

Mectech Process Engineers Private Limited

September 19, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term / Short Term Bank Facilities	29.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	12.00	CARE A4+; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. (CareEdge Ratings) has been seeking information from Mectech Process Engineers Private Limited (MPEPL) to monitor the rating(s) vide e-mail communications dated May 01, 2025, June 04, 2025, June 12, 2025, and July 18, 2025, among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings's opinion is not sufficient to arrive at a fair rating. The rating on MPEPL's bank facilities will now be denoted as **CARE BB+/CARE A4+; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The reaffirmation in the ratings assigned to the bank facilities of MPEPL are constrained on account of average financial risk profile, moderate & concentrated order book position and working capital intensive nature of operations. The ratings also take cognizance of susceptibility to volatility in raw material prices and presence in competitive & cyclical nature of industry. However, the ratings draw comfort from growing scale of operations, improving profitability margins, experienced promoters and established track record of operations.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects that the company is likely to maintain its operational & financial risk profile over the medium term.

Detailed description of key rating drivers:

At the time of last rating on July 19, 2024, the following were the rating strengths and weaknesses (updated for the information available from provisional financials received from the company).

Key weaknesses

Average financial risk profile

The capital structure of the company remains leveraged as marked by overall gearing ratio of 1.32x as on March 31, 2024 (PY: 1.18x). Further, the debt coverage indicators of the company have remained moderate, reflected by total debt to GCA (Gross Cash Accruals) & Total debt to PBILDT (Profit before interest, lease, depreciation and tax) ratio of 6.22x and 4.70x respectively as on March 31, 2024, as against 7.11x and 6.47x, respectively as on March 31, 2023. Although, interest coverage ratio of the company remains comfortable & stood at 8.85x during FY24 (refers to period from April 01 to March 31) on account of increase in profitability & non-interest-bearing mobilization advances.

Working Capital intensive nature of operations

The company operates in the capital goods intensive manufacturing sector, resulting in a relatively higher inventory period. However, inventory days have improved to 50 days in FY25 from 67 days in FY24. Further, the company generally receives phase-wise advance payments based on Performa invoice except for some big players to whom the company provides credit period of around 30-40 days. While the company receives a credit period of around 20-30 days from the creditors. The operating cycle of the company improved to 62 days in FY25 as against 82 days in FY24 on account of better collection and inventory period.

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

Susceptibility to volatility in raw material prices

The major raw material for MPEPL is iron & steel, the prices of which are linked to market and determined on a periodic basis. Thus, exposing the company to the volatility in the prices of raw materials and inability to completely pass on the impact to its customers which has a bearing on its profitability margins in case of any sharp movement in the prices. Also, the orders do not generally have any price escalation clause for volatility in raw-material prices. The company considers the possibility for price fluctuation while entering into the agreement only. Going forward, the company's ability to effectively manage the price volatilities would remain key factor to monitor for the company as well for the purpose of ratings.

Presence in competitive and cyclical nature of industry

The company is engaged in the execution of turnkey projects for Oil & Fats industry, Biodiesel, and oleo chemical industry, which is cyclical in nature with high dependence on the capex cycles of customers and timely execution of the existing orders.

Key strengths

Moderate albeit growing scale of operations and profitability margins

The company's Total Operating Income (TOI) has demonstrated a compound annual growth rate (CAGR) of 16.48% over the past five fiscal years despite experiencing fluctuating trends. TOI of the company stood at Rs. 212.74 crores during FY25. The profitability margins of the company have improved over the years. The company has achieved PBILD and PAT (Profit After Tax) margins of 10.90% and 9.55% respectively during FY25 (compared to 8.42% and 4.84% in the previous year (PY)). This improvement in profitability was achieved through controlled operating and administrative expenses relative to the growth in scale of operations. Company's ability to improve the operating risk profile led by sustained improvement in scale of operations & profitability would remain key monitorable.

Experienced promoters with established track record of operations

The company is currently being managed by Ishwar Sahai (Promoter & Chairman), who is a chemical engineer & has an experience of more than four decades along with his son Ankoor Sahai who had completed his B. Com (Hons.) from Delhi University. The company has executed more than 550 projects across the globe in more than 25 countries over the last four decades. Additionally, the company possesses certain unique technologies and patents that provide a competitive advantage in terms of acquiring orders and achieving cost savings compared to other domestic & global players.

Liquidity: Stretched

The company's liquidity profile remains stretched as marked by cash and bank balance of Rs. 0.27 crores as on March 31, 2025, excluding the lien marked FDRs of Rs. 22.53 crores.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Liquidity Analysis of Non-financial sector entities](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Industrial Manufacturing	Industrial Products

Incorporated in 1983, Mectech Process Engineers Private Limited (MPEPL) manufactures, supplies & installs equipment and machinery for the Oil & Fats industry, biodiesel and oleo chemical industry, catering to both domestic and international markets. The company is ASME & ISO certified. The company have two manufacturing facilities, one each in Gurgaon Sonipat with the capacity to manufacture up to 1000TPD refinery plant.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	119.30	138.58	212.74
PBILDT	5.21	11.66	23.19
PAT	3.23	6.70	20.32
Overall gearing (times)	1.18	1.32	0.11*
Interest coverage (times)	4.52	8.85	20.62

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

*does not include mobilization advances

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-Working Capital Limits	-	-	-	-	29.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee	-	-	-	-	12.00	CARE A4+; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

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	Fund-based - LT/ ST-Working Capital Limits	LT/ST	29.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable / CARE A4+ (19-Jul-24)	-	-
2	Non-fund-based - ST-Bank Guarantee	ST	12.00	CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE A4+ (19-Jul-24)	-	-

*Issuer did not cooperate; based on best available information.

ST: Short term; LT/ST: Long term/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/ ST-Working Capital Limits	Simple
2	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CareEdge 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

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in</p>	<p>Analytical Contacts</p> <p>Puneet Kansal Director CARE Ratings Limited Phone: 91-120-4452000 E-mail: puneet.kansal@careedge.in</p> <p>Rajan Sukhija Associate Director CARE Ratings Limited Phone: 91-120-4452000 E-mail: Rajan.Sukhija@careedge.in</p> <p>Kritika Goyal Analyst CARE Ratings Limited E-mail: kritika.goyal@careedge.in</p>
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About us:

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