



**Hind Rectifiers Limited**

## “Hind Rectifiers Limited Q2 & H1 FY '26 Earnings Conference Call”

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*“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 7<sup>th</sup> November 2025 will prevail.”*



**Hind Rectifiers Limited**



**MANAGEMENT: MR. SURAMYA NEVATIA – CHAIRMAN AND MANAGING  
DIRECTOR**

**MR. MANOJ NAIR – CHIEF EXECUTIVE OFFICER**

**MR. A. K. NEMANI – CHIEF FINANCIAL OFFICER**

**STRATEGIC GROWTH ADVISORS, INVESTOR  
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**Moderator:** Ladies and gentlemen, good day, and welcome to Hind Rectifiers Limited Q2 & H1 FY '26 Earnings Call.

Before we begin, please note that this conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing “\*” then “0” on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Suramya Nevatia – Chairman and Managing Director of Hind Rectifiers Limited. Thank you, and over to you, sir.

**Suramya Nevatia:** Good afternoon, everyone, and thank you for joining us for the Q2 and H1 FY '26 Earnings Conference Call of Hind Rectifiers Limited.

I am pleased to be joined today by our CEO – Mr. Manoj Nair, CFO – Mr. A. K. Nemani, and our Investor Relations Partners – Strategic Growth Advisors.

We have uploaded our Q2 & H1 FY '26 Financial Results and Presentation on the Stock Exchanges and on our Website. And I hope everyone has had the opportunity to go through the same.

Let me now begin with the key developments during the quarter, post which I will request Mr. Nemani to take you through our financial performance.

The 2nd Quarter of FY '26 was a period of continued operational strength, technological progress and strategic consolidations for Hirect. We maintained execution momentum across key product lines, progressed meaningfully on our new technology programs and enhanced our competitive positioning through both domestic and international initiatives.

Our order book remained strong at Rs. 1,099 crores as of September 30, 2025, reflecting sustained demand momentum across our key product lines. The robust order position continues to be supported by healthy inflows from Indian Railways and leading OEM customers, ensuring strong visibility for the coming quarters.

A major milestone during the quarter was the completion of our backward integration project at the Sinnar Plant and the commencement of commercial production of critical and highly specialized copper conductors for the transformer industry. This initiative marked the creation of a new vertical within Hirect that is focused on specialized copper conductors which are fast-moving products with strong export potential. With this capability, we are better positioned to



meet the growing demand not only of our own traction transformers, but also the entire transformer industry in general.

Through this project, we have built in-house capability to manufacture continuously transposed conductors which is CTC, enameled paper insulated copper conductor which is EPICC, and paper insulated copper conductor which is PICC. These are critical raw materials for the production of traction transformers. The total investment for this initiative was about Rs. 56 crores funded through a balanced mix of internal and term loans.

This development will enhance our operational efficiency by streamlining the supply chain, addressing shortages of key raw materials, and reducing our dependence on external vendors. It will also ensure a timely and uninterrupted supply of transformers to our customers while helping us to avoid penalties previously incurred from Indian Railways. Overall, the backward integration project will strengthen our operations, support the cost optimization, improve margins, and reinforce the long-term sustainability and competitiveness of the business.

The second major development during the quarter was the strategic acquisition of BeLink Solutions. BeLink Solutions is a France-based company with almost four decades of experience in robotics, electronics manufacturing, and power electronics R&D. This acquisition marked a decisive step for Hirect. It gives us a strong foothold in Europe and the opportunity to combine advanced manufacturing capabilities with deep R&D expertise in robotics and power electronics.

This acquisition includes BeLink's intellectual property, technology, customer contracts, providing a strong foundation for our international expansion. With BeLink's advanced infrastructure and our expertise in power electronics, we are now positioned to scale globally and accelerate innovation across mobility, energy, and industrial markets.

During the quarter, we further strengthened our leadership with the appointment of Mr. Manoj Nair as Chief Executive Officer of Hind Rectifiers. Mr. Nair brings over three decades of diverse leadership experience across the manufacturing, power, infrastructure, and technology-driven businesses, having held senior leadership roles at Cummins India and IIMS Limited, which is part of the CK Birla Group.

