

Date : 4th March, 2013

Ref : TRIL/SECT/2012-13/NSE-BSE/COMPL/030

To, The Secretary Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400023	To, The Secretary National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai-400051
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Dear Sir,

Sub : RATINGS

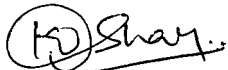
With reference to caption subject and as per clause 36 of the Listing Agreement, this is to inform you that CARE Ratings has assigned Rating to the Long Term/Short Term Bank Facilities and Short Term Bank Facilities of the Company as follows:

Facilities/Instruments	Amount (Rs. Crore)	Ratings	Remarks
Long-term/short-term Bank Facilities	360	CARE BBB+/CARE A3+ (Triple B Plus/ A Three Plus)	Revised from CARE A/ CARE A1 (Single A One)
Short-term Bank Facilities	70	CARE A3+ (A Three Plus) (A Three Plus)	Revised from CARE A1 (A One)
Total Facilities	430		
Short-term Debt/ Commercial Paper Issue	50	CARE A3+ (A Three Plus)	Revised from CARE A1 (A One)

Please take the same on your record.

Thanking you,
Yours faithfully,

For Transformers and Rectifiers (India) Limited



Tushar Shah
Company Secretary
Encl: As above

February 28, 2013

CARE REVISES THE RATINGS ASSIGNED TO THE BANK FACILITIES AND STD/CP ISSUE OF TRANSFORMERS & