**Rating Rationale**

**12 Aug 2026**

**Eastern METEC Pvt.Ltd.**

**Brickwork Ratings withdraws and assigns the long-term rating of BWR BB+/Stable and the short-term rating of BWR A4+ to the Bank Loan Facilities of Rs. 97.00 Crs. of Eastern METEC Private Limited.**

**Particulars:**

| Instruments / Facilities** | Amount (Rs. Crs.) | | Tenure | Rating* | | Regulator |
|---|---|---|---|---|---|---|
| | Previous | Present | | Previous 12 May 2025 | Present | |
| **Fund based** | 3.60 (3.60) | **00.00** | Long Term | BWR C Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed | **Withdrawal** | RBI |
| | 0.00 | **15.00** | Long Term | - | **BWR BB+ /Stable Assignment** | RBI |
| **Non Fund Based** | 30.00 | **00.00** | Short Term | BWR A4 Continues to be in ISSUER NOT COOPERATING* category/ Reaffirmed | **Withdrawal** | RBI |
| | 0.00 | **82.00** | Short Term | 00.00 | **BWR A4+ Assignment** | RBI |
| **Total** | 33.60 | **97.00** | **(Rupees Ninety-seven Crores Only)** | | | |

**Note:**

1. Please refer to BWR website www.brickworkratings.com for the definition of the ratings
2. Refer to Annexures I, II, and III for details of rated bank loan facilities, debt instruments, and the List of Entities Consolidated

## RATING ACTION / OUTLOOK

Brickwork Ratings withdraws and assigns the long-term and short-term ratings of BWR BB+/Stable and BWR A4+ for the Bank Loan Facilities of Rs. 97.00 Crs. of Eastern Metec Private Limited.

The rating derives comfort from the promoters' extensive experience and continued support, along with the company's established track record in the EPC segment and healthy order book, which provides revenue visibility. However, the rating remains constrained by the execution risks inherent in EPC projects, working capital-intensive operations, stretched receivables, and exposure to delays in project execution and timely receipt of payments from customers. Going forward, the company's ability to execute its order book in a timely manner, improve profitability, strengthen liquidity, and maintain a comfortable capital structure will remain key rating sensitivities.

*The rating outlook has been assigned as "Stable" as BWR believes that Eastern Metec Private Limited's business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenue and profitability margins show sustained improvement. The rating outlook may be revised to 'Negative' if the financial risk profile deteriorates.*

**KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED**

*The terms of sanction include standard covenants normally stipulated for such facilities.*

**KEY RATING DRIVERS**

**Credit Strengths-:**

- **Technical expertise and extensive experience of the promoters:**
  The company is led by an experienced management team headed by its promoter-director, Mr. Pradip Majumder, who is an engineer with over four decades of experience in the steel plant engineering and industrial equipment sector. His extensive industry expertise has been instrumental in establishing and expanding the company's operations. Ms. Bukiya Majumder, Director, holds a B.E. in Electronics & Telecommunications and an MBA, and is actively involved in the company's strategic and operational management. They are supported by a team of qualified and experienced professionals across engineering, project execution, finance, and operations, ensuring efficient execution of projects and smooth business operations.

- **Healthy order book providing medium-term revenue visibility:**
  Eastern METEC Private Limited has a healthy order book of over Rs. 370.49 crore, providing strong revenue visibility over the next 24-35 months. The order book is well diversified across government departments, public sector undertakings (PSUs), and reputed private sector clients. Timely execution of the existing order book and continued order inflows are expected to support the company's revenue growth and profitability over the medium term.

- **Comfortable financial risk profile:**
  The company's capital structure remains moderate, supported by relatively low reliance on external borrowings, as reflected in a gearing of 0.66x as on FY26 (Prov). The long-term debt primarily comprises home loans and vehicle loans, with no major term loans for business operations. Debt protection metrics remained adequate, with an Interest Coverage Ratio (ICR) of 3.51 times and Net Cash Accruals to Total Debt (NCA/TD) ratio of 0.23 times in FY26 (Prov). With the expected improvement in operating performance and cash accruals, the company's financial risk profile is expected to remain comfortable over the medium term.