His deep operational understanding, customer-centric mindset, and proven track record in scaling complex businesses make him exceptionally well-suited to lead Hirect into its next phase of transformation. Under his leadership, we aim to further strengthen execution capabilities, drive operational efficiency, and enhance our focus on technology, innovation, and customer value for building a stronger and more future-ready Hirect.

I would request Mr. Manoj Nair to introduce himself, post which, Mr. Nemani will take you through the financial performance for the quarter and the half-year.

**Manoj Nair:**

Thank you, Suramya. And good afternoon, everyone. I am delighted to join Hind Rectifiers at such a pivotal stage in its journey. Over the years, Hirect has built a strong reputation in power



electronics and traction systems, playing a key role in India's railway modernization and industrial transformation.

In my new role, I will be responsible for overseeing the company's overall operations and driving its growth strategy, with a clear focus on operational excellence, customer centricity and long-term value creation. I look forward to closely working with Suramya and the entire leadership team of Hirect as we continue to build a large and profitable business. I am looking forward to have great interactions with the analysts and others on the call.

Now I request Mr. Nemani to take you through the financial performance.

**Anil Kumar Nemani:**

Thank you, Suramya and Manoj. Good afternoon, everyone.

Let me present a summary of our financial results for Q2 and H1 FY '26:

Revenue from operations grew 37% on Y-o-Y basis to Rs. 27 ( wrongly said, kindly read it as 227.1) crores in Q2 FY '26. Our EBITDA for the quarter stood at Rs. 25.9 crores which is a growth of 41.4% on a Y-o-Y basis, driven by cost optimization through backward integration and favorable operating leverage. Our PAT for the quarter stood at Rs. 14.7 crores, up 44.6% on Y-o-Y basis driven by improved operational efficiency and financial discipline.

Now in terms of our H1 numbers:

Our revenue from operations for H1 FY '26 reached Rs. 441.9 crores, making a 46.6% Y-o-Y growth over Rs. 301.4 crores in H1 FY '25. Our EBITDA stood at Rs. 50.1 crores in H1 FY '26 with a margin of 11.3%, up from 10.9% in H1 FY '25. Our PAT stood at Rs. 27.5 crores, up 44.6% (wrongly said, kindly read it as 60.6%) on Y-o-Y basis.

Return ratio improved with ROE rising to 31.4% versus 25.9% in H1 FY '25, and return on capital improved to 26.3% versus 24.1% in H1 FY '25. On the working capital front, the company achieved a notable improvement in working capital efficiency with working capital days improved from 96 in H1 FY '25 to 80 days in H1 FY '26 reflecting continued focus on operational efficiency.

This is all from my side. I now open the floor for Q&A.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. The first question is in the line of Abhay Lodha from Sanmati Consultants. Please go ahead.

**Abhay Lodha:**

Hello, sir congratulations for good set of numbers. My question is whether the company is diversifying itself from -- it was business concentrating is on railway, whether the company is diversifying itself in defense, electronics industry?

**Suramya Nevatia:**

I am sorry, I didn't understand the question. Can you please repeat?



