



“Hind Rectifiers Limited  
Q3 & 9M FY'26 Earnings Conference Call”  
February 12, 2026

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**Moderator:** Ladies and gentlemen, good day, and welcome to the Hind Rectifiers Limited Earnings Call for Q3 and nine-months FY '26. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinion and expectations of the company as on the

date of this call. The statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the 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 star then zero on a touchtone 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. Over to you, sir.

**Suramya Nevatia:**

Good morning, everyone, and thank you for joining us for the third quarter nine-month FY '26 Earnings Conference Call of Hind Rectifiers Limited. I'm pleased to be joined today by our Chief Executive Officer, Mr. Manoj Nair; our Chief Financial Officer, Mr. Anil Kumar Nemani; and Strategic Growth Advisors, our Investor Relations advisors. Also joining us today is the newest member of our team, our Global CEO, Mr. Douglas Bailey.

We have uploaded our Q3 and nine-month FY '26 financial results and presentations on the stock exchanges and our website. And I hope everyone has had the opportunity to go through the same. Let me begin by sharing key operational and strategic updates for the quarter, post which I will request Mr. Nemani to take you through our financial performance. The third quarter of FY '26 saw steady execution across our core businesses, along with continued progress in capability building and advancing our strategic initiatives. This will strengthen our competitive position over the years to come.

On the policy front, the union budget has announced a record capital expenditure of INR2.93 lakh crores for Indian Railways, the highest ever allocation for the sector. The continued focus on electrification, rolling stock modernization, safety systems and station redevelopment remains a key priority for Indian Railways. The budget also outlines the development of 7 high-speed rail corridors, which will be the long-term growth connectors between key cities.

Overall, this sustained investment push provides a supportive demand environment and the long-term tailwind for railway equipment and power system suppliers like Hirect. On the operational front, our order book remains high at INR1,103 crores as of December 31, 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.

Our backward integration project for specialized copper conductors at the Sinnar facility continued to stabilize and scale up. As stated in the past quarter, this project enables in-house manufacturing of copper conductors, which are critical inputs for traction transformers. During the quarter, we successfully commenced the deployment of in-house manufactured conductors in our transformers that were supplied to Indian Railways.

We are currently ramping up capacities and expect this to enhance our cost efficiencies and supply chain reliability while also reducing dependence on external vendors. Beyond captive

consumption, we are actively evaluating external market opportunities within the transformer industry, and we expect this segment to deliver positive results from Q1 FY '27 onwards.

During the quarter, we further strengthened our leadership team with the appointment of Mr. Douglas Bailey as Global CEO of the company. Mr. Bailey brings over three decades of global leadership experience in the semiconductor and power electronics industry. He has led global marketing and application engineering functions and played a key role in establishing leadership in Wide Bandgap Technologies such as GaN and SiC. His experience adds significant depth to our leadership team. And going forward, we remain focused on disciplined execution, operational efficiency and technology-driven value creation under his leadership.

Updates on our global expansion strategy. Our integration with BeLink Solutions is progressing as planned. The business sits under our newly incorporated subsidiary, BELINK HIRECT SAS. Currently, at BeLink, we are focused on strengthening existing customer relations while also evaluating new opportunities for the printed electronics in adjacent sectors such as railways and defense across the European markets.

Furthermore, during the quarter, the Board of Directors has approved an investment of INR90 lakh in Coincade Studios Private Limited, a wholly owned subsidiary of Hind Rectifiers Limited, to subscription of its equity shares. This investment is directed to strengthen the capital base of the subsidiary and support its business expansion plans and future operational requirements. Just to remind you, Coincade is our in-house AI software and design company.

Lastly, the company is delighted to inform its shareholders that the Board of Directors has approved the issue of bonus shares in the ratio of 1:1, subject to the necessary statutory and shareholder approval. This bonus issue made by capitalizing of the balance of share premium account reflects the company's strong financial position and continued confidence in its long-term growth prospects. This initiative aims to reward shareholders for their continued support while improving the liquidity of the company's equity shares in the market.