**Credit Risks-:**

- **Decline in scale of operation:**
  The company's revenue from operations declined by 12.5% to Rs. 171.76 crore in FY26 (Prov.) from Rs. 200.33 crore in FY 25(A), primarily due to lower order execution during the year, delay in execution of ongoing projects, and slower order inflows from key customers. The ability of the company to improve its scale of operations through timely execution of its existing order book and securing fresh orders will remain a key monitorable.

- **Elongated Working Capital Cycle:**
  The company's working capital cycle remains elongated, primarily due to higher receivable days from government departments and PSU customers, where payment realization is generally delayed. As of FY26 (Prov.), debtor days stood at 100 days against payable days of 48 days, resulting in a working capital cycle of 52 days. Timely collection of receivables remains critical for efficient working capital management.

- **Susceptibility to tender-based operations amid competition:**
  Eastern METEC Private Limited derives orders from government departments, PSUs, and private sector clients across various states, along with export orders from Italy, Oman, and Bhutan. The company's revenue and profitability are dependent on timely order inflows and execution amid intense industry competition. However, the risk is mitigated by its diversified customer base, healthy order book, and established presence in the steel plant engineering sector.

**ANALYTICAL APPROACH AND APPLICABLE RATING CRITERIA**

*BWR has considered the standalone performance of Easterb Metec Pvt. Ltd. BWR has applied its rating methodology as detailed in the Rating Criteria (hyperlinks provided at the end of this rationale).*

**RATING SENSITIVITIES**

Going forward, the company's ability to improve its revenue profile and strengthen its financial risk profile will remain the key rating sensitivities.

**Positive:**

- Improvement in the scale of operations to around Rs. 220 crore, along with sustained improvement in profitability.
- Maintenance of the current ratio at 1.70x or above on a sustained basis.
- Maintenance of debt protection metrics (ISCR and DSCR) at or above the present levels.
- Maintain Tangible Net Worth at the current level or higher, while ensuring the Total Debt/TNW ratio remains at or below the existing level.

**Negative:**

- Decline in sales by 10% from the current level.
- Deterioration in the TOL/TNW ratio to below 2.0x on a sustained basis.
- Deterioration in coverage ratios leading to ISCR below 2 times & DSCR to fall below 1.3 times.
- Leading to an increase in Total Debt/ TNW above 1.2 times.

**LIQUIDITY INDICATORS – Adequate**

The company's liquidity position is adequate, supported by sufficient cash accruals against its debt repayment obligations, a moderate cash balance of Rs. 29.70 crore, and comfortable working capital management. The working capital limits remained moderately utilized at around 80.36% during the last 12 months, while the current ratio stood at a comfortable 1.77 times as of FY26 (Prov).

The company reported net cash accruals of Rs. 5.29 crore in FY26 (Prov), which were adequate to meet its debt repayment obligations. The accruals are projected to improve to Rs. 8.09 crore in FY27. Debt protection metrics remained comfortable, with an ISCR of 5.33 times in FY26 (Prov).

## COMPANY's PROFILE

| Macro Economic Indicator | Sector | Industry | Basic Industry |
|---|---|---|---|
| Industrials | Capital Goods | Industrial Manufacturing | Industrial Products |

Eastern METEC Private Limited (EMPL) was incorporated in January 2006 by Mr. Pradip Majumder and is registered at Harish Mukherjee Road, Kolkata, West Bengal. The company specializes in executing complete turnkey projects for the steel manufacturing industry, covering engineering, manufacturing, erection, commissioning, and after-sales services.

EMPL provides solutions across various stages of the steel production process. Its project portfolio includes Electric Arc Furnaces (EAF), Electro Slag Remelting (ESR) Arc Furnaces, Ladle Refining Furnaces (LRF), Smelting Furnaces, Induction Heating Furnaces, Heat Treatment Furnaces, and Vacuum Induction Melting Furnaces.

### ESG Profile

**Environmental:** The company contributes to environmental sustainability through the construction of irrigation systems, canals, and tanks, which are vital for efficient water management and groundwater recharge. Its projects help mitigate the impact of droughts and promote sustainable agricultural practices across West Bengal. During execution, the company adheres to state-level environmental regulations regarding site management and resource conservation.

