

June 30, 2026

Reitz India Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term - Fund based- Cash credit	15.00	15.00	[ICRA]BBB+(Stable); reaffirmed
Short term – Non-fund based	84.50	84.50	[ICRA]A2; reaffirmed
Total	99.50	99.50	

*Instrument details are provided in Annexure II

Rationale

The reaffirmation of the ratings of Reitz India Limited (REIL) factors in its established track record in the industrial fan industry, along with the technical support from Konrad Reitz Ventilatoren GmbH of Germany (Konrad Reitz) that has an experience of over six decades and REIL's prominent brand position. The financial profile is healthy, characterised by steady revenue growth, stable profits, a comfortable capital structure and strong coverage indicators. The revenue growth is expected to continue in the near to medium term, evident from a growing order book position.

The company's comfortable order book of ~Rs. 244 crore as on May 14, 2026 and a robust pipeline of orders equivalent to 0.8 times of the FY2026 provisional revenues, with most orders having short execution timelines, offer a healthy revenue visibility. Moreover, the favourable order inflows in FY2026 as well as in the current fiscal, driven by the expansion plans in select end-user industries, support the company's growth prospects. The ratings also consider the company's established relationships with reputed customers across the cement, steel, power and oil and gas industries, resulting in repeat orders over the years.

The ratings are constrained by high segmental concentration with majority of the revenues derived from customers in the cement industry, which accounted for 52% of the total revenues in FY2026. The company's operations remain working capital intensive because of the long receivable cycle and inventory holding requirements. REIL's revenues and margins are also vulnerable to intense competition in the industry and the volatility in demand.

The Stable outlook on the rating reflects ICRA's expectation that REIL is likely to sustain its operating metrics. Further, the outlook underlines ICRA's expectation that the entity's incremental capex will be funded in a manner that it is able to durably maintain its debt protection metrics commensurate with the existing rating.

Key rating drivers and their description

Credit strengths

Established track record in industrial fan industry and collaboration with Konrad Reitz – REIL has an established track record of more than two decades in the industrial fan industry, catering to various industries and geographies. Konrad Reitz, its shareholder and one of the leading manufacturers of industrial fans in the world, provides manufacturing and technical expertise. REIL primarily caters to India, the UAE and Singapore and has developed strong competence, especially for products in the cement industry.

Reputed customer profile – The company manufactures customised products and has established relationships with reputed players, reflected in the repeat orders over the years. Its clientele includes leading players in the cement industry such as UltraTech Cement Ltd, Shree Cement Ltd, Humboldt Wedag India Pvt Ltd, ACC Ltd, Ambuja Cement, etc, and other established

players in the steel, power, and oil and gas segments. The domestic market accounted for ~64% of its revenues in FY2026. REIL also exports to markets such as the UAE and Singapore through its subsidiaries. The customer concentration is moderate with the top 10 customers accounting for 51% of the revenues in FY2026, which is mitigated by repeat orders.

Healthy revenue growth and favourable demand prospects, evident from healthy order book position – REIL witnessed a healthy scale-up in its revenues to Rs. 308.7 crore in FY2026 compared to Rs. 245.5 crore in FY2025 on the back of a strong order inflow with the addition of customers across sectors and repeat orders. The company had a comfortable order book position of ~Rs. 244 crore as on May 14, 2026. Also, the key players in the end-user industries, such as cement and steel, are undertaking expansion, factoring in the healthy medium-term demand growth prospects.

Comfortable financial risk profile – The company's financial profile is comfortable with low gearing of 0.1 times as on March 31, 2026, and the debt primarily comprising working capital borrowings. The coverage indicators are comfortable, reflected in interest coverage of 12.4 times (P.Y. 10.8 times), total debt/OPBITDA of 0.4 times (P.Y. 0.7 times) and NCA/total debt of 174.6% in FY2026. REIL's credit metrics and profitability indicators are likely to remain comfortable over the medium term with a healthy growth in revenues, profits and cash accruals, driven by favourable demand prospects and expansion to the foreign markets.