One final update from my side, which has been repeatedly asked in previous meetings, it's about the propulsion system. I'm delighted to inform you after months of patience, the trials of our propulsion systems have officially commenced at Western Railway. And ideally, it should be completed within three to four months. I now request Mr. Nemani to take you through the financial performance.

**Anil Nemani:**

Thank you, Suramya. Good morning, everyone. Let me present a summary of our financial results for Q3 and nine-months FY '26. Our consolidated revenue from operations grew 64.2% on Y-o-Y to INR277.4 crores in Q3 FY '26. Our consolidated EBITDA for the quarter stood at INR25.5 crores, which is a growth of 44.9% on Y-o-Y basis, driven by the sustained execution. our EBITDA margin moderated by 120 bps year-on-year, primarily due to expansion-led investment in the copper conductors plant at Sinnar and increase in input cost of key raw materials arising from supply chain disruptions.

Our consolidated PAT excluding minority interest for the quarter stood at INR13 crores, up 30.1% on a Y-o-Y basis. There is exceptional item, exceptional expenses of INR1.3 crores for

Q3 FY '26 related to increase in employees' benefit obligation resulting from the change in labor law by Government of India.

Now in terms of our nine-month numbers, our consolidated revenue from operations for nine-months FY '26 reached INR719.3 crores, making a 52.9% Y-o-Y growth over INR470.3 crores in nine-months '25. Our consolidated EBITDA stood at INR75.7 crores in nine-months '26 with a margin of 10.5%. Our consolidated PAT stood at INR40.2 crores, up by 48.2% on a Y-o-Y basis.

That is all from my side. I now open the floor for Q&A, and Mr. Manoj Nair and our CEO, will join us to address your queries. Thank you, everyone.

**Moderator:** Thank you very much. The first question is from the line of Jay Jain from KJ Capital. Please go ahead.

**Jay Jain:** Hi sir. Thank you for the opportunity. My first question is from order book, order book seems to be muted during the quarter. In Q3, didn't we receive any new orders? And can you also please share the trajectory of the order book going forward?

**Manoj Nair:** I'm sorry, the question is not clear. Can you repeat the question?

**Jay Jain:** Sir, my first question is on the order book. Our order book seems to be muted during the quarter. In Q3, didn't we receive any new orders? And can you also please share the trajectory of the order book going forward?

**Manoj Nair:** Okay. So, if I understand right, the question is regarding the order book during the quarter and the trajectory going forward. So let me answer this. Our order book is, as shown, as mentioned earlier, is a robust order book. At the same time, particularly during this quarter, the railway tenders, which were expected to be closed had kind of moved out by a quarter, but the requirements are building up, especially for the transformers that is mainstay of our product line. We are expecting the orders to come in next quarter. So from an order buildup point of view, the trajectory is going to be positive and upward.

**Jay Jain:** And my second question is how we are seeing on the integration of Hirect and BeLink on the processes and technology transfer for? Sir, also in the past, you had mentioned that we would be seeking cross-selling opportunity of some Hirect products with BeLink in the European market. If you could please provide color on where we are on it currently?

**Suramya Nevatia:** Sure. So, the integration with BeLink is ongoing, and it's a continuous process. The industry that we are in is not like a very quick sell. It takes time to build the product to design it into the customer systems and then sell it. And that activity has started and it's ongoing. And we are reaching out to BeLink's existing customers and also getting them involved in the industry that we are in today, which is railways and heavy engineering and private customers. So that, all that work is ongoing. And it will take some time to start giving results.

**Moderator:** The next question is from the line of Prisha Rathi from NM Securities.

**Prisha Rathi:** So, I have a couple of questions. On the R&D front, how many products are currently under development? And do we expect to launch some of this in this coming quarter?

**Suramya Nevatia:** Yes. So, there are about 40 products which are under development in R&D. These include completely new products, upgrades, improvements, engineering and these products are rolled out continuously. So, every few weeks, something is released either in the factory or in the market.

**Prisha Rathi:** And sir, additionally, are we planning to introduce any product solution for adjacent sector like defense or electronics?

**Suramya Nevatia:** We are already working in defense and electronics. Although in defense, our scope is not a lot, but we are trying to improve it.

**Prisha Rathi:** Okay. Sir, last question. Have we completed the 50,000-kilometer trial run for the propulsion system? Do we have any order for the propulsion system in the pipeline?

**Manoj Nair:** Yes. So as mentioned earlier during the call, the propulsion system trials have commenced, and we expect the 50,000 kilometers to be completed in three to four months, as mentioned earlier. And yes, we do have order board for propulsion system currently, and we are expecting more to come.

**Moderator:** The next question is from the line of Rahil from Sapphire Capital.

**Rahil:** Sir, you mentioned in the presentation additional order of INR101 crores from Indian Railways. What is this order regarding to?

**Suramya Nevatia:** That's the total pending orders as of 31st December.

**Rahil:** Okay. Secondly, you've said propulsion systems orders you have some in hand, right? What is the, if you can quantify it?

**Manoj Nair:** Valued about roughly about INR50 crores. We have the initial orders on hand. And as I said, we are expecting a few more orders to come in.

**Rahil:** Okay. And the current total overall order book, which is at INR1,013 crores, what is the executing timeline for this?

**Manoj Nair:** It's spread over multiple quarters., and it keeps building so that's how it is.

**Rahil:** And Q4 FY '26, how it's panning out so far? And in terms of like growth and margins, can you guide for this quarter and exit of FY '26 and next year, what sort of revenue growth and EBITDA margins we can do?

**Suramya Nevatia:** We don't provide any guidance, but Q4 is looking upwards. It's going very well, going as per the plan that we had set out originally. And we expect a growth of 30% year-on-year, and we continue to maintain that going into the next year as well.

**Rahil:** Okay. And what led to the drop in margins from double-digit to single in this quarter? And now what can be sustainable rate going ahead?

**Suramya Nevatia:** So, the reduction in the margins is due to fluctuations and volatility in the commodity market particularly to do with copper, but we are doing everything that we can to mitigate this. more focused on the internal copper factory, which will help us to further improve the supply chain, which leads to all these issues. And we should be back to even better than, in fact, what margins we've done previously, we should be back in the next couple of quarters.

**Moderator:** The next question is from the line of Manish Goyal from ThinQwise Wealth Advisors.

**Manish Goyal:** I have a couple of questions. Sir, on the propulsion system, already the system is installed on the locomotives, and it's been running on the tracks or what is the status, sir? I missed the opening remarks. I'm sorry for that.

**Manoj Nair:** Yes. So, we mentioned in the opening remarks that the propulsion system is already on the locomotive and the trials have begun has come in. So, it's already running.

**Manish Goyal:** And which, is it on like which part of the region like is it assigned to us on the Western side? Or how is it?

**Manoj Nair:** It's on the western side.

**Manish Goyal:** Okay. And we are fairly confident that we should be able to complete the first milestone of 50,000 kilometers in next three to four months?

**Manoj Nair:** Yes, absolutely.

**Manish Goyal:** Okay. And I did hear that you have orders for INR50 crores for how many equipment is that, sir, for how many systems we have?

**Manoj Nair:** Roughly about 40.

**Manish Goyal:** Okay. And going forward, once the product is approved and if we are able to participate in tenders, so will we need to invest more to create capacities and what could be the capex for that?

**Suramya Nevatia:** No. Currently, there are no plans for any capex for the propulsion system. We have enough capacity already built.

**Manish Goyal:** Okay. Okay. And sir, like what kind of tender pipeline is there? It was mentioned that there has been a delay of a quarter in order finalization. So would it be possible to give us some sense on the tender pipeline, the quantum or something sort of which would be helpful for us to get the perspective for the next year growth and order book?

**Suramya Nevatia:** So Indian Railways plans to manufacture 1,700 electric locomotives in the next year. And all of those tenders will start coming out now. And in fact, the quantum of tenders and the outlook is even bigger and better than what it was this year and the previous year. So it's looking very good.

**Manish Goyal:** Right, sir. And sir, in terms of our product launches for beyond locomotives, like we were looking for Vande Bharat, and we were probably looking for other systems. So how is the progress on that, sir?

**Suramya Nevatia:** So the progress is ongoing, and the products are in R&D. And once the products are launched in the market, we will do a press release, and we'll make sure we inform all the shareholders about it.

**Manish Goyal:** Okay. So when we're probably looking at 30% growth for next year, it accounts for some of these new product launches and orders from that and execution itself? Or how should we understand that?

**Suramya Nevatia:** No, it does not. 30% growth is from existing business, existing product lines, products that have already been released into the market, and we expect to get a larger share. It's from existing business. Anything that is in R&D today, which adds value next year will be on top of that.

**Manish Goyal:** Okay. Okay. And sir, like on margins, you did said that our CTC factory has started. So when should we be able to get a normalized production? And from when do you think that it should help us correct our margins, sir?

**Suramya Nevatia:** From Q2 of the next year.

**Manish Goyal:** Okay. So by that time, it is like we expect that the production should reach to a reasonable level for us to get the benefit of in-house CTC?

**Suramya Nevatia:** Yes.

**Manish Goyal:** So ideally, does it imply, sir, that for Q4 and Q1, the margins would probably trend to what we have seen at Q3 levels? Or we should probably look for a little better margin in Q4 and Q1?

**Suramya Nevatia:** No, it should be better. In fact, it will be better for Q4. And be even better than Q4, which will be in Q1. But the real upside will come from Q2 onwards and the CTC factory will be in full swing.

**Manish Goyal:** Sure, sir. And sir, last question on the BeLink. We have probably reported INR34 crores revenue and probably a little less than INR1 crore of loss. So how do you expect this revenue run rate and the profitability going forward in BeLink? Do you expect breakeven in near-term and then probably start seeing some margins, positive margins going forward?

**Suramya Nevatia:** For BeLink, it will take some time to turn it around. But when the turnaround does happen, the profitability will be in big multiples. And we are at this stage today where we are trying to still do the integration in a proper manner. And we are building a big global team to address those issues. And to interlink their customers and our customers and different industries. But we are very confident. And we know we have the strategy very clear of how we are supposed to do it rolling in that front.

**Manish Goyal:** Sure, sir. And will it require further fund infusion from our side, sir?

**Suramya Nevatia:** No. Only what we have committed, that's it nothing more than that.

**Manish Goyal:** Sure, sir. And sir, on exports from India, like we had a couple of trials, which was been done in U.S. and Germany. So any serial production orders anticipated or we have started getting orders? How should we look at that?

**Suramya Nevatia:** See, those are, again, they are traction products. It takes time to commission them. It takes time for the customers to get the performance of the product to do the field trials. It's not really something that happens instantly. So it's a long game, and we have to be patient and it will take time.

**Manish Goyal:** Sure. And sir, last question on the capex side. What is the plan, how much we have done in the current year and next year, sir? That's the last question.

**Suramya Nevatia:** Defense is negligible, and we are putting efforts to increase that business.

**Manish Goyal:** No, I was asking the capex plan for current year and next? Capital expenditure.

**Anil Nemaní:** Approximately cash flow-wise around approximately INR60 crores.

**Manish Goyal:** In FY '26, sir?

**Anil Nemaní:** Yes, correct. Yes.

**Moderator:** The next question is from the line of Pragya Bharadwaj from Complete Circle Wealth.

**Pragya Bharadwaj:** Sir, on the BeLink integration, you just mentioned that it's still going on. Is there an internal time line on when we can expect this to be completely fully integrated?

**Suramya Nevatia:** No, it's a continuous process, and it will keep going on at least for the next few months. But while the integration is happening, we are also looking at evolving that business and doing the IP integrations, and it's a long process, but it's ongoing, but it's also not affecting the business activities. So we are doing it parallelly, the integration and the business growth, both of them.

