



Hind Rectifiers Limited

Registered Office

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Ref. No. HIRECT/SEC/2025-26/44

September 3, 2025

To,
The General Manager,
National Stock Exchange Limited
Exchange Plaza, Bandra-Kurla Complex,
Bandra (East), Mumbai-400051.

To,
The General Manager,
BSE Limited,
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai- 400 001.

NSE Symbol: HIRECT

BSE Scrip Code: 504036

Type of Security: Equity

Subject: Intimation of Credit Rating Issued by CRISIL under Regulation 30 of SEBI Listing Regulations, 2015

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI Listing Regulations, 2015, read with Schedule III, Part A, Para A, we hereby inform you that CRISIL Ratings Limited has issued the following credit rating for Hind Rectifiers Limited:

Details of Credit Rating:

Total Bank Loan Facilities Rated	Rs.228.9 Crore (Enhanced from Rs.150.05 Crore)
Long Term Rating	Crisil BBB+/Stable (Upgraded from 'Crisil BBB/Stable')
Short Term Rating	Crisil A2 (Upgraded from 'Crisil A3+')

The aforementioned rating has been published by CRISIL on its website and is expected to be disseminated to the stock exchanges through the system-driven disclosure mechanism, as per SEBI Circular No. SEBI/HO/DDHS/DDHS-PoD-3/P/CIR/2024/97 dated July 4, 2024. This intimation is being made to ensure compliance and transparency with respect to the disclosure requirements under Regulation 30.

We request you to take the above information on record and disseminate it on your respective platforms, if not already covered under the system-driven disclosure framework.

Kindly take this information on your records.

For Hind Rectifiers Limited

Meenakshi Anchlia
Company Secretary
M. No. A30545

Encl: As above



Rating Rationale

September 02, 2025 | Mumbai

Hind Rectifiers Limited

Ratings upgraded to 'Crisil BBB+/Stable/Crisil A2'; Rated amount enhanced for Bank Debt

Rating Action

Total Bank Loan Facilities Rated	Rs.228.9 Crore (Enhanced from Rs.150.05 Crore)
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Short Term Rating	Crisil A2 (Upgraded from 'Crisil A3+')

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has upgraded its ratings on the bank facilities of Hind Rectifiers Ltd (HRL) to '**Crisil BBB+/Stable/Crisil A2**' from '**Crisil BBB/Stable/Crisil A3+**'.

The ratings upgrade reflects sustained improvement in the business risk profile of the company. Revenues have increased to around Rs 655 crore in fiscal 2025 from Rs 518 crore in fiscal 2024, driven by healthy demand as well as continuous product addition. The company has further achieved revenues of Rs 215 crore in the first quarter of fiscal 2026 and is expected to sustain its growth driven by all time higher orderbook of Rs 1000 crore as on 30th June, 2025, which provides revenue visibility over the medium term. The operating margins have also improved to around 10.9% in fiscal 2025 from 8.5% in fiscal 2024 due to improved product mix as well as backward integration measures implemented by the company. The operating margins continues to remain stable in the first quarter of fiscal 2026 and are expected to remain steady in the range of 10-11% over the medium term. The financial risk profile continues to remain comfortable with adequate liquidity.

The ratings continue to reflect the extensive experience of the promoters in the power electronic equipment industry, strong order book providing revenue visibility and comfortable financial risk profile of the company. These strengths are partially offset by large working capital requirement and exposure to risk posed by the tender-based nature of business and concentration in the end-user industry base.

