worth, moderate gearing and modest debt protection metrics. The tangible net worth of the company improved and stood at Rs.116.94 Cr. as on March 31, 2024 as against Rs.108.01 Cr. as on March 31, 2023 due to accretion to reserves. Acuité has treated unsecured loans of Rs.25.36 Cr. in FY2024 as a part of net worth as the management has undertaken to maintain this amount in the business over the medium term. Gearing of the company stood moderate at 1.99 times as on March 31, 2024 as against 1.80 times as on March 31, 2023. The Total outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 2.94 times as on March 31, 2024 as against 3.02 times as on March 31, 2023. The modest debt protection metrics of the company is marked by Interest Coverage Ratio at 1.64 times as on March 31, 2024 and Debt Service Coverage Ratio at 1.64 times as on March 31, 2024 as against 1.73 times and 1.22 times as on March 31, 2023 respectively. Net Cash Accruals/Total Debt (NCA/TD) stood low at 0.07 times as on March 31, 2024 and 0.06 times FY2023. Acuité believes that going forward the financial risk profile of the company will further improve on the back of absence of major debt funded capex plans.

Weaknesses

Working capital intensive nature of operations

The operations of the company remained working capital intensive marked by modest but improving Gross Current Assets (GCA) of 120 days as on March 31, 2024. The inventory holding stood at 76 days as on 31st March, 2024 as compared to 79 days as on 31st March, 2023. Further, the debtor period stood comfortable at 34 days as on March 31, 2024 as compared to 34 days as on 31st March 2023. Also, the creditor period stood at 29 days in FY2024 as against 37 days in FY2023. The bank limit utilization for fund based limits stood high at ~95 per cent and for non-fund based facilities it stood low at ~33 per cent for six months ending February 2025. Acuité believes that the working capital operations of the company would remain working capital intensive due to its nature of business.

Cyclical nature of the industry

The company's performance remains vulnerable to cyclicalities in the steel sector as demand for steel depends on the performance of the end user segments such as construction and real estate. Indian steel sector is highly competitive due to the presence of a large number of players. The operating margin of the company is exposed to fluctuations in the prices of intermediate goods as well as realization from finished goods.

Rating Sensitivities

- Sustain improvement in revenue while improving profitability
- Elongation in the working capital cycle leading to stretched liquidity
- Deterioration in the financial risk profile

Liquidity Position Adequate

The company's liquidity position is adequate marked by adequate net cash accruals against its maturing debt obligations. The company has net cash accruals in the range of Rs.9-15 Cr. from FY 2022- 2024 against its maturing debt obligations in the range of Rs.6-13 Cr. in the same tenure. In addition, it is expected to generate a sufficient cash accrual in the range of Rs.17-19 Cr. against the maturing repayment obligations of around Rs.8-10 Cr. over the medium term. The company maintains unencumbered cash and bank balances of ~Rs.1.70 Cr. as on March 31, 2024. The current ratio stands at 1.27 times as on March 31, 2024 as against 1.29 times as on March 31, 2023. The bank limit utilization for fund based limits stood high at ~95 per cent and for non-fund based facilities it stood low at ~33 per cent for six months ending February 2025.

Acuité believes that going forward the company will maintain adequate liquidity position due to the gradually improving accruals.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	1220.30	1127.38
PAT	Rs. Cr.	7.63	6.28
PAT Margin	(%)	0.62	0.56
Total Debt/Tangible Net Worth	Times	1.99	1.80
PBDIT/Interest	Times	1.64	1.73

