Rating Rationale

28 August 2026

FGM Pvt. Ltd.

Brickwork Ratings assigns the long-term and short-term ratings of "BWR BBB-/Stable/BWR A3", for the bank loan facilities of Rs. 45.50 Cr. BWR withdraws the rating for the bank loan facility of Rs. 22.00 Cr. of FGM Pvt. Ltd.

Particulars:

Instruments / Facilities**	Amount Rs Cr.		Tenure	Rating		Regulator
	Previous	Present		Previous (23-June-2026)	Present	
Fund Based	0.00	**2.50**	Long-Term	-	**BWR BBB-/Stable/ Assignment**	RBI
	0.00	**15.00**				
	7.00	**0.00**		BWR D Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	**Withdrawal**	RBI
Non-Fund Based	15.00	**0.00**	Long - Term	BWR D Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	**Withdrawal**	RBI
	0.00	**28.00**	Short - Term	-	**BWR A3 (Assignment)**	RBI
Grand Total	22.00	**45.50**	**Rupees Forty Five Crores and Fifty Lakhs Only**			

*Please refer to BWR website **www.brickworkratings.com/** for definition of the ratings
** Details of Bank Loan facilities are provided in Annexure-I

RATING ACTION / WITHDRAWAL
The company was previously rated by BWR for the Bank loan facilities of Rs. 22.00 Cr. on 23 June 2026 by reaffirming the long-term and short-term ratings at "BWR D" with continuation of ratings under the "Issuer Not Cooperating" category. These facilities have been closed and the same was confirmed by their banker via email, which is held on record. Hence, in accordance with extant regulatory guidelines and as per BWR Rating Withdrawal Policy, the rating of the said instruments has been withdrawn with immediate effect.

RATING ACTION / OUTLOOK
Brickwork Ratings has assigned the long-term and short-term ratings of "BWR BBB-/Stable/BWR A3" for the bank loan facilities of Rs. 45.50 Cr.

The Rating has factored, inter alia, Extensive Experience Of Promoters With Long-Standing Market Presence Of The Company, Reputed Clientele, Comfortable Debt Protection Metrics, Growth In Scale Of Operations And Revenue Visibility. The Rating Is Constrained by Customer Concentration and Competition In The Market.

Going forward, the ability of the company to improve its scale of operations, profitability and improved liquidity profile will remain the key rating sensitivities.

The rating outlook has been assigned as "Stable" as BWR believes that FGM Pvt. Ltd., 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 goes down.

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED
The terms of sanction of the rated facilities include standard covenants normally stipulated for such facilities. The bankers have stipulated certain special covenants as listed below:

HDFC Bank:

- Tangible Networth to be maintained at Rs 65 Crs
- DE Should not exceed 1.50 times
- DSCR should not exceed 1.25 times
- DEBT to EBITDA to be maintained than 3 times
- Company is required to maintain a top line revenue of Rs 320 Crs

KEY RATING DRIVERS

Credit Strengths-:

- **Extensive experience of promoters with Long-Stance Market Presence of the company**: The company is managed by an experienced and qualified management team, who has decades of experience in the commercial services industry. Extensive experience, coupled with a professional management setup and long-standing market presence has also helped the company in building a strong supplier/customer base.
- **Reputed Clientele**: FGM secures multi-year Operations and Maintenance (O&M) contracts and Annual Repair Contracts (ARC) with top tier client conglomerates like Vedanta, Adani, and SAIL, providing stable revenue visibility and insulating operations from short-term market shifts.
- **Diversification Across Services and Geographies**: To lessen reliance on a single sector or location, the company spans six different service areas including O&M, contract mining, civil construction, material handling, municipal waste, and industrial waste management across nine Indian states.
- **Robust gearing/leverage Profile**: The company has demonstrated a year-on-year (Y-o-Y) improvement in its net worth, which stood at Rs. 68.84. at the end of FY2026 (P). Gearing levels remained low, as reflected by a Total Debt/TNW of 0.86x in FY2025 and 0.72x in FY2026 (P), indicating a healthy leverage profile.

Credit Risks-:

- **Client and Concentration Risks:** FGM Private Limited exhibits significant client concentration risk, as a substantial portion of its business depends on a small group of anchor industrial clients, most notably Hindustan Zinc Limited (HZL/Vedanta), Adani Metals, Steel Authority of India Limited (SAIL), and Jindal Steel & Power (JSPL). The non-renewal, cancellation, or loss of agreements with any key client, particularly HZL or Adani Metals where the company derives its major revenue, would materially impact its operational capacities.

- **Highly Fragmented and Low Entry Barriers:** The O&M industry features a wide spectrum of players, ranging from large, organized engineering/industrial groups down to unorganized regional service vendors and local manpower contractors. Basic plant maintenance, general housekeeping, and civil upkeep require minimal specialized capital, making entry easy for local vendors. This drives price-based bidding and compresses profit margins on standard contracts.

ANALYTICAL APPROACH - Standalone
For arriving at these ratings, BWR has considered the standalone performance of FGM Pvt. Ltd. BWR has applied its rating methodology.

RATING SENSITIVITIES
The company's ability to improve its scale of operations, liquidity profile, maintain efficient working capital management, and satisfactory gearing levels will remain the key rating sensitivities.