Analytical Approach

Crisil Ratings has evaluated the standalone business and financial risk profiles of HRL.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

- **Extensive experience of the promoters:** The company continues to benefit from the five-decadelong experience of the promoters in the power electronic equipment industry, which has provided them with a deep understanding of the market dynamics and further established strong relationships with customers and suppliers, which will continue to support the business. The clientele includes the Indian Railways and Bharat Heavy Electricals Ltd (rated '**Crisil AA-/Stable/Crisil A1+**'). The company has continuously been developing new products in keeping with the changing market demand. This has led to an increase in revenue to Rs 655 crore in fiscal 2025 as compared to Rs 517 crore a year ago. The company has achieved revenues of Rs 215 crore in the first quarter of fiscal 2026 and the scale is further expected to grow over the medium term. Extensive experience of the promoters would continue to support the business profile of the company.
- **Strong order pipeline:** Orders worth around Rs 1000 crore as of June 2025 which is an all time higher orderbook of the company driven by healthy demand in the industry, which are to be executed in the next 18 months, provide near-term revenue visibility and will help sustain growth in revenue. This is driven by continuous development of new products, strong execution capabilities and the addition of customers.
- **Strong financial profile:** Network was healthy at Rs 139 crore as on March 31, 2025. Gearing and total outside liabilities to adjusted network (TOLANW) ratio were comfortable at 1.1 times and 1.9 times, respectively, as on March 31, 2025, aided by healthy network and moderate debt. The capital structure is expected to remain comfortable, over the medium term, despite a debt funded capex due to steady accretion to reserves. Debt protection metrics have also improved with interest coverage and net cash accrual to adjusted debt ratios of 5.3 times and 0.3 time, respectively, in fiscal 2025 (compared to 3.3 times and 0.2 time, respectively, in fiscal 2024), driven by improvement in operating margin. The debt protection metrics are expected to remain comfortable over the medium term.

Weaknesses:

- **Exposure to risks posed by the tender-based nature of operations and concentration in the end-user industry base:** The company derives 80-90% of its revenue from the Indian Railways, and thus, growth in revenue and profitability remain linked to the prospects of the railways. Any slowdown or stretch in receivables could impact HRL's performance. Furthermore, as majority of its revenue is tender-based, income and profitability also depend upon the ability of the company to bid successfully for contracts floated by the Indian Railways and other government agencies. While the operating margins

witnessed volatility historically with margins dipping to 4.3% in fiscal 2023, the margins have witnessed steady growth over the past two fiscals. The company has achieved operating margins of 10.9% fiscal 2025 which continues to remain stable in the first quarter of fiscal 2026. Sustained growth in revenue along with stability in operating margins would be a key monitorable over the medium term.

- **Large working capital requirement:** HRL's operations are working capital intensive, as reflected in gross current assets (GCA) of 146 days as on March 31, 2025, driven by debtors and inventory of 63 days and 80 days, respectively. The company extends moderate credit period of 60-90 days to its customers and has been receiving timely payment from them. Also, HRL has to maintain a large inventory of raw materials to meet customer demand on time because of its long processing cycle. This has led to reliance on external debt to support the working capital cycle. The working capital cycle is expected to remain stretched over the medium term.

Liquidity: Adequate

Expected annual cash accrual of Rs 50-60 crore would be sufficient against debt obligation of Rs 10- 15 crore in fiscals 2026 and 2027. Bank limit utilisation was 81% on average for the 7 months through April 2025. Cash and bank balance were Rs 10 crore as on March 31, 2025. Moderate gearing and healthy network provide the financial flexibility required in case of any adverse conditions or downturn in the business.

Outlook: Stable

Crisil Ratings believes the business profile of HRL will continue to be supported by the extensive experience of the promoters.

Rating sensitivity factors

Upward factors:

- Significant increase in revenue of around 25-30% while maintaining stable operating margin, leading to higher cash accruals
- Improvement in the working capital cycle leading to improved liquidity

Downward factors:

- Decline in revenue or operating margin below 8.5-9% leading to lower cash accrual
- Stretched working capital cycle affecting the financial profile and liquidity of the company

About the Company

HRL was incorporated in April 1958 by Mr Sushil Kumar Nevatia. The company is currently managed by Mr Saurabh Nevatia and Mr Suramya Nevatia. The company manufactures power electronic equipment, railway transformation equipment like IGBT propulsion systems, hotel load converters, battery chargers, vehicle control units and electromechanical systems, which includes panels, traction motors and HVAC systems. The manufacturing facilities are in Mumbai and Nasik, Maharashtra, and Dehradun, Uttarakhand, and its registered office is in Mumbai. The company is listed on the Bombay Stock Exchange and National Stock Exchange.

