May 15, 2026

Pyrotech Electronics Private Limited.: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Cash Credit	51.50	51.50	[ICRA]BBB- (Stable); Reaffirmed
Long-term – Fund-based – Standby Line of Credit	15.00	10.00	[ICRA]BBB- (Stable); Reaffirmed
Long-term – Fund-based – Term Loans	2.60	0.00	-
Long-term – Non-fund based – Bank Guarantee	73.50	73.50	[ICRA]BBB- (Stable); Reaffirmed
Long-term – Interchangeable	(12.00)	(12.00)	[ICRA]BBB- (Stable); Reaffirmed
Total	**142.60**	**135.00**	

**Instrument details are provided in Annexure II*

Rationale

The rating reaffirmation for Pyrotech Electronics Private Limited. (PEPL) considers the expectations of stable financial performance in the near term, with an order book of around Rs. 323.3 crore as on December 31, 2025 (1.1 times of FY2025 operating income) for the panel and LED division, which provides near-term revenue visibility. The rating also continues to factor in the extensive experience of more than 30 years of PEPL's promoters in the electronics industry, which has enabled repeat orders from established customers supporting the order book. The company's improving revenue diversification, driven by new product launches resulting in the addition of new clients in different sectors, also provides comfort. PEPL has served as a qualified vendor of control panels for various clients, which supported its order book. ICRA also notes the company's limited debt repayment obligation and absence of any major capex plans in the near-to-medium term.

The rating is, however, constrained by PEPL's moderate scale of operations and elongated working capital cycle, driven largely by the long receivable cycle primarily for its panel division as well as its high inventory level. The ratio of net working capital vis-à-vis operating income (NWC/OI), hence, remained high at 48% in FY2025. The company's sizeable working capital requirement keeps the capital structure and debt coverage metrics moderate; though its funding requirement is partially met by unsecured loans from related parties. The company reported a revenue decline of 3% in FY2025, primarily driven by slower project execution in the panel division. In 9M FY2026, PEPL witnessed a 4% YoY revenue degrowth owing to execution delays in large-scale projects, particularly those involving Government and public sector clients.

However, PEPL is expected to witness a revenue growth of 10-15% in FY2027 owing to a healthy order pipeline in its panels division and healthy growth expected in the LED business. The company also reported moderation in the operating profit margin (OPM) to 8.4% in FY2025 from 9.5% in FY2024 on the back of a slowdown in order execution due to delays in the handover of sites by customers and stiff competition. The OPM, however, is likely to remain stable in FY2026 and gradually improve, going forward. The rating also continues to be constrained by the vulnerability of margins to commodity prices (mainly steel) and exposure to time and cost overruns in the project business. The rating also remains constrained by the company's high customer concentration, as reflected in the high share of pending order book of 43% from a single customer as on December 31, 2025. However, the concentration is likely to reduce with the gradual addition of orders from other customers.

The Stable outlook on the long-term rating reflects ICRA's opinion that PEPL's revenues and profits will improve, going forward, driven by the pick-up in order execution and steady inflow of new orders, in turn, supporting the debt coverage indicators.

Key rating drivers and their description

Credit strengths

Experienced promoters and strong relationships with clients – The company's promoters have vast experience of more than 30 years in the electrical and electronics industry. They have built strong relationships with key clients, such as Bharat Heavy Electricals Limited (BHEL), which enables PEPL to receive repeat orders. Further, there is a track record of infusion of unsecured loans from Group companies or by the promoters to support the liquidity position.

Improving revenue diversification led by new product launches – In the last few years, the company increased its focus on new sectors like power transmission, glass, chemicals, panels, etc., and has been operating as a contract manufacturer for LED majors. It has added new products in its portfolio like high-density motor control centre (MCC) panels, e-kiosks, smart bus shelters and control panels for petrol pumps. The company has also added new clients in different sectors, which has supported its order book. Over the years, PEPL has served as a qualified vendor of control panels for various clients and has established its track record with repeat orders for engineering majors like BHEL, Secure Meters Limited, Siemens, etc. The demonstrated operational track record enabled PEPL to secure direct orders from Nuclear Power Corporation of India Ltd. However, the shift to other sectors for panel orders and traction in the LED business has increased revenue diversity, thereby reducing dependence on a few sectors. ICRA, however, expects the panel division to continue dominating PEPL's revenue stream.

