June 09, 2026

Bharat Bijlee Limited: Ratings reaffirmed and assigned for enhanced amount

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Fund-based Limits	430.00	458.00	[ICRA]AA-(Stable)/ [ICRA]A1+; reaffirmed and assigned for enhanced amount
Non-fund Based Limits	718.50	808.50	[ICRA]AA-(Stable)/ [ICRA]A1+; reaffirmed and assigned for enhanced amount
Unallocated Limits	111.50	533.50	[ICRA]AA-(Stable)/ [ICRA]A1+; reaffirmed and assigned for enhanced amount
Total	**1,260.00**	**1800.00**	

**Instrument details are provided in Annexure II*

Rationale

The ratings continue to factor in Bharat Bijlee Limited's (BBL) established track record and the extensive experience of its promoters in the electrical equipment industry, along with its established position in the domestic transformer and electrical motor segments. The company remains supported by its diversified presence across the power systems and industrial systems divisions with a wide product portfolio that includes power and distribution transformers, electric motors, drives, automation solutions, magnet technology machines and engineering, procurement, and construction (EPC) contracts. Its operational profile is supported by established relationships with utilities and private sector customers in the transformer business, and a wide network of over 400 dealers in the motors business.

Healthy demand, backed by the Government's push for infrastructure projects has supported a healthy scale-up of the company's operations with its revenue growth at a CAGR of 25% during FY2021-FY2026. The company clocked a healthy revenue growth of around 20% to Rs. 2,273.8 crore in FY2026 from Rs. 1,901.7 crore in FY2025, driven by healthy growth in both its power systems and industrial systems divisions. The transformer business remained the key growth driver, aided by healthy execution and improved dispatches, as the company also strengthened its product offerings through the successful delivery of 400 kV class transformers. BBL is expected to record healthy revenue growth of around 15–20% in FY2027, supported by a robust unexecuted order book of about Rs. 2,133 crore as on March 31, 2026, and sustained execution momentum across both the power systems and industrial systems divisions.

The company is undertaking a brownfield expansion to scale up its transformer capacity to around 36,000 MVA from 18,000 MVA. However, this expansion project has been delayed with the expected commissioning shifting to January 2027 from the earlier estimate of Q1 FY2027, primarily on account of changes in project scope, delays in statutory approvals, and revisions in the layout and testing infrastructure requirements. The total capex estimate has been revised upwards to around Rs. 230-240 crore (from the earlier estimate of Rs. 170-180 crore) owing to revision in scope. Therefore, the timely completion and stabilisation of the expanded capacity remain a key monitorable from a credit perspective.

The ratings derive comfort from the company's strong financial profile characterised by healthy scale of operations, low debt levels, comfortable debt metrics and strong liquidity position. Moreover, the company had sizeable other non-current investments of around Rs. 1,323.9 crore as on March 31, 2026.

The ratings remain constrained by the intense competition in both the transformers and motor segments, which continues to limit pricing flexibility and exposes profitability to adverse changes in product mix and increase in raw material costs. In FY2026, despite the healthy revenue growth, the operating margin moderated to around 7.2% from about 9.0% in FY2025, because of a sharp increase in commodity prices that could not be passed on to customers, especially in case of fixed price contracts that account for around 40-45% of the company's revenue base. The ratings are also constrained by the working capital intensive nature of operations, particularly in the transformer business, due to a sharp rise in receivables and inventory in FY2026, which resulted in an increase in net working capital intensity to around 20.5% from 14.4% in FY2025. BBL's operations also remain susceptible to investments in the power and capital goods sectors, and sustained demand from these end-user industries will remain critical for maintaining its growth momentum and improving profitability over the medium term.

The Stable outlook reflects ICRA's opinion that BBL's credit profile will continue to be supported by the favourable capex cycle amid the Government's push for infrastructure projects, which along with planned capacity additions is likely to fuel growth in revenue and earnings.