**Social:** Eastern Metec plays a significant role in rural development by providing infrastructure that secures the livelihoods of farming communities. The company supports local employment by hiring labor for project sites and maintains essential safety and welfare standards for its workforce. Its activities foster regional economic growth and improve water accessibility in underserved areas.

**Governance:** The company is closely held and promoter-managed, with experienced promoters providing strategic direction and oversight. The capital structure remains disciplined, supported by interest-free promoter funding. The company maintains financial transparency through regular financial reporting and compliance practices. Going forward, strengthening independent oversight, formalising governance processes, and maintaining robust internal controls will remain key focus areas.

## KEY FINANCIAL INDICATORS

| Key Financial Indicators | Units | FY 23 - 24 (Audited) | FY 24 - 25 (Audited) | FY 25 - 26 (Provisional) |
|---|---|---|---|---|
| Operating Revenue | Rs.Crs | 71.83 | 200.33 | 170.00 |
| EBITDA | Rs.Crs | 2.82 | 7.23 | 7.14 |
| Tangible Net Worth | Rs.Crs | 20.33 | 7.23 | 7.14 |
| Total Debt / Tangible Net Worth | Times | 0.53 | 0.60 | 0.76 |
| Current Ratio | Times | 1.53 | 1.39 | 1.77 |

## NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY

| Credit Rating Agency | Status and Reason for Non-Cooperation | Date of Press Release |
|---|---|---|
| CRISIL | CRISIL ratings have reaffirmed the long term & Short term ratings at CRISIL B+/Stable/A4 and continued the ratings in ISSUER NOT COOPERATING* category, published on July 21, 2025 | July 21, 2025 |

## ANY OTHER INFORMATION

NA

## RATING HISTORY FOR THE PREVIOUS THREE YEARS

| Facilities | | Current Rating (2026) | | 2025 | | 2024 | | 2023 | |
|---|---|---|---|---|---|---|---|---|---|
| **Type** | **Tenure** | **Amount (Rs.Crs.)** | **Rating** | **Date** | **Rating** | **Date** | **Rating** | **Date** | **Rating** |
| Fund Based | LT | 15.00 | BWR BB+/ Stable/Assignment | 12May 2025 | BWR C (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed) | 14May 2024 | BWR C (Continues to be in ISSUER NOT COOPERATING* category/Downgraded) | 14Mar 2023 | BWR B- Stable (ISSUER NOT COOPERATING*/Downgraded) |
| FB Sub Limit | LT | (6.60) | BWR BB+/ Stable/Assignment | 12May 2025 | BWR C (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed) | 14May 2024 | BWR C (Continues to be in ISSUER NOT COOPERATING* category/Downgraded) | 14Mar 2023 | BWR B- Stable (ISSUER NOT COOPERATING*/Downgraded) |
| Non Fund Based | ST | 82.00 | BWR A4+/ Assignment | 12May 2025 | BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed) | 14May 2024 | BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed) | 14Mar 2023 | BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed) |
| NFB Sub Limit | ST | (20.00) | BWR A4+/ Assignment | 12May 2025 | BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed) | 14May 2024 | BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed) | 14Mar 2023 | BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed) |
| **Grand Total** | | **97.00** | **(Rupees Ninety-seven Crores Only)** | | | | | | |

### Hyperlink/Reference to applicable Criteria

- General Criteria
- Approach to financial ratios
- Short Term Debt
- Engineering Procurement and Construction
- BWR Withdrawal Policy

| Analytical Contacts | |
|---|---|
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*Eastern METEC Pvt. Ltd*