Satisfactory order book renders revenue visibility – In FY2026, PEPL received large orders from various clients in the panel division for its new product lines developed over the last five years. Along with the LED driver division, this accounted for an outstanding order book of Rs. 323.3 crore as of December 2025, providing adequate revenue visibility in the near term. While the order execution remained relatively slow in 9M FY2026 owing to delays in the handover of sites by customers, the same is expected to pick up. However, ICRA notes that the company is exposed to high customer concentration as 44% of its total consolidated revenues in FY2025 and 43% of total pending orders as of December 2025, were from a single customer. However, this concentration is likely to reduce, going forward, with the gradual addition of orders from other customers.

Credit challenges

Moderate scale of operations – The company's scale of operation remains moderate despite an established track record. It reported a revenue degrowth of 3% in FY2025 to Rs. 284.3 crore. In 9M FY2026, its revenue continued to decline by 4% on a YoY basis and stood at Rs. 194.0 crore, owing to execution delays in large-scale projects, particularly those involving Government and public sector clients. However, PEPL is expected to see revenue growth of 3-8% in FY2026 owing to healthy order execution in Q4 FY2026 in the panel and LED division. With an adequate order book of Rs. 323 crore, as of December 31, 2025, the revenue growth in FY2027 is expected to remain higher at 10-15%.

High working capital intensity due to long receivable cycle – The company's working capital intensity has been historically high amid an elongated receivable cycle, as is prevalent in the sector. Traditionally, the working capital cycle remains long as the manufacturing process in turnkey projects requires multiple approvals from clients and the payment is linked to the installation and approvals. Hence, the receivable days stood high at 110 as on March 31, 2025 (119 days as on March 31, 2024). The inventory days also remained high on account of elevated inventory maintained for control panels, LED drivers and finished goods in the LED division, as it is a volume-driven business. The inventory stood at 145 days as on March 31, 2025 (135 days as on March 31, 2024). The NWC/OI remained high at 48% as on March 31, 2025. ICRA notes that the company's utilisation of bill discounting facilities (without recourse) for select key customers reduces its working capital intensity to some extent. While the payment cycle in the LED division has been satisfactory, the company's ability to manage its overall working capital cycle efficiently will remain a key monitorable, going forward.

Moderate capital structure and debt coverage indicators – The company has high working capital requirements owing to its elongated working capital cycle. As a result, the capital structure remained moderately leveraged with a gearing of 1.4 times as on March 31, 2025 (1.4 times as on March 31, 2024) and total outside liabilities compared to tangible net worth at 2.1 times as on March 31, 2025 (2.4 times as on March 31, 2024). The company's moderate profitability and capital structure kept its coverage indicators moderate, too, as reflected in the DSCR of 1.4 times, interest coverage of 2.2 times and total debt vis-à-vis operating profit of 4.4 times in FY2025 (DSCR of 1.9 times, interest coverage of 2.5 times and debt/EBDITA of 3.5 times as on March 31, 2024). The coverage indicators weakened to some extent in FY2025 due to a decline in profitability but are likely to remain stable in FY2026 and gradually improve, going forward, with an expected increase in its scale of operations and profitability in the absence of any major debt-funded capex plans.

Liquidity position: Adequate

PEPL's liquidity is adequate. Its cash flow from operations remained negative in recent years due to high working capital intensity of operations. However, the liquidity position is supported by a significant buffer of Rs. 55.8 crore in working capital utilisation as on February 28, 2026, and the availability of sufficient drawing power provides a buffer in terms of any enhancement needed. In addition, nominal repayment obligations of Rs. 0.18 crore in FY2027 with no major debt-funded capex plans in the near to medium term would support the liquidity. The funding support from directors and related parties in the form of unsecured loans, with an outstanding balance of Rs. 36.3 crore as on December 31, 2025, provides further liquidity comfort.

Rating sensitivities

Positive factors – ICRA could upgrade PEPL's rating if the company is able to significantly augment its order book and ramp up execution of the same, translating into healthy growth in revenues and earnings on a sustained basis, while efficiently managing the working capital cycle.

Negative factors – ICRA could downgrade PEPL's rating if the company's fresh order inflow and/or pace of order execution declines significantly due to demand slowdown or operational constraints. Deterioration of the company's liquidity position due to an elongated working capital cycle on a sustained basis could also result in a rating downgrade.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the consolidated financials of the company. As on March 31, 2025, the company had one subsidiary and one associate, which are enlisted in Annexure III. The associate entity, PTPL, ceased to be a subsidiary of PEPL since October 2024, however, the financials are consolidated since there are managerial, operational and financial linkages between the entities and PEPL has provided a corporate guarantee to PTPL for working capital borrowings.