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

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

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>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.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, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite'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
23 Dec 2024	Bank Guarantee/Letter of Guarantee	Short Term	30.00	ACUITE A4 (Downgraded from ACUITE A2)
	Bank Guarantee/Letter of Guarantee	Short Term	40.00	ACUITE A4 (Downgraded from ACUITE A2)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A4 (Downgraded from ACUITE A2)
	Term Loan	Long Term	1.13	ACUITE C (Downgraded from ACUITE BBB+ Stable)
	Cash Credit	Long Term	70.00	ACUITE C (Downgraded from ACUITE BBB+ Stable)
	Term Loan	Long Term	3.67	ACUITE C (Downgraded from ACUITE BBB+ Stable)
	Term Loan	Long Term	3.42	ACUITE C (Downgraded from ACUITE BBB+ Stable)
	Cash Credit	Long Term	24.00	ACUITE C (Downgraded from ACUITE BBB+ Stable)
	Cash Credit	Long Term	4.00	ACUITE C (Downgraded from ACUITE BBB+ Stable)
	Working Capital Demand Loan (WCDL)	Long Term	6.00	ACUITE C (Downgraded from ACUITE BBB+ Stable)
	Working Capital Demand Loan (WCDL)	Long Term	36.00	ACUITE C (Downgraded from ACUITE BBB+ Stable)
	Term Loan	Long Term	1.77	ACUITE C (Downgraded from ACUITE BBB+ Stable)
	Term Loan	Long Term	15.00	ACUITE C (Downgraded from ACUITE BBB+ Stable)
	Proposed Long Term Bank Facility	Long Term	6.80	ACUITE C (Downgraded from ACUITE BBB+ Stable)
	Working Capital Term Loan	Long Term	1.30	ACUITE C (Downgraded from ACUITE BBB+ Stable)
	Working Capital Term Loan	Long Term	2.12	ACUITE C (Downgraded from ACUITE BBB+ Stable)
	Term Loan	Long Term	2.79	ACUITE D (Downgraded from ACUITE BBB+ Stable)
	Bank Guarantee (BLR)	Short Term	20.00	ACUITE D (Downgraded from ACUITE A2)
	Working Capital Demand Loan (WCDL)	Long Term	6.00	ACUITE D (Downgraded from ACUITE BBB+ Stable)
	Cash Credit	Long Term	4.00	ACUITE D (Downgraded from ACUITE BBB+ Stable)
	Bank Guarantee (BLR)	Short Term	20.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	30.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	40.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A2 (Reaffirmed)
	Term Loan	Long Term	3.67	ACUITE BBB+ Stable (Assigned)
	Term Loan	Long Term	15.00	ACUITE BBB+ Stable (Assigned)
	Cash Credit	Long Term	4.00	ACUITE BBB+ Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	6.00	ACUITE BBB+ Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	36.00	ACUITE BBB+ Stable (Reaffirmed)

31 May 2024	Working Capital Demand Loan (WCDL)	Long Term	6.00	ACUITE BBB+ Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	1.30	ACUITE BBB+ Stable (Assigned)
	Working Capital Term Loan	Long Term	2.12	ACUITE BBB+ Stable (Assigned)
	Term Loan	Long Term	2.79	ACUITE BBB+ Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	6.80	ACUITE BBB+ Stable (Assigned)
	Term Loan	Long Term	3.42	ACUITE BBB+ Stable (Assigned)
	Cash Credit	Long Term	24.00	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	70.00	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	4.00	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	1.77	ACUITE BBB+ Stable (Assigned)
	Term Loan	Long Term	1.13	ACUITE BBB+ Stable (Assigned)
03 Mar 2023	Bank Guarantee (BLR)	Short Term	20.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	21.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	9.00	ACUITE A2 (Assigned)
	Bank Guarantee/Letter of Guarantee	Short Term	14.50	ACUITE A2 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	25.50	ACUITE A2 (Assigned)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A2 (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	6.00	ACUITE BBB+ Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	36.00	ACUITE BBB+ Stable (Assigned)
	Cash Credit	Long Term	10.00	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	23.00	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE BBB+ Stable (Assigned)
	Cash Credit	Long Term	37.00	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	33.00	ACUITE BBB+ Stable (Assigned)
	Cash Credit	Long Term	4.00	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
Punjab National Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A2 Upgraded (from ACUITE D)
Bandhan Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A2 Upgraded (from ACUITE A4)
UCO Bank	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE A2 Upgraded (from ACUITE A4)
Indian Bank	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE A2 Upgraded (from ACUITE A4)
Indian Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	24.00	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE C)
UCO Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	70.00	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE C)
Bandhan Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.00	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE C)
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.00	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE D)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.80	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE C)
UCO Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	28 Feb 2026	3.67	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE C)
UCO Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 May 2028	3.42	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE C)
Punjab National Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Nov 2027	2.79	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE D)
Bandhan Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 Dec 2027	1.77	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE C)
Bandhan Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	05 Sep 2028	1.13	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE C)
Union Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	18 May 2028	15.00	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE C)
Bandhan Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE C)
Indian Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	36.00	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE C)
Punjab National Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE D)
Indian Bank	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2025	1.30	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE C)

Indian Bank	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Dec 2027	2.12	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE C)
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Contacts

Mohit Jain Senior Vice President-Rating Operations	Contact details exclusively for investors and lenders
Anuja Bele Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

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