**ANNEXURE I**

**Details of Bank Loan Facilities rated by BWR**

| Sl.No | Name of the Bank | Facilities Names | | Long Term (Rs.Crs.) | Short Term (Rs.Crs.) | Total (In Rs.Crs) | Complexity Level |
|---|---|---|---|---|---|---|---|
| 1 | ICICI Bank | Fund Based | Cash Credit – Sanctioned | 4.50 | | 4.50 | Simple# |
| | | Non-fund based | Bank Guarantee – Sanctioned | | 25.50 | 25.50 | Simple# |
| | | | Letter of Credit – Sanctioned | | 16.00 | 16.00 | Simple# |
| 2 | Axis Bank | Fund Based | Cash Credit – Sanctioned | 6.00 | | 6.00 | Simple# |
| | | Non-fund based | Bank Guarantee – Sanctioned | | 30.00 | 30.00 | Simple# |
| 3 | SBI Bank | Fund Based | Cash Credit – Proposed | 4.50 | | 4.50 | Simple# |
| | | Non-fund based | Bank Guarantee – Proposed | | 10.50 | 10.50 | Simple# |
| | **Total** | | | **15.00** | **82.00** | **97.00** | |
| **(Rupees Ninety-seven Crores Only)** | | | | | | | |

**## BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com / download / ComplexityLevels.pdf. Investors' queries can be sent to info@brickworkratings.com**

## ANNEXURE II

## INSTRUMENT DETAILS

| Instrument | Issue Date | Amount [Rs.Crs.] | Coupon Rate | Maturity Date | ISIN Particulars | Complexity of the instrument |
|---|---|---|---|---|---|---|
| NA | NA | NA | NA | NA | NA | NA |

## ANNEXURE III
## List of entities consolidated

| Name of Entity | % ownership | Extent of consolidation | Rationale for consolidation |
|---|---|---|---|
| NA | NA | NA | NA |

**Annexure IV : List of instruments and names of regulators of the instruments**

| A. | Rating activities | |
|---|---|---|
| Sr. No. | Instrument / activity Name | Regulator of the instruments |
| 1 | Listed/Proposed to be listed bonds/debentures/preference share (all securities) | SEBI |
| 2 | Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities) | MCA |
| 3 | Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $ | RBI |
| 4 | Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)* | SEBI |
| 5 | Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)* | RBI |
| 6 | Listed Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| 7 | Unlisted Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| 8 | Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^ | RBI |
| 9 | External Commercial Borrowings and other similar borrowings | RBI |
| 10 | Certificates of Deposit | RBI |
| 11 | Fixed Deposits raised by NBFCs,HFCs, FIs | RBI |
| 12 | Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs | MCA |
| 13 | Inter Corporate Deposits/Loans extended by Corporates | MCA |
| 14 | Borrowing programme ~ | - |
| 15 | Issuer Ratings # | - |

| | | |
|---|---|---|
| 16 | Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs) | SEBI |
| 17 | Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs | SEBI |
| 18 | Listed Security Receipts $ | RBI |
| 19 | Unlisted Security Receipts | RBI |
| 20 | Independent Credit Evaluation (ICE) | RBI |
| 21 | Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities)) | SEBI |
| 22 | Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)) | MCA |
| 23 | Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) * | Investor-side regulator such as IRDAI, PFRDA @ |

* Includes securitisation transactions involving assignee payout, acquirer's payout.
~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Brickwork Ratings India Private Limited shall separately capture the rated quantum details along with names of respective regulators.
^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.
@ These ratings were assigned during the regulatory regime prior to the introduction of the SEBI CRA Circular dated Feb 10, 2026, and the investor side regulators have accordingly been included.
$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.
Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

| B | Other Activities | Regulator of the Instruments |
|---|---|---|
| 1 | Monitoring Agencies | SEBI |
| 2 | Research activities incidental to rating such as research for Economy, Industries and Companies * | NA |

*permitted by SEBI vide SEBI Master Circular for CRAs

**Grievance Management:** For any grievances relating to rating of instruments regulated by SEBI, please contact **sebigrievance@brickworkratings.com**. Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available
**For any grievances relating to rating of instruments regulated by other FSR** (Financial Sector Regulators), please contact **grievance@brickworkratings.com**.

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Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI]. BWR is the 5th agency to get a credit rating registration in India in 2009 and its corporate office in Bengaluru. It has a country-wide presence with representatives in 150+ locations. Canara Bank is Brickwork's strategic partner.

Brickwork offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has also rated NGOs, Educational Institutions, Hospitals, Urban Local Bodies and Municipal Corporations.

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