Key rating drivers and their description

Credit strengths

Established market presence in power transformers and electric motors segments in India and extensive experience of promoters in the industry – The promoters of BBL have extensive experience in transformers and motor manufacturing, which has resulted in the company developing established relationships with customers, securing repeat orders over the years. This has positioned BBL as one of the leading players in the domestic market for power transformers and electric motors. The involvement of the third generation of the promoters in recent years has ensured continuity and stability for the business. BBL has a significant presence in the power transformer segment, particularly in 220-KV class transformers up to 200 MVA. The company is expanding its transformer capacity to 36,000 MVA from 18,000 MVA, with commercialisation expected in January 2027. The new capacity will expand BBL's portfolio to 3-phase, 500 KV transformers. Its motor division manufactures and sells a wide range of standard as well as specially designed, low tension (below 6.6 KV) motors, high-tension motors ranging from 0.18 KW (fractional kilowatt motors) to 1,250 KW and traction motors. In the past, the company had enhanced its technical capabilities by adhering to stringent safety and quality norms, earning certifications from top international bodies such as Atmosphères Explosibles (ATEX), International Electrotechnical Commission System for Certification to Standards Relating to Equipment for Use in Explosive Atmospheres (IECEx), and Bureau of Indian Standards (BIS), etc., for its motors. The company's motors centralised type test field (CTTF) lab is National Accreditation Board for Testing and Calibration Laboratories (NABL) accredited for testing motors up to 11,000V and 1,500kW. Similarly, its transformer testing lab is also NABL accredited for testing transformers up to 500 MVA and 420 kV. These accreditations have further strengthened its brand image and expanded its bidding avenues.

Strong financial profile and liquidity position – BBL has a sizeable scale of operations and earnings, considerable net worth and conservative debt protection metrics with no long-term debt. Further, its healthy accruals over the last several years have resulted in a sizeable net worth of Rs. 2,028.7 crore as on March 31, 2026. Additionally, the fund-based working capital facilities are largely unutilised, indicating a strong liquidity, characterised by healthy unencumbered cash and bank balances of Rs. 395.1 crore, liquid investments of Rs. 38.6 crore, and investments in equities with a market value of Rs. 1,317.9 crore as on March 31, 2026.

Credit challenges

Operations remain linked to investments in power and capital goods sectors; exposed to intense competition in transformer and motor segments – BBL's operations are inherently linked to investment activities in the power and capital goods sectors. Thus, such investments will remain critical for the company to ramp up its scale of operations in the medium term. Also, the demand-supply mismatch in the domestic transformer industry on account of limited large capacity additions (especially in thermal and gas-based units) have led to intense competition and limited pricing flexibility for most players in the segment.

Moreover, competition remains intense in the motor segment, given the large MNCs as well as domestic players in the field. This is in addition to more standard product offerings compared to customisation available in the transformer portfolio.

Working capital intensive nature of business in transformer segment – Over the years, BBL's operations have remained working capital intensive, primarily owing to extended payment cycles associated with tender-based contracts and the relatively long manufacturing cycle in the power transformer segment, which results in a build-up of work-in-progress inventory. While the increasing share of non-tender/private sector orders in the transformer segment had supported an improvement in the collection cycle in the last few years, the scale-up in operations from the State Electricity Board (SEBs) and bunching up of dispatches towards the year-end led to an elongation in receivables, with debtor days increasing to around 93 as on March 31, 2026, from 73 as on March 31, 2025. Going forward, the proportion of tender-based businesses compared to non-tender ones will be a key determinant of BBL's working capital requirements.

Susceptible to variations in raw material prices in non-tender based orders, which are largely fixed-price contracts – Around 40-45% of BBL's contracts come with price variation clauses while the rest are fixed-price contracts. In the electrical motors business, sizeable share of sales goes to the retail sector, wherein prices are market driven. Moreover, the company has fixed-price contracts even with institutional clients, considering the lower lead time required for manufacturing these products. Its margins are sensitive to variations in copper and cold rolled grain oriented (CRGO) steel prices for fixed-price contracts.

Environmental and social risks

Environmental considerations – BBL is exposed to risks from tightening of environmental regulations related to emissions and waste generated from its manufacturing process. Further, compliance with these regulations requires the implementation of an efficient waste management system across its manufacturing operations. Any lapses in complying with these regulations can attract significant fines or punitive action from the regulators. However, as per company disclosures, it has been meeting all environmental regulatory requirements.

Social considerations – Given its labour-intensive nature of operations, BBL remains exposed to risks related to human capital management, including workforce safety, employee well-being and availability of skilled manpower. Any inadequacy in managing these aspects could adversely affect operational efficiency, lead to higher attrition and increase execution risks. While the company has not witnessed any significant labour unrest, wage-related protests or notable shortage of skilled manpower thus far, the risk remains inherent to the company's business.

Liquidity position: Strong

BBL's liquidity is strong with healthy unencumbered cash and bank balances of Rs. 395.1 crore and investments in liquid mutual funds of Rs. 38.6 crore as of March 2026. Additionally, the company has made a sizeable investment in equities, leading to a negative net debt position over the last several fiscals. Further, the company also had a buffer of around Rs. 139 crore in its fund-based working capital limits as of March 2026 and is expected to generate retained cash flows to the tune of Rs. 25-30 crore in FY2027. The company does not have any repayment obligations; it is expected to incur a capex of Rs. 180-200 crore in the next 12 months.

Rating sensitivities

Positive factors – The long-term rating may be upgraded if BBL demonstrates a sustained scale-up in revenues and earnings, driven by healthy order inflows, timely execution, and successful commissioning/ramp-up of the ongoing transformer capacity expansion, while also improving its working capital intensity, and maintaining its strong liquidity profile and comfortable credit metrics.

Negative factors – Pressure on BBL's ratings could arise if there are material delays in completion or ramp-up of the ongoing capex programme, or if the expected benefits from the expanded transformer capacity do not accrue as envisaged, resulting in weaker-than-expected revenues, margins, or cash accruals. The ratings may also face pressure if a stretched working capital cycle or large debt-funded capex/ material weakens its liquidity or leads to deterioration in the company's financial profile and credit metrics on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Established in 1946, Bharat Bijlee Limited is one of the leading electrical engineering companies in India. The company has two primary business segments: power systems, comprising transformers and projects divisions; and industrial systems, comprising electric motors, drives and industrial automation, and elevator systems. It caters to an array of industries such as power, refineries, steel, cement, railways, machinery, construction and textiles. BBL's projects division undertakes turnkey jobs (switchyards) and is well-positioned to provide complete 'concept to commissioning' services.

Headquartered in Mumbai, it has a strong sales and service network with 13 regional offices across India. Its manufacturing facilities are in Airoli, Navi Mumbai, on a 1,70,321 square meters campus. The company employs about 2,100 skilled personnel.

Key financial indicators (audited):

Consolidated	FY2025	FY2026
Operating income	1,901.7	2,273.8
PAT	133.7	120.1
OPBDIT/OI	9.0%	7.2%
PAT/OI	7.0%	5.3%
Total outside liabilities/Tangible net worth (times)	0.4	0.5
Total debt/OPBDIT (times)	0.5	1.9
Interest coverage (times)	10.4	7.5

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
	Type	Amount Rated (Rs. crore)	June 09, 2026	Date	Rating	Date	Rating	Date	Rating
Cash Credit	Long Term/Short Term	458.00	[ICRA]AA-(Stable)/ [ICRA]A1+	24-JUN-2025	[ICRA]AA-(Stable)/ [ICRA]A1+	13-JUN-2024	[ICRA]AA-(Stable)/ [ICRA]A1+	06-JUL-2023	[ICRA]A+ (Positive)/ [ICRA]A1+
Non-Fund based Others	Long Term/Short Term	808.50	[ICRA]AA-(Stable)/ [ICRA]A1+	24-JUN-2025	[ICRA]AA-(Stable)/ [ICRA]A1+	13-JUN-2024	[ICRA]AA-(Stable)/ [ICRA]A1+	06-JUL-2023	[ICRA]A+ (Positive)/ [ICRA]A1+
Unallocated	Long Term/Short Term	533.50	[ICRA]AA-(Stable)/ [ICRA]A1+	24-JUN-2025	[ICRA]AA-(Stable)/ [ICRA]A1+	-	-	06-JUL-2023	[ICRA]A+ (Positive)/ [ICRA]A1+