- Abhay Lodha:** Sir, the company's main business is concentrating on one supplier that is railway, Indian railway. Just I wanted to know whether company is in future intends to diversifying into defence supplies.
- Suramya Nevatia:** Right. Okay. Thank you. Yes, primarily we are with railways. And as we have mentioned multiple times previously, we are diversifying into multiple different segments and defense is one of them.
- Abhay Lodha:** Second question is, sir, what is the total capital outlay for FY '26 and FY '27? Capital expenditure.
- Anil Kumar Nemani:** Yes. FY '26, we can definitely give our numbers, it's maybe approximately Rs. 60 crores.
- Abhay Lodha:** Entirely, it will be funded through --
- Anil Kumar Nemani:** Yes, it will be, it will be, I can say, we have taken term loan of Rs. 34 crores. Balance will be funded by internal accruals.
- Abhay Lodha:** Okay. I will rejoin the queue.
- Moderator:** Thank you very much. The next question is from the line of Prolin Nandu from Edelweiss Public Alternatives. Please go ahead.
- Prolin Nandu:** Yes. Hi team. Thank you for giving me the opportunity. A couple of questions from my side. Just wanted to understand order book, how do you see the order book growing from here on? Because quarter on quarter it is flattish. And of course, it also shows that how strong our execution has been in Q2. But looking at the pipeline, how should one think about the order book growth going forward? And does the completion of the order book tenure still remains at around one year or anything has changed there?
- Suramya Nevatia:** Yes. Thank you. The order booking may seem to be flattish, but actually we are dispatching more than we were previously, and order book currently is at ~1,100, which is good enough for us at this stage. Execution is a 12 month to 18 month window by which time we have to complete all the orders that we have on hand, particularly for the railway side.
- Prolin Nandu:** Sure. But how is the pipeline looking in terms of L1 or some of the orders that you are chasing, especially given the fact that we have probably done backward integration in one of the segments, right? Also, we were trying for the propulsion system. So what is the status of that order expectation, right? And also qualitatively, can you just color how do you see the pipeline?
- Suramya Nevatia:** There are huge tenders which are in pipeline that keep coming out from the railways, so wherever we are an approved source, we are bidding for these tenders and we book more of those. Now, usually this happens pretty much after the budget, and that's when all the big tenders start coming out. This year, it is a little bit more scattered in a way, so there are big tenders coming out even now, even in this month, even in the next month there are big tenders expected, and we are participating and we are able to book the orders. So I do not see any reduction or any slowdown



in terms of order booking or opportunity for inquiries from whether railways or even other private industries.

**Prolin Nandu:**

Good to know that. One last question before I join back the queue. On this backward integration of specialized copper conductor that you mentioned, again, in the past you had mentioned that there was this aluminum tank which you have indigenized and that helped you to bring down the lower cost, lower rate by a certain percentage. In this particular backward integration of yours, what would be, let's say, bill of material for this particular item which you were traditionally sourcing from outside, now it will be catered through an in-house production. And what I also understand is that you intend to sell this particular product also to some of the other players, how big could be that TAM for you?

**Suramya Nevatia:**

Sure. So the copper industry or the CTC product that we have made, firstly, it is being done for in-house use. We have built significant capacity, at least in terms of space. Phase 1, the machines that we have put will cater to our needs. There is a huge requirement for this. Every transformer manufacturer needs these kind of copper conductors. There are more transformer guys than there are CTC people today. So there is a huge expectation. We just commercialized the plant very recently. And we expect, yes, things to become more streamlined in terms of supply chain, in terms of quality and, of course, the costing as well. Here it's not about the BOM, the bill of material is basically primarily just copper. It is more about the process, how that copper is converted to CTC. And that's where your intellectual property, your quality, your performance, all of that comes in.

**Prolin Nandu:**

Understood. So what I understand is that, let's us say, once the plant stabilizes and our needs are catered to, right, we do intend to sell it to other transformer players and that necessarily not be the transformers who deal with only railway-based transformers, right? It could be for anyone, right? And we are still quite import-dependent on this product as a country. Is that understanding of mine also correct? And very few Indian manufacturers who are making this, maybe only a couple, is that understanding for the CTC product correct?

**Suramya Nevatia:**

Yes. So we are not import-dependent, there are Indian companies making these copper conductors. It's just that the requirement is more than what Indian companies are able to deliver, which is why we are forced to import, but not anymore, because we have our own setup now. And yes, we will sell to other transformer guys, whether it's for traction or power or any other industry that's really irrelevant. It is just whoever wants it, we will be happy to provide our services.

**Prolin Nandu:**

Thank you so much. And I will join back the queue if I have more questions, but thanks for this.

**Moderator:**

Thank you very much. The next question is to the line of Manish Goyal from Thinqwise Wealth Advisors, LLP. Please go ahead.