Credit challenges

High segmental concentration – The company has high segmental concentration as majority of its revenues are derived from the cement industry. The cement industry contributed around 52% to the total revenues in FY2026 and 70% in FY2025. The orders from the cement industry accounted for ~52% of the total order book position as on May 14, 2026, followed by oil & gas and steel. Going forward, the cement industry will continue to be the major revenue driver for REIL. Nevertheless, established relationships and repeat orders mitigate the risk of high customer concentration to an extent.

Working capital intensive nature of business - The company's operations are working capital intensive, reflected in NWC/OI of ~19.7% in FY2026 (18.1% as of FY2025) due to the long receivable cycle and inventory holding requirements. The overall working capital intensity is expected to remain on a similar line in the medium term. However, the working capital is supported by customer advances.

Exposed to intense competition in industry and volatility in demand – Despite REIL's established market position, it is exposed to intense competition from various organised and unorganised players. The demand is volatile owing to the cyclical nature of the capital expenditure and investments in the end-user industries, impacting the company's revenues and profitability, as witnessed in the past.

Liquidity position: Adequate

REIL has an adequate liquidity profile, reflected in the sufficient cushion in working capital limits and comfortable unencumbered cash balance of Rs. 16.65 crore as on March 31, 2026. The absence of any major repayment obligations is expected to support the company's liquidity position. The fund based working capital utilisation remains low at 26% from December 2024 to April 2026. The company has moderate capex plans over the next two years which are expected to be funded through internal accruals.

Rating sensitivities

Positive factors – ICRA could upgrade REIL's ratings if the company shows a significant scale-up of operations along with an improvement in its profitability and net worth on a sustained basis while maintaining debt coverage metrics and liquidity.

Negative factors – ICRA could downgrade REIL's ratings if the revenues or the profitability declines, resulting in a significant reduction in cash accruals. Any elongation in the working capital cycle weakening the liquidity will also affect the ratings. Additionally, an interest coverage of less than 4.0 times, on a sustained basis, may trigger a 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 financial profile of the company. The details of the subsidiaries are enlisted in Annexure III

About the company

REIL, incorporated in 1998 as Reitz Turbovent Ltd, is a 50:50 Indo-German joint venture between Konrad Reitz Ventilatoren GmbH, Germany, and Mr. Prasad Rao and his family members. In FY2021, Reitz Holding GmbH & Co KG sold its stake to Mr. Prasad Rao and his family members, and Reitz's stake reduced to 11.9% from 50%.

REIL is involved in the manufacturing of industrial fans, catering to diverse industries such as cement, steel, oil and gas, power, fertilisers and chemicals. Konrad Reitz, which is one of the leading fan manufacturers in Germany, provides technological support to REIL. REIL's manufacturing facility is at Patancheru, Hyderabad, with regional offices in Bengaluru, Chennai, Kolkata, Mumbai and New Delhi. Reitz Southeast Asia and Reitz Middle East are REIL's wholly-owned subsidiaries based in Singapore and the United Arab Emirates, respectively.

Key financial indicators (audited)

REIL (Consolidated)	FY2025	FY2026*
Operating income	245.5	308.7
PAT	14.0	20.7
OPBDITA/OI	10.1%	10.8%
PAT/OI	5.7%	6.7%
Total outside liabilities/Tangible net worth (times)	0.9	0.7
Total debt/OPBDIT (times)	0.7	0.4
Interest coverage (times)	10.8	12.4

Source: Company, ICRA Research; * Provisionals; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDITA: 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 rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	FY2027		FY2026		FY2025		FY2024	
		Amount rated (Rs. crore)	Jun 30, 2026	Date	Rating	Date	Rating	Date	Rating
Fund based - Cash credit	Long term	15.00	[ICRA]BBB+ (Stable)	-	-	Mar 04, 2025	[ICRA]BBB+ (Stable)	Jan 19, 2024	[ICRA]BBB+ (Stable)
Non-fund based - Others	Short term	84.50	[ICRA]A2	-	-	Mar 04, 2025	[ICRA]A2	Jan 19, 2024	[ICRA]A2

Unallocated limits	Long term/ Short term			-	-	-	-	Jan 19, 2024	[ICRA]BBB+ (Stable)/ [ICRA]A2
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Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated Instruments that fall under the regulatory purview of various Financial Sector Regulators (FSR), 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 that fall under the regulatory purview of various Financial Sector Regulators (FSR), 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 - Fund based- Cash credit	Simple
Short term – Non-fund based	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	Cash credit facility	NA	NA	NA	15.00	[ICRA]BBB+ (Stable)
NA	Non-fund based facility	NA	NA	NA	84.50	[ICRA]A2

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure III: List of entities considered for consolidated analysis

Company name	REIL ownership	Consolidation approach
Reitz India Limited	Rated entity	Full consolidation
Reitz South East Asia Pte. Ltd.	100%	Full consolidation
Reitz Middle East (FZE)	100%	Full consolidation
RINA FANS LLC	100%	Full consolidation

Source: Company

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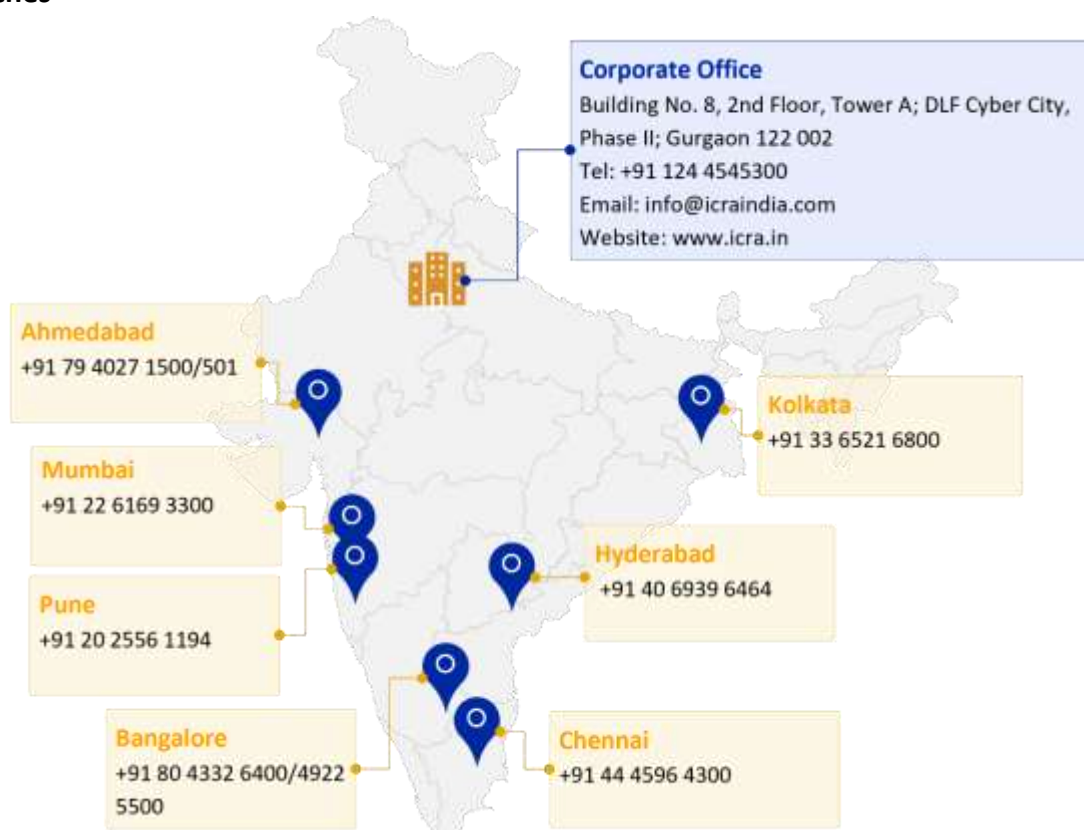
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