

**AUGUST 03, 2015**

**CARE REAFFIRMS THE RATINGS ASSIGNED TO THE BANK FACILITIES OF  
TRANSFORMERS & RECTIFIERS (INDIA) LTD**

**Ratings**

| Facilities                                | Amount<br>(Rs. crore)                                                                       | Ratings <sup>1</sup>                                           | Remarks           |
|-------------------------------------------|---------------------------------------------------------------------------------------------|----------------------------------------------------------------|-------------------|
| Long term<br>Bank Facilities              | 25.39<br>(reduced from 35.00)                                                               | <b>CARE BBB+<br/>(Triple B Plus)</b>                           | <b>Reaffirmed</b> |
| Short term<br>Bank Facilities             | 131.00<br>(enhanced from 70.00)                                                             | <b>CARE A3+<br/>(A Three Plus)</b>                             | <b>Reaffirmed</b> |
| Long term / Short term<br>Bank Facilities | 723.00<br>(enhanced from 585.00)                                                            | <b>CARE BBB+ / CARE A3+<br/>(Triple B Plus / A Three Plus)</b> | <b>Reaffirmed</b> |
| <b>Total facilities</b>                   | <b>879.39</b><br><b>(Rs. eight hundred seventy nine<br/>crore and thirty nine lac only)</b> |                                                                |                   |

**Rating Rationale**

The ratings continue to take into account Transformers and Rectifiers (India) Ltd's (TRIL) established track record of operations as one of the leading domestic transformer manufacturers and its well-established client base.

The ratings also factor in moderation in its scale of operations albeit with stable operating margins, improvement in overall gearing, healthy revenue visibility and stable demand outlook for the domestic transformer industry.

The ratings continue to be constrained on account of its moderate capital structure, volatile raw material prices and working capital intensive operations.

The ability of the company to increase its scale of operations, improve profitability and overall gearing would be the key rating sensitivities.

**Background**

Promoted by Mr Jitendra Mamtara in 1994, TRIL is engaged in manufacturing of electrical transformers and reactors, which find application in power and industrial sectors. TRIL is amongst the largest domestic transformer manufacturers, with an aggregate installed capacity of 33,200 mega volt ampere (MVA) as on March 31, 2015 (P.Y. 23,200 MVA) at its three units at Odhav (1,200 MVA), Changodar (12,000 MVA) and Moraiya (20,000 MVA) in Ahmedabad.

The company manufactures power and auto transformers upto 500 MVA, 1150 KV class and distribution transformers upto 5 MVA, 33 KV class. Besides, it also manufactures induction, electric arc furnace and rectifier transformers.

During FY15, TRIL entered in a ten year technology license agreement with Fuji Electrical Co. Ltd (Fuji) of Japan, which is a leading manufacturer of power transmission and distribution (T&D) equipment. As per the agreement, TRIL is authorized to use Fuji's technical know-how for manufacturing transformers of 420 KV class and shunt reactors upto 765 KV class. This agreement would facilitate TRIL obtain the qualification criteria for entry in high-end shunt reactors and strengthen its foothold in high-end transformers.

As per the audited results for FY15, TRIL registered a total operating income of Rs.544.74 crore with a net loss of Rs.6.45 crore, as against a total operating income of Rs.721.88 crore and a profit after tax of Rs.4.81 crore in FY14.

<sup>1</sup> Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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