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 Mutual 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 and short term - Fund based	Simple
Long-term and short term - Non-fund based	Simple
Unallocated Limits	Not applicable

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	**Cash Credit/ WCDL/ Short-term Borrowings**	NA	NA	NA	458.00	[ICRA]AA-(Stable)/ [ICRA]A1+
NA	**Bank Guarantee and Letter of Credit**	NA	NA	NA	808.50	[ICRA]AA-(Stable)/ [ICRA]A1+
NA	**Unallocated**	NA	NA	NA	533.50	[ICRA]AA-(Stable)/ [ICRA]A1+

Source: Company data,

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

Annexure III: List of entities considered for consolidated analysis – Not applicable

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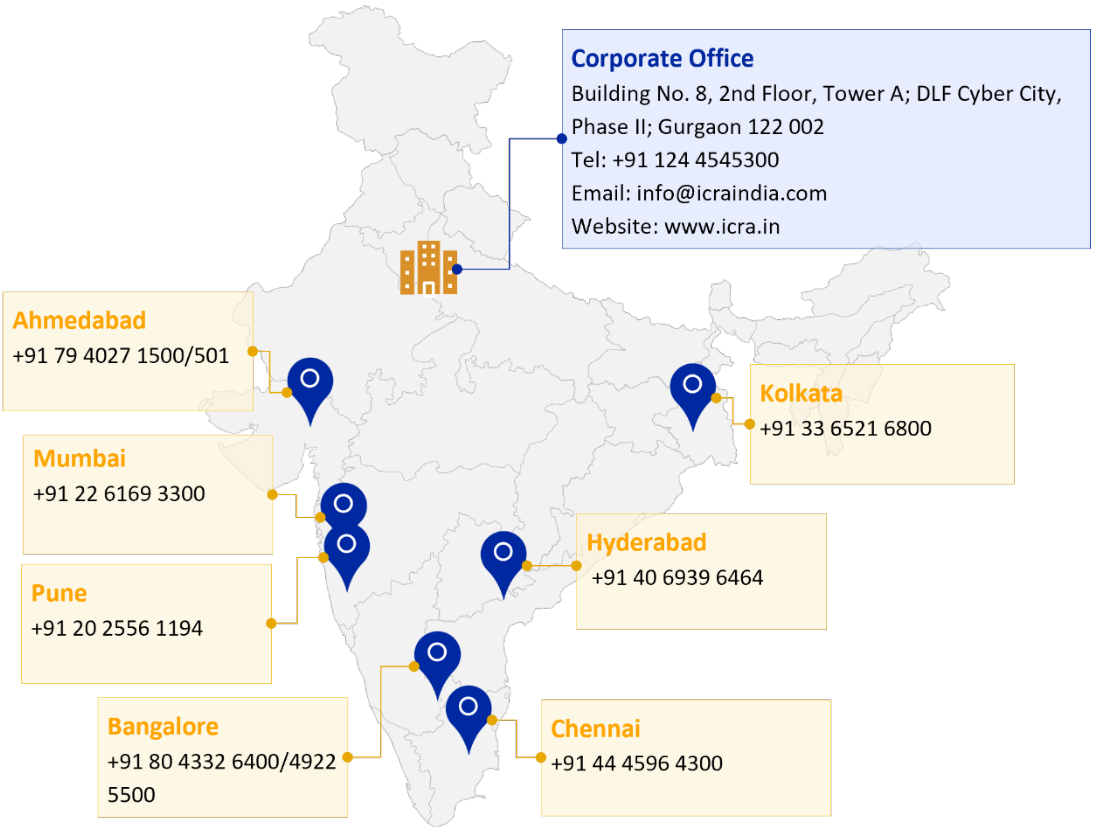

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