**Pragya Bharadwaj:** Okay. Sir, is there an order prospect pipeline that we can sort of look towards? You spoke about some of it in your previous answer. Just wanted to understand like a prospective order book that we can look forward to, say, for the next year or, say, FY '27? And is there any newer categories that could possibly be included in that new launch, like sort of new order prospect pipeline?

**Manoj Nair:** Yes. So as we mentioned earlier, we are looking at a 30% growth year-on-year, and we expect a similar kind of growth on the order board. We are expecting some of the products that are under trials to also catch additional orders next year. So overall, we would see the ramp-up on the order board over the next two quarters, and that's the expectation.

**Pragya Bharadwaj:** Sir, this rollout of the railway tendering orders, it's already begun from the government side because there was some sort of delay that we saw like in FY '26. Has there been a pickup on the

ground activity because the allocation has been large. You also alluded to that. Has there been traction so we can expect some ramp-up in the ordering activities from the government as well?

**Manoj Nair:**

Yes. Typically, the railway orders starts ramping up from the beginning of the financial year because that's when the allocation, the respective production units get the allocation. So you might have seen in the budget, the railway allocation is 10% higher over last year. So definitely, the order boards, we are expecting more this year, coming financial year.

**Pragya Bharadwaj:**

Just last couple of questions, and I'll run in the queue back. You said about close to 40 products are still in the R&D stage. Can we expect a rollout, like some color on that, if you can just sort of give a few more details that if there is a launch pipeline that you're working with, in what categories will these products be like these 40 products, like any announcements expected in quarter four? Or should we expect more in first half of FY '27?

**Suramya Nevatia:**

Yes. So of course, we have internal time lines. And these products are across different types of products. Some are completely new, which is where we are building our own IP from scratch. Some are existing products being upgraded to their second version or third version. Some are engineering products to improve quality, improve efficiency. It's a mix of all different things, but they're all power electronics, and they're all pertaining to systems. Most of them are for railways.

There are some which are non-railways. But beyond that, I cannot share any detail at this stage. And we will keep you updated as and when things keep coming out. But the R&D product pipeline does not really reduce. It just keeps increasing as we keep growing the R&D team. And if R&D team delivers three products out, they've probably taken four or five products more. So it's a continuous cycle of product development and technology innovation.

**Moderator:**

The next question is from the line of Pankaj Kumar from Kotak Securities.

**Pankaj Kumar:**

A question on this propulsion system trial that is going on. As you stated that there are another three to four months will be there to complete this trial. And since the railways mostly invite tenders or they complete the first phase of the tendering in June. So with this trial going in June, will we be able to participate in the first tranche of the tenders?

**Manoj Nair:**

We are positive about that. The tender activities will, as you rightly mentioned, might be towards the end of next quarter, and we are positive that we have substantial coverage of the trial. So we should be in a fair position.

**Pankaj Kumar:**

And sir, second question is on the competition part. So since railways are approving new players in the propulsion system. So will there be more than one or two player who would be approved after this all trial process? Apart from you, basically, the question is apart from you, how many other players are there in the propulsion system?

**Manoj Nair:**

As far as propulsion system is concerned, we still have from a, there are limited players in the approved category, and we do expect one or two more to come, but that's a long process. So at least in the forward-looking year, next year, we expect to gain from the propulsion tender.

**Pankaj Kumar:** Okay. And sir, my last question is on the, basically, we are anyway supplying to some of these OEMs who are basically participating in the propulsion system tender. So post this approval, will we continue to supply the ancillary equipment to those OEMs or we'll play a role of full-fledged OEM?

**Manoj Nair:** No, we'll continue to pursue those, all those complementary requirements because that's our, we have the manufacturing capacity already available. So we don't intend to differentiate that.

**Moderator:** The next question is from the line of Abhi Shah from Siddhi Tech.

**Abhi Shah:** So I have two questions. One regarding the other expenses. There is steep increase in the other expenses. So can you just give the breakup of what led to those increases in other expenses? And second, I joined late. So can you just provide the status of the Europe subsidiary, which is whether it is still lossmaking or whether it has turned profitable? And also third question regarding the budget which has been allocated higher towards the high-speed railway corridor. So any plans to enter into those too?