About the company

Pyrotech Electronics Private Limited. was incorporated in 1991 by a group of four professionals, namely the brothers Mr. CP Talesara and Mr. PS Talesara, as well as Mr. VP Rathi and Mr. NK Pandey. The Group has divided its manufacturing units based on the application of its products. PEPL manufactures electronic instruments and related products. The company has three manufacturing units at Mewar Industrial Area in Udaipur (Rajasthan). The units have franchisee arrangements and tie-ups with international companies dealing with related product categories. The control room has various display equipment, which indicate the parameters being measured in a user-friendly format. The instruments have circuitry aided by display items. Such instruments are manufactured by PEPL Unit I. In FY2015, the company started manufacturing LED drivers and LED lights in Unit I. The enclosures and panels that have all these instruments hardwired to are the control panel/desk, etc., which are manufactured by PEPL in Units II and IV.

The Group demerged Unit I from PEPL and transferred the business to its subsidiary, PTPL, effective from July 2023. PTPL was incorporated in July 2023 as a subsidiary of PEPL to transfer the Unit I business to the new entity. As part of the demerger agreement, PTPL ceased to be a subsidiary of PEPL from October 2024, with PEPL holding 1.86% stakes in PTPL as on December 31, 2025 (99.99% as on March 31, 2024). The remaining shares of PTPL are currently held by existing shareholders of PEPL. The company incorporated one more subsidiary, Pyrotech Enclosures and Systems Private Limited (PESPL), on July 5, 2023. However, the company is not yet operational.

Key financial indicators

Consolidated	FY2024	FY2025	9M FY2026*
Operating income	294.0	284.3	194.0
PAT	9.2	7.2	0.5
OPBDIT/OI	9.5%	8.4%	6.4%
PAT/OI	3.1%	2.5%	0.3%
Total outside liabilities/Tangible net worth (times)	2.4	2.1	2.2
Total debt/OPBDIT (times)	3.5	4.4	6.3
Interest coverage (times)	2.5	2.2	1.5

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; *Provisional*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	May 15, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund-Based – Cash credit	Long-term	51.50	**[ICRA]BBB- (Stable)**	Apr 02, 2025	[ICRA]BBB- (Stable)	-	-	Feb 23, 2024	[ICRA]BBB- (Stable)
Fund-based – Standby line of credit	Long-term	10.00	**[ICRA]BBB- (Stable)**	Apr 02, 2025	[ICRA]BBB- (Stable)	-	-	Feb 23, 2024	[ICRA]BBB- (Stable)
Fund-Based - Term loan	Long-term	0.00	-	Apr 02, 2025	[ICRA]BBB- (Stable)	-	-	Feb 23, 2024	[ICRA]BBB- (Stable)
Non-Fund Based - Bank Guarantee	Long-term	73.50	**[ICRA]BBB- (Stable)**	Apr 02, 2025	[ICRA]BBB- (Stable)	-	-	Feb 23, 2024	[ICRA]BBB- (Stable)
Interchangeable*	Long-term	(12.00)	**[ICRA]BBB- (Stable)**	Apr 02, 2025	[ICRA]BBB- (Stable)	-	-	Feb 23, 2024	[ICRA]BBB- (Stable)
Unallocated limits	Long-term	-	-	-	-	-	-	Feb 23, 2024	[ICRA]BBB- (Stable)

**Sublimit of bank guarantee*

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSRs) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ($)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, Fis	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, Fis	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) *Includes securitisation transactions involving assignee payout, acquirer's payout.*

($) *Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.*

(%) *These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.*

Other activities offered by ICRA fall under the regulatory purview of various FSRs as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) *The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.*

(#) *Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.*

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments, which fall under the regulatory purview of FSRs other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Cash Credit	Simple
Long-term – Fund-based – Standby Line of Credit	Simple
Long-term – Non-fund Based - Bank Guarantee	Simple
Long-term- Interchangeable	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure II: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	**Fund-based – Cash Credit**	NA	NA	NA	51.50	[ICRA]BBB- (Stable)
NA	**Fund-based – Standby Line of Credit**	NA	NA	NA	10.00	[ICRA]BBB- (Stable)
NA	**Non-fund Based - Bank Guarantee**	NA	NA	NA	73.50	[ICRA]BBB- (Stable)
NA	**Interchangeable***	NA	NA	NA	(12.00)	[ICRA]BBB- (Stable)

*Source: Company; *Sublimit of bank guarantee*

Please click here to view details of lender-wise facilities rated by ICRA

Annexure III: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Pyrotech Technologies Private Limited	1.86%	Full consolidation
Pyrotech Enclosures and Systems Private Limited	100.00%	Full consolidation

Source: Company

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