**Manish Goyal:**

Yes. Thank you so much. First, sir, if you can please provide update on the propulsion system which were undergoing trials, where are we in terms of number of kilometers coverage and we



were to participate in certain tenders, so if you can provide us some update on that. That was my first question.

**Suramya Nevatia:** Sure. So propulsion trials have been underway, but not yet officially since we are doing it in Western Railway and they are doing it for the very first time. They have just given some clearances yesterday now, and once again, we need to get things sort of officially started. And it should happen sooner rather than later, we have that confidence. But it is not going to affect our participation in tenders, there have been tenders this month we participated and we are sure to get orders from that.

**Manish Goyal:** So what probably earlier was communicated, sir, was that we will probably get some development orders. So if you can just provide clarity as to in recent tenders have we got more orders apart from the one development order?

**Suramya Nevatia:** Yes. So these tenders were in October, I believe, towards the middle and end of October, and these tenders are not yet finalized. But once we get the orders from them, we will definitely inform the exchanges that we have received orders for the propulsion system.

**Manish Goyal:** Okay. Sir on the export orders what we have got from traction transformers from Germany and even IGBT-based inverters to USA. If you can just give us some perspective what is the probably order size, and also what is the opportunity going forward for Hind rectifier what kind of revenue contribution can happen in the next two to three years and going forward, sir.

**Suramya Nevatia:** Okay. So we have dispatched and commissioned the transformer that was sent to Germany, and it's working well. And now we are talking to them for more opportunities of other products that they may need, whether it's transformers or some electronic equipment or some converters. So that discussion is ongoing, and the U.S. converter which is actually a very unique design that we have done is now being dispatched. I think we have given the clearance, and it will be dispatched now. And once it is commissioned, then we will talk to them for the new project what scope is there. But there is big potential, and this adds significantly to our credibility to be able to export traction equipment outside, and we are working on how to get more orders from overseas.

**Manish Goyal:** Any sense on what is the kind of opportunity you have like what you can address in probably the next two to three years, sir.

**Suramya Nevatia:** It's not very easily definable, because there are many projects happening in the North American space, and in Europe as well. It's not very easy that we can quantify it, but we know what is the area that we are targeting towards.

**Manish Goyal:** Right. And sir, on the recent acquisition of BeLink Solutions, we did read in the presentation about the company, but if you can provide your perspective as to how do we see it going forward in terms of what is the current revenue and what is the growth outlook, what is the profitability currently and what kind of investments we are envisaging going forward?



- Suramya Nevatia:** Okay. So BeLink Solutions is a robotics, electronics, R&D and EMS company. We have acquired it for operational excellence and for the scale and magnitude that they have of electronics and the kind of things that they do. And as we say that we want to become global, we needed a global footprint and this has opened a lot of doors for us. They primarily work with automobile, and we do not work with automobile that much. So that is giving us a good complement where we are going to their customers to see if there is anything that Hirect product can be used for in their businesses.
- BeLink is doing roughly EUR10 million, they have EUR10 million worth of orders and sales will be around the same. It is not profitable yet, in fact it will not be profitable for at least another several quarters. It will take time for us to bring it to profitability, but there are certain products that we have, there is certain IP that we have, that we want to commercialize from there and that can be used for the global market which has big potential. So that's one of the other reasons why we acquired that company.
- Manish Goyal:** And so like you did mention that it's not profitable, but what are the kind of losses and how do you see like to get -- to fund those losses? Will you require to invest significantly going forward?
- Suramya Nevatia:** Yes. So we have a commitment that we will fund about EUR1.5 million every year for 3 years. It would be our goal to make it profitable before that, but if not, then this is the maximum amount of commitment that we have given.
- Manish Goyal:** And sir, what was the rationale for promoters to own 35% stake and not 100% in Hind Rectifier?
- Suramya Nevatia:** So there were two reasons. First, this opportunity was not for Hirect, it was actually for our other company who has the IP for IGBT gate drivers, and we were going to do that deal directly with that private company. But as we dug deeper into BeLink, we realized that they have this patented product which they make, which is called Printed Electronics, and we realized that, okay, that has more use for Hirect, and then they had a really good robotics division, which again had use for Hirect, and then we believed that Hirect would actually have more synergy than just the one IP that we were doing, so we decided to do it jointly, so everybody can benefit. Also, it helps us diversify the risk a little bit from Hirect's point of view, from everybody's point of view, rather, so I think it was a good structure that we had done.
- Manish Goyal:** Sure, sir. And last question, sir, as you have been indicating that company will grow 25% to 30%, do you still maintain that? Number one. And number two, on the margins outlook, sir, what kind of margin improvement we can see with this backward integration and operating leverage probably can be reached mid-double-digit in next one or two years?
- Suramya Nevatia:** Regarding the margin, that's actually the first goal of our CEO, to how we can make the margins better. We have a tough target, yes, of course, the backward integration helps, but we also need to have a good product mix, good supply chain. Sometimes we have an issue, let's say, a year and a