Key Financial Indicators

Particulars	Unit	Q1 2026	2025	2024
Revenue	Rs crore	214.8	655.4	517.6
Profit after tax (PAT)	Rs crore	12.8	32.3	12.51
PAT margin	%	6.0	5.7	2.4
Adjusted debt/adjusted networkth	Times	-	1.12	1.3
Interest coverage	Times	6.8	5.3	3.3

Any other information: Not applicable

Note on complexity levels of the rated instrument:

Crisil Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings' complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Bank Guarantee	NA	NA	NA	38.00	NA	Crisil A2
NA	Cash Credit	NA	NA	NA	91.55	NA	Crisil BBB+/Stable
NA	Overdraft Facility	NA	NA	NA	33.00	NA	Crisil BBB+/Stable
NA	Working Capital Facility	NA	NA	NA	10.00	NA	Crisil BBB+/Stable
NA	Term Loan	NA	NA	30-Jun-26	1.85	NA	Crisil BBB+/Stable
NA	Term Loan	NA	NA	31-Mar-28	51.75	NA	Crisil A2
NA	Term Loan	NA	NA	31-Mar-26	2.75	NA	Crisil A2

Annexure - List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Hind Rectifiers Ltd	Full	Parent company
Hirect FZ-LLC	Full	100% subsidiary
Coincade Studios Private Limited	Full	100% subsidiary

Annexure - Rating History for last 3 Years

Current				2025 (History)		2024		2023		2022		Start of 2022
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT/ST	190.9	Crisil BBB+/Stable / Crisil A2	06-01-25	Crisil BBB/Stable	10-07-24	Crisil BBB/Stable	30-06-23	Crisil BBB-/Stable	25-11-22	Crisil BBB-/Stable	Crisil BBB-/Stable
			--		--	18-01-24	Crisil BBB-/Stable	13-02-23	Crisil BBB-/Negative	30-05-22	Crisil BBB-/Positive	--
			--		--		--		--	19-05-22	Crisil BBB-/Positive	--
Non-Fund Based Facilities	ST	38.0	Crisil A2	06-01-25	Crisil A3+	10-07-24	Crisil A3+	30-06-23	Crisil A3	25-11-22	Crisil A3	Crisil A3
			--		--	18-01-24	Crisil A3	13-02-23	Crisil A3	30-05-22	Crisil A3	--
			--		--		--		--	19-05-22	Crisil A3	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Bank Guarantee	14.35	ICICI Bank Limited	Crisil A2
Bank Guarantee	13	Standard Chartered Bank	Crisil A2
Bank Guarantee	5	IDFC FIRST Bank Limited	Crisil A2
Bank Guarantee	5.65	ICICI Bank Limited	Crisil A2
Cash Credit	14	IDFC FIRST Bank Limited	Crisil BBB+/Stable
Cash Credit	40.65	TJSB Sahakari Bank Limited	Crisil BBB+/Stable
Cash Credit	36.9	ICICI Bank Limited	Crisil BBB+/Stable
Overdraft Facility	33	Standard Chartered Bank	Crisil BBB+/Stable
Term Loan	51.75	Saraswat Bank	Crisil A2
Term Loan	2.75	Apna Sahakari Bank Limited	Crisil A2
Term Loan	1.85	IDFC FIRST Bank Limited	Crisil BBB+/Stable
Working Capital Facility	6.5	Standard Chartered Bank	Crisil BBB+/Stable
Working Capital Facility	3.5	Thane Janata Sahakari Bank limited	Crisil BBB+/Stable

Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)
Criteria for consolidation

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