

Eldyne Electro-Systems Private Limited

November 05, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	58.68	CARE BB; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB+; Stable and moved to ISSUER NOT COOPERATING category
Long-term / Short-term bank facilities	41.32	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	Downgraded from CARE BB+; Stable / CARE A4+ and 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 Limited (CareEdge Ratings) has been seeking information from Eldyne Electro-Systems Private Limited (EESPL) to monitor ratings vide email communications dated October 24, 2025; June 30, 2025; and June 25, 2025; and numerous phone calls. However, despite repeated requests, the company has not provided the requisite information for monitoring ratings. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed ratings basis the best available information, which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. EESPL has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. Ratings on EESPL's bank facilities will now be denoted as **CARE BB; Stable/CARE A4; ISSUER NOT COOPERATING***

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

Ratings have been revised considering non-availability of adequate information, leading to uncertainty around the company's credit risk.

Ratings assigned to bank facilities of EESPL continue to remain constrained by modest scale of operations, working capital intensive business, tender-based nature of operations in railway signalling industry and moderate financial risk profile marked by leveraged capital structure and moderate debt protection metrics. However, ratings derive strength from experienced promoters and long track record of operations, exclusive tie-up with technology partner, comfortable order book position providing revenue visibility in the medium term.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on October 25, 2024, following were rating strengths and weaknesses:

Key weaknesses

Modest scale of operations

The company reported TOI of ₹166.07 crore in FY24 against TOI of ₹144.10 crore in FY22. Though scale of operations has been improving at compounded annual growth rate (CAGR) of ~7.35% from FY22-FY24, it remained moderate. The company reported profit before interest, lease rentals, depreciation and taxation (PBILDT) and profit after taxation (PAT) of ₹13.90 crore and ₹5.75 crore respectively in FY24 against ₹9.35 crore and ₹2.94 crore respectively in FY23. Profitability margins marked by PBILDT margin and PAT margin improved and stood at 8.37% and 3.46% respectively in FY24 against 7.08% and 2.23% in FY23 respectively. Improvement in PBILDT margin is considering better absorption of fixed overheads with increase in scale of operations. Scale of operations are expected to improve gradually with improvement in order book position at similar levels of margins in the near-to-medium term.

Tender-based nature of operations in railway signalling industry

EESPL receives most of its work orders from Indian railways. All these are tender-based and revenues depend on the EESPL's ability to bid successfully for these tenders. The company's profitability margins may come under pressure because of the industry's competitive nature. There are numerous organised and unorganised players operating in the segment, due to which

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

there is intense competition. However, promoters' long industry experience in railway construction industry mitigates this risk to some extent.

Working capital intensive operations

The company's operations are working capital intensive due to tender-based and medium-term nature of contracts with milestone-based payments. EESPL needs to furnish earnest money deposits (EMD) in the bidding process and part of sales proceeds. These are also withheld in the form of retention money. Collection period is high, considering money held as retention. Average collection period remained high and stood at 99 days as on March 31, 2024, which improved from 167 days as on March 31, 2022, and 161 days as on March 31, 2023, due to better realisation from Indian Railways. Even with an overall longer repayment cycle, counterparty risk is very low, and payments are received in a timely manner. Gross current asset days, which also included advance to suppliers and security deposits, also improved from 331 days in FY23 to 239 days in FY24.

Moderate financial risk profile

As on March 31, 2024, the company's capital structure stood moderate marked by overall gearing of 1x owing to lower utilisation of working capital limits and gradual repayment of term loan. Total outside liabilities to total net worth (TOL/TNW) improved from 2.41x as on March 31, 2022, to 1.86x as on March 31, 2024. Debt protection metrics also stood moderate with interest coverage and total debt to gross cash accruals (TD/GCA) standing at 2.77x and 6.34x in FY24 (P.Y 2.22x and 14.41x respectively). The financial risk profile is expected to remain stable in the near-to-medium term.

Key strengths

Experienced promoters and long track record of operations

Promoters have experience of over three decades and have been associated with the Indian Railways for over 35 years. The company has long-standing association with Research Designs and Standards Organisation (RDSO) and are approved vendor for Digital Axle Counters and Signaling relays (for metal to carbon type). The company's day-to-day operations are managed by Santanu Basu (Director), who is supported by a team of professionals and look into the its support functions.

Exclusive tie-up with technology partner

The company has exclusive tie-ups with two key suppliers: M/s Thales (Thales) for digital axel counter and Kyosan Electric Manufacturing Co. Limited (Kyosan) for providing interlocking systems, railway signal systems, and road traffic control systems, among others. The Thales Group is a French multinational company that designs, develops and manufactures electrical systems and devices and equipment for the aerospace, defence, transportation and security sectors. EESPL is the key industrial partner for Thales in India. Kyosan Electric Manufacturing Co Limited is a Japanese company primarily engaged in manufacturing and selling signal systems and electrical equipment. Kyosan Electric Manufacturing Co Limited (Japan) also has equity participation in EESPL holding 10% of equity shares.

Comfortable order book position

The company has an outstanding order book position of ₹316.52 crore (as on October 20, 2024), which is 1.91x of net billing in FY24. The order book consists of orders from Indian Railways and Metros.

Applicable criteria

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

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Construction](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil construction

EESPL was incorporated on May 20, 1987, by Kolkata based Santanu Basu as a project engineering and project management company. The company is associated with the Indian Railways for over 35 years. The company has long-standing association with RDSO and are approved vendor for Digital Axle Counters and Signaling relays (for metal to carbon type). The company started its journey with manufacturing of safety signaling relays in 1987 for Indian Railways, which was earlier being imported. In 1998, EESPL with cooperation with Alcatel, introduced Digital Axle Counter to the Indian Railways for the first time. In 2004, EESPL was the first company to receive approval for single and multi-section axle counters by RDSO. In 2012, EESPL has partnered

with all major players in India including Ansaldo, L&T, Texmaco Rail & Engineering, Kalpataru, MRT Signals, and Bharat Rail among others.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	H1FY25 (UA)
Total operating income	132.07	166.07	60.00
PBILDT	9.35	13.90	NA
PAT	2.94	5.75	NA
Overall gearing (times)	1.39	1.00	NA
Interest coverage (times)	2.22	2.80	NA

A: Audited, UA: Unaudited, NA: Not Available; Note: these are latest available financial results

Status of non-cooperation with previous CRA: CRISIL has conducted the review based on best available information and has classified EESPL as 'Issuer Not Cooperating' vide its press release dated April 02, 2025. The reasons provided by CRISIL are non-furnishing of requisite information required to conduct the rating exercise and non-submission of No Default Statements (NDS) for last three months.

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		-	-	-	49.80	CARE BB; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	28-02-2029	8.88	CARE BB; Stable; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	41.32	CARE BB; Stable / 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	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	41.32	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable / CARE A4+ (25-Oct-24)	-	-
2	Fund-based - LT-Cash Credit	LT	49.80	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (25-Oct-24)	-	-
3	Fund-based - LT-Term Loan	LT	8.88	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (25-Oct-24)	-	-

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

LT/ST: Long term/Short term; LT: Long term

Annexure-3: Detailed explanation of covenants of rated instrument/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	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - LT/ 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

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