half ago where electronics became a problem for us, and that increased the cost. Currently, it is the CTC which is becoming a bottleneck. And now we have resolved all these ongoing issues.

Let's hope nothing else comes up which could be a big issue for us going forward. If not, I think we would be looking at a big improvement in the material cost, but there are also new products going into the field which are at very competitive rates. So there will, of course, be a certain offset to all the improvements that we make, but we will try to balance it out and make it -- of course, make it much better than what it already is.

**Manish Goyal:** Sure, sir. Thank you so much. Thanks a lot.

**Moderator:** Thank you very much. The next question is from the line of Manan Shah from Moneybee Investment Advisor. Please go ahead.

**Manan Shah:** Yes, hi. Thank you for the opportunity. My first question is on the gross margins front. I compared H1 to H1, our gross margins have contracted from around 28% to 25%, what would you attribute this contraction in gross margins to? Has there been a change in the product mix or the orders that we have won are at this sort of a gross margin?

**Suramya Nevatia:** No. It's actually not the pricing. It's basically we have had to because of the shortage of the copper conductors, we have had to import from South Korea, from China. And for certain cases, we have had to lift it by air and not by sea because of a lot of supply chain problems and logistics problems. It's primarily that which has attributed to the gross margins. And yes, the product mix has not been extremely favorable, but that contributing factor is not as much as the supply chain and logistics problems have been.

**Manan Shah:** Understood. So with the commissioning of the in-house copper conductor facility, you expect to go back to those sort of gross margins then?

**Suramya Nevatia:** Yes, yes. That should be the target that we have. I think from Q4 onward, yes.

**Manan Shah:** Got it. Understood. My next question was on BeLink. So based on the publicly available records on BeLink, I think their revenue has significantly degrown from almost EUR30 million in '21 to current EUR10 million. So is this primarily because the auto industry overall in Europe is not doing that well, which has impacted their revenue? Or there are some other reasons? And our thought process behind acquiring this company is cross-selling Hirect products into BeLink's customers or the other way, cross-selling BeLink's products into Hirect customers?

**Suramya Nevatia:** Okay. So yes, they were doing quite well. In fact, they were doing you said EUR30 million in 2021. Once upon a time, they were doing EUR300 million back in the day. And that's the kind of scale and infrastructure that they have built that they can do that much heavy lifting and that much revenue. The decline is because the automobile industry was declining, which is why they declined their sales. And then it declined further, because it was put in receivership, at which point customers stopped placing orders.



Now we have come in and we are trying to revive it and turn it around. The idea is not to sell their products here. The idea is to leverage the products that they have, like robotics, how we can improve our operations and improve our quality. Once upon a time, they were a very, very big company. Their quality protocols and their processes are absolutely top-notch. How we can implement those systems here. And we have certain IP, which we would like to sell globally. And we want to build that through their company and sell it to every customer, whether it's our customer, their customer, it doesn't matter. Whoever needs it, we will sell it for the European region, and maybe even the North American region.