Upward:
- Company achieving revenue of more than Rs. 400.00 Cr., while maintaining operating profit margin above 10% and net profit margin above 4%.
- Total Debt/TNW below 0.75x or TOL/TNW to be maintained at 1.30x.
- Current ratio above 1.40x.

Downward:
- Revenue from operations going below 10% as reported in the actuals of previous years financials and operating margin going below 7.5% .
- DSCR below 1.15x and ISCR below 2.00x.
- Current ratio diminishing to less than 1.20x.

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LIQUIDITY INDICATORS - Adequate
The company has adequately covered its interest and CPLTD obligations with sufficient EBITDA and Internal Cash Accruals in the recent years. It has also maintained a comfortable level of debt protection metrics, with an ISCR of 6.58 times and a DSCR of 1.21 times in FY2026 (P). The current ratio stood at 1.38 times in FY2026 (P). As per the projected financials, the company is expected to report an EBITDA of Rs. 38.03 Crs. in FY2027 and Rs. 46.73 Crs. in FY2028 against the interest expenses of Rs. 4.59 Cr. in FY2027 and Rs. 4.77 Cr. in FY2028. Net cash accruals are expected to be of Rs. 27.57 Cr. in FY2027 and Rs. 34.04 Cr. in FY2028 which would be sufficient enough to cover the CPLTD obligations of Rs.19.72 Cr. in FY2027 and Rs. 23.34 Cr. in FY2028. The average utilization of working capital limits remains below 85% and the unutilized portion of working capital limit will serve as an additional buffer and help to cover up short-term cash flow mismatches. Considering all these factors, the company's liquidity position is assessed as "Adequate".

ABOUT THE ENTITY:
FGM Private Limited was founded in 2004 as part of the Sethi Group, a enterprise with roots tracing back to 1980. Operating from its headquarters in Gurgaon, Haryana, the company provides end-to-end solutions to its industrial partners with a presence spanning nine Indian states.

Macro Economic Indicator	Sector	Industry	Basic Industry
Industrials	Services	Commercial Services & Supplies	Diversified Commercial Services

ESG Profile: NA

KEY FINANCIAL INDICATORS

Key Parameters	Units	FY 23 - 24 (Audited - Annual)	FY 24 - 25 (Audited - Annual)	FY 25 - 26 (Provisional - Annual)
Operating Revenue	Rs.Crs.	226.74	262.68	295.92
EBITDA	Rs.Crs.	25.08	26.99	29.21
PAT	Rs.Crs.	1.95	7.85	10.89
Tangible Net Worth	Rs.Crs.	50.10	57.95	68.84
Total Debt / Tangible Net Worth	Times	1.01	0.86	0.72
Current Ratio	Times	1.37	1.38	1.38

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY:

Not Applicable

ANY OTHER INFORMATION:

NONE

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

Facilities	Current Rating			2026		2025		2024	
Type	Tenure	Amount (Rs.Crs.)	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based	LT	0.00	Withdrawn	23 June 2026	BWR D (Continues to be in ISSUER NOT COOPERATING* category/ Reaffirmed)	16 May 2025	BWR D (Continues to be in ISSUER NOT COOPERATING* category/ Reaffirmed)	22 May 2024	BWR D (Continues to be in ISSUER NOT COOPERATING* category/ Downgraded)
Fund Based	LT	17.50	BWR BBB-/Stable/ Assignment	-	-	-	-	-	-
Non-Fund Based	LT	0.00	Withdrawn	23 June 2026	BWR D (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)	16 May 2025	BWR D (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)	22 May 2024	BWR D (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)
Non-Fund Based	ST	28.00	BWR A3 (Assignment)	-	-	-	-	-	-

Hyperlink/Reference to applicable Criteria

- General Criteria
- Approach to financial ratios
- BWR Withdrawal Policy
- Service Sector
- Short Term Debt
- Policy On Issuer Non -Cooperation

Analytical Contacts	
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FGM Pvt. Ltd.

ANNEXURE I

Details of Bank Loan Facilities rated by BWR

Sl. No.	Name of the Bank/Lender	Type of Facilities	Long Term (Rs.Crs)	Short Term (Rs.Crs)	Total (Rs.Crs)	Complexity of the instrument*
1	IndusInd Bank	Cash Credit - Sanctioned	0.00	-	0.00	Simple##
2	IndusInd Bank	Bank Guarantee - Sanctioned	0.00	-	0.00	Simple##
3	HDFC Bank	Term loans - Outstanding	2.50	-	2.50	Simple##
4	HDFC Bank	Cash Credit - Sanctioned	15.00	-	15.00	Simple##
5	HDFC Bank	Bank Guarantee - Sanctioned	-	28.00	28.50	Simple##
TOTAL			**17.50**	**28.00**	**45.50**	
Rupees Forty Five Crore and Fifty Lakhs Only						

*For more information visit: www.brickworkratings.com/download/ComplexityLevels.pdf

ANNEXURE II
INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS

NIL

ANNEXURE III
List of entities consolidated
NIL

List of instruments and names of regulators of the instruments

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

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), BWR 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 regulatory regime prior to introduction of 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.

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 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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