**Anil Nemaní:** If you see the other expenses, it has not increased if you compare with the December, sorry, if you compare with the Q2, it has been reduced compared to the other. In Q2, it was INR125 million where it is now it is INR112 million. So I can say more than INR1 million, it has been reduced, in fact, already. More than INR10 million reduced. So there is no increase. And your second question was regarding.

**Abhi Shah:** Can I just provide the breakup of other expenses?

**Anil Nemaní:** Yes, these are, I can say, the regular expenses, basically the power, consumable sto, office rent, all maintenance, and all this. So every expenses cannot be provided will definitely see compared to the last December also, there is no major increase Y-o-Y also. Although we have increased, I can say by approximately 45% turnover, but this increased just 10%. And you will definitely have the figures of last year.

**Abhi Shah:** And regarding the subsidiary, Europe subsidiary and the entering into the high-speed railway corridor, any light upon that can you provide?

**Suramya Nevatia:** So the BeLink subsidiary question, we've already answered multiple times. It is loss-making, it will continue to be loss-making until, for the next few quarters until we can turn that around.

**Manoj Nair:** And on the high-speed rail, definitely, we might, we are exploring opportunities with related products that we have. Obviously, not on the propulsion system, but on other, there are a few other products that we have in the basket to offer. So we are talking to the respective OEMs for that.

**Abhi Shah:** Okay. So what kind of order expectations can we expect or is still in the initial stages?

**Manoj Nair:** It is in the initial stage. I can't comment on the order quantum right now, but we are exploring those opportunities.

**Moderator:** The next question is from the line of Payal Shah from Billion Securities.

**Payal Shah:** Sir, so all of my questions are already answered. I just have one question. So while we are strengthening the Board with adding reputed industry personnel, where they will further add and contribute towards the growth. So just wanted to understand and get some sense on your vision, like how are we looking at growth five years down the line?

**Suramya Nevatia:** So we have a very ambitious plan. We intend to increase our offering within our segment, which is power electronics, which is industrial electronics, semiconductors. And we want to go beyond railways. Yes, of course, we cannot lose the market leadership that we have in the railway segment. So we want to continue being present and very visible within railways, but we also have to go outside into different sectors, different applications, different product kinds and product types, which is why we are increasing and bringing in experts who can help us to do that, whose vision aligns with the ones with the company.

And that's what we're looking at. Also not just be restricted to India, but also increase our sales outside of India. So export is a big opportunity for us. And now we have European manufacturing capabilities. And so we are trying to stitch everything together across cross-continental R&D, building of technology and to take the company really global. That's what the plan is. And in five years, we hope to have that come true.

**Moderator:** The next question is from the line of Gurmit Chadha from Complete Circle.

**Gurmit Chadha:** I think my colleague covered most questions. Only the follow-up was what last was that since we are entering newer categories, including propulsion system, power electronics, this will also entail working capital requirements going up, capex requirement going up. Are there any asset monetization plans company has and fundraising plans? And what's, is there one aspiration company has over the next three, four years in terms of any revenue milestones, any other milestones over the next maybe four, five years?

**Suramya Nevatia:** Right. So regarding the working capital, we are, I think, pretty well covered for the time being. We do have capex that keeps coming up, which we are addressing today either through debt or through internal accruals.

But as we grow bigger and as we address more opportunities, maybe later on down the line, we might consider a fundraise. We're not sure yet. But we'll decide when the time comes. And if we feel that the time is right, we might look at doing something. Not sure today.

**Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Suramya Nevatia for the closing comments. Over to you, sir.

**Suramya Nevatia:** Thank you, everyone, for your participation and for taking the time to join us on today's call. We hope we have been able to give you a detailed overview of our business and answer your queries. Should you have any further queries or clarifications, please feel free to reach out to SGA, our Investor Relations advisers. Thank you. Thanks for joining us.

**Moderator:** Thank you very much, sir. On behalf of Hind Rectifiers Limited, that concludes this conference.  
Thank you for joining us. You may now disconnect.