**Manan Shah:** Understood. And does this company have any debt on its book?

**Suramya Nevatia:** No, it's debt free.

**Manan Shah:** And any potential write-off in the receivables or inventory?

**Suramya Nevatia:** No. We have got a clean slate, because we have taken it from receivership.

**Manan Shah:** Okay. Understood. Got it. I will come back in the queue. Thanks.

**Moderator:** Thank you very much. The next question is in the line of Rupesh Tatiya from Long Equity Partners. Please go ahead.

**Rupesh Tatiya:** Hello, sir. Thank you for the opportunity, and congratulations for good set of numbers. My first question, sir, is on propulsion system. Two, three sub-questions there. I think last call, you said that the trial was already ongoing. And now you are saying that the trial is expected to start. So it's a little bit diverging version. So can you just help me with the overall, where are we? And when this trial, I think, is expected to complete. I mean, some detail, how many kilometers you are doing, which section it is in. And then this trial will make you, I mean, different, different locos might have different, different propulsion system, right? WAP- 4, 5, 7 or WAG. So this trial makes you eligible for all kinds of loco, or it makes you eligible for a certain type of loco. So these are some questions or clarifications around the propulsion system.

**Suramya Nevatia:** I will answer your questions. The first question was whether I said last that it already started. I think that's incorrect. I said it's about to start, because you are expecting the approvals at that point of time. Same with the situation six months ago. But there have been some issues beyond our control. It's the problem of Western Railways. They have never done a propulsion system trial. They are not quite clear on how to do it. But now things have become clear. And now it should start now, because now things are going in the right direction. Secondly, yes, that makes us eligible for P7 and G9 locomotives, P5, P7, and G9. And that's the highest locomotives in quantum today which are running on the field. And the field trials are for 50,000 kilometers, after which there are some other tests that have to be done. And then it gets into commercialization.

**Rupesh Tatiya:** And from your point of view, when are they likely to complete? Any timeline?



- Suramya Nevatia:** It should take not more than two months to three months, once it starts to complete this.
- Rupesh Tatiya:** Okay, clear, clear. So the second question, sir, is on traction transformers. This is, I think, such a core part of our business and it is recently growing so well. My question is, how much of this business is driven by new locomotives and how much of this is driven by replacement demand? And what is the replacement cycle for traction transformers? The question -- the reason for all this question is over. Sorry?
- Suramya Nevatia:** It's all new. We do not cater to the replacement market. It's new transformers.
- Rupesh Tatiya:** Okay, okay. So I mean, roughly 1,500 new loco get produced every year, so we have some 45%, 50% market share in that, and that is how this business is growing, right?
- Suramya Nevatia:** Yes.
- Rupesh Tatiya:** Okay, okay. That also is clear. And how is the competitive landscape in this one? Can we say we are the lowest-cost producer, most integrated player in this, or is there some other competition who is equally good?
- Suramya Nevatia:** No. We have the best quality on the market. We have the supply rate. We have a very, very good product, the best product, actually, on the market. And because of that, we are able to get orders and supply.
- Rupesh Tatiya:** And in this one, is it fair to assume we are qualified across all loco types? P4, 5, 7, G7, 9, EMU, MEMU, everything, we are qualified for everything?
- Suramya Nevatia:** Yes. For all the locomotives.
- Rupesh Tatiya:** Okay, okay. That is good. And then the other final question, sir, is on this hotel load converter, I mean, can you just give some idea about what is our market share? And I think also the auxiliary converter also, I think, comes in the same segment. So what is our market share in that as well, these two products?
- Suramya Nevatia:** So see, the market size details are available in public domain. We are catering to, let's say, 20% to 30% of each of these products that you are mentioning.
- Rupesh Tatiya:** Okay, okay. Thank you. Thank you for answering my questions. I will come back in the queue.
- Moderator:** Thank you very much. The next question is from the line of Agam Shah, an individual investor. Please go ahead.
- Agam Shah:** Thanks for the opportunity. And congrats on good set of numbers. I have a few questions. So on the propulsion system part, you said that trials are going on. So can you just maybe whatever you can share once the trials are done, what kind of quantum of orders or what kind of orders can we look at?



