

Gensol Engineering Ltd — 28 Nov 2024 Credit Rating Summary

Based on the ICRA rating action and credit perspective report dated April 14, 2026, here is the equity-focused summary.

Credit Rating Summary: Hari & Company Investments Madras Pvt Ltd

Section	Details
Agency	ICRA Limited
Rating Change	[ICRA]A+ Assigned (New Rating)
Outlook	Stable
Key Drivers of Change	<ol style="list-style-type: none">New Rating Assignment: Initial benchmark for the investment entity at a high investment grade.Portfolio Health: Implied strong asset quality/collateral for an A+ notch.Macro Headwinds: FY2027 outlook impacted by 92% of LPA monsoon forecast (El Niño risk).Inflationary Pressure: CPI at 3.4% (Mar-26) but expected to cross 4.0% (Apr-26) due to geopolitical conflict.
Rated Instruments	Long-term Rating: [ICRA]A+; Outlook: Stable (Specific Cr not disclosed in the summary rationale).
Key Observations	<p>Positives:</p> <ul style="list-style-type: none">Strong credit entry point at A+ indicating "Adequate Safety."Record RE capacity addition in FY2026 provides a stable backdrop for infra-linked investments. <p>Risks:</p> <ul style="list-style-type: none">Agri-Risk: Below-normal monsoon poses a threat to rural-linked portfolio earnings.Geopolitical: Collapse of US-Iran peace talks creates volatility for OMCs and energy-sensitive holdings.Asset Quality: Agency notes managing asset quality is "crucial" for the sector in FY2027.
Investor Impact	<p>Leverage: A+ rating facilitates low-cost debt raising, reducing interest drag on Net Asset Value (NAV).</p> <p>Growth: Healthy portfolio growth expected, but moderation likely due to transmission infrastructure delays.</p> <p>Margin Risk: Rising CPI (>4%) and geopolitical oil shocks may compress margins of underlying portfolio companies.</p>
Agency / Cross Analysis	<p>New Agency Assignment: This is a fresh rating.</p> <p>Note on Peers: Contemporaneous withdrawal of ratings for Vivriti Capital and Vivriti Asset Management suggests a shift in the NBFC/Investment credit landscape or a potential agency switch by those entities.</p> <p>Conclusion: Improvement in coverage; ICRA is signaling a cautious but "Stable" stance for high-grade investment vehicles despite macro volatility.</p>
Final Inference	<p>Real Improvement vs Risk Signal: The A+ assignment is a signal of fundamental strength. However, the timing (coinciding with a 92% monsoon forecast and rising inflation) suggests investors should watch for potential NAV volatility in the entity's underlying holdings.</p>

Analyst Note for Equity Holders:

While the **A+ (Stable)** rating is a positive credit signal for the company's solvency, the agency's broader research highlights **three red flags** for the upcoming fiscal (FY2027): 1. **Monsoon Failure (92% of LPA):** High risk for companies with rural consumption exposure. 2. **Inflation Spike:** Expected jump to >4.0% in April 2026 will likely delay any rate cuts, keeping interest costs "higher for longer." 3. **Energy Volatility:** The collapse of US-Iran peace talks is a direct negative for downstream energy stocks and logistics costs.