And second question is, so in terms of order book quarter-on-quarter, you are flat. So what kind of order book are we envisaging by the year end? Should we end up at this order book only? Because I think the run rate which you are going this should suffice for you to for next 12 months. So what is the outlook going ahead and what kind of order book can we end the year with?

And also in the earlier, you spoke about entering into new verticals, defence & EMS and all? So can you talk broadly, I mean, three years down the line, currently, we are only railway focused with the acquisition auto might come in. So what kind of sectoral diversification things can look at, and maybe on numbers qualitatively or contrary whichever you want to comment, how can the business look like? So we are only around Rs. 800, Rs. 1,000 crores on a revenue wise. So what can be this looking like three years down the line? Thanks.

**Suramya Nevatia:**

Okay. So coming to the orders, the orders that we have in hand are not enough for next year, because the targets for next year is bigger. And according to that, we will be booking the orders and the tenders that come out going forward. Diversification has already begun, CTC is a big part of the diversification plan that we have that goes beyond railways in the different segments. Also BeLink is diversified, they are not only into auto, 20% of their business is from defense and 20% of their business is from aerospace and other segments.

So we are slowly and gradually moving, making move to different segments and different sectors and different applications. And all that will become visible in years to come. And as committed previously, I am not changing that number, we have set 30% year-on-year and I will stick to that, and you can see the results and they will speak for themselves.

**Agam Shah:**

So you are saying 30% for next three years also, right? That's what you are aiming at or how is it?

**Anil Kumar Nemani:**

We have already grown 40% of --

**Agam Shah:**

So order book should we also assume 30% more for the year-end order book from current levels?

**Anil Kumar Nemani:**

Yes. I cannot say what will be at the end of the year, but definitely we will be getting the orders. It may come before March or may come after March, okay. Sometimes the railway tender may finalize early, sometimes it may delay. So 30% growth as we see in the Q (Inaudible, 40:36) , till date we have achieved almost, I can say, 46% growth on that, H1 to H1. So in Q2 last time, so H2 up, maybe H2, so still we will be crossing definitely 30% on the year-to-year basis. At least for next three years.

**Agam Shah:**

So give or take, even if a slight delay happens on your order book, still we will be through, right?

**Anil Kumar Nemani:**

Yes, correct on this. Yes, ultimately they will need the material, okay. They will find, only they may say you supply early.



- Agam Shah:** Okay, okay. And also one more thing, so I think you said that the entity which we have enquired is loss making. So the Capex which we have to do is EUR1.5 million every year for next three years? How to read this?
- Anil Kumar Nemani:** No. That will not be CapEx, that will be only working capital we have to feed them, because business will be increasing. So there will not be, at present immediately, there is no Capex, because as our MD mentioned, this is a completely good plant also. But maybe small Capex may come in next one or two years. But all will be required for the working capital because of increased business.
- Agam Shah:** And so once we --
- Moderator:** Sir, sorry to interrupt, but can you please rejoin the queue?
- Agam Shah:** Okay, okay. No problem.
- Moderator:** Thank you very much. The next question is in the line of Ankur Kumar from Alpha Capital. Please go ahead.
- Ankur Kumar:** Hello, sir. Thank you for taking my question and congrats for a good set of numbers. Sir, first question is on the growth side. So as in order book is kind of flat for this quarter. And we are also saying 30% growth, but we have done much more than that, 46% growth in 1H. Can we expect similar growth to continue in the second half or we expect some lower growth because order book has been flat?
- Suramya Nevatia:** No, you can expect higher growth, but no, official commitment is 30%.
- Ankur Kumar:** Got it, sir. And so basically on order win side, what are we expecting? How much to order win do we expect in this year, sir?
- Suramya Nevatia:** Order is not really a questionable problem today. I mean there is enough opportunity and it is just that right now, it's a period where there are less things getting finalized. It is not like there is no tender or there is no opportunity. It's just because of, I think, a break or something, things got delayed. But there is just huge potential and huge opportunity. And the fact that we are building more products and getting into more applications, there is no slowdown in the receipt of orders. In fact, that's not a criteria for us today at all to even look at the orders. Our criteria today is to improve operations and to improve supply chain, to improve the costing. Absolutely no shortage of orders.
- Ankur Kumar:** Got it, sir. Thank you and all the best.
- Moderator:** Thank you very much. The next question is from the line of Prolin Nandu from Edelweiss Public Alternatives. Please go ahead.
- Prolin Nandu:** Yes, hi. Two more questions from my side. One is that, Mr. Nevatia, we keep hearing increasing competitive intensity in some of our existing products as well as some of our upcoming products



like, let's say, propulsion system, et cetera, et cetera. From your vantage point, how has been the competitive intensity, let's say, in the last one year? Are there more players which have come into the system? And our opportunity size within, let's say, each of those product segments, has it come down? Or can you just help us understand both from an existing product angle as well as from the pipeline or upcoming product, how has been the competitive intensity?

**Suramya Nevatia:**

Sure. So see, competitors will keep coming. It doesn't matter which product you are doing or which industry you are in. There are always competitors. What we are focusing is how we can be the most comprehensive supplier? How we can be more backward integrated? How we can have more advanced technology that enables us to have a really good product, a cost-effective product, and a highly efficient product, which is what railway wants today.

So yes, competitors will keep coming. But how will the competitors be competitive if they do not have good IP or good technology or good process? So it's not really a very big concern at this stage, because we know the direction that we are headed in and what we are building and how we are backward integrating wherever we are going forward. To be competitive, to make things in India, reduce imports, it's a whole big strategic structure that we have for every new product that we enter. And that helps us to be competitive and helps us to maintain good margins.

**Prolin Nandu:**

Sure, I get that. And last question would be, Mr. Nevatia, you have been looking after this company for quite some time now, right? Maybe you are the third generation. And this is the first time maybe an external CEO has come and joined. So I just wanted to understand how do you intend to now spend your time now that there's a CEO to look after things? And also, maybe we can hear Manoj's side of the story as well as to how did he see Hind Rectifier from an external kind of an eye? And what made him probably come and join us?

**Suramya Nevatia:**

Right. So firstly, Manoj ji has joined us recently, yes. He was with the CK Birla Group company, but before that, he was in Cummins for almost two decades. And he has joined us with a very clear understanding and a very clear vision of improving, growing, managing, and sustaining the entire Indian business that we have, improving the top line, improving the bottom line, getting us into places where we are not today.

Having worked in Cummins for so many years, he has great penetration into the defense field and a variety of different applications, including railways. So we believe that he is the right person to lead us into the new generation of things that we intend to do in India today. And I will be looking more now for more global strategies, global opportunities, how we can take Hirect really and make it a big global company.

We have a lot of, let's say, opportunities in this space. So we keep evaluating. And we then decide which one should we pursue and which one should we not. So we have a good strategy in-house of the Indian team and the global team that we are now trying to create and work with to grow our company from both sides, internally and externally.



- Prolin Nandu:** Sure. That's it from my side. And probably thank you. Thank you so much. That's it.
- Moderator:** Thank you very much. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Suramya Nevatia for closing comments. Thank you.
- Suramya Nevatia:** Thanks, everyone, for your participation and efforts for taking the time to join us on today's call. The first half of FY '26 has been marked by strong execution, strategic advancements, and continued growth momentum with robust visibility of healthy order books and our recent strategic initiatives gaining traction, we are confident of sustaining this momentum in the coming quarters with even more opportunities being explored globally.
- Our focus will remain on strengthening our core business, driving innovation and enhancing efficiency across operations to deliver consistent, profitable and long-term value for all stakeholders.
- I would like to thank everyone for joining the call today. In case of any further queries, please reach out to our Investor Relations Advisors, Strategic Growth Advisors. Thank you. Thanks for joining us.
- Moderator:** Thank you very much. On behalf of Hind Rectifiers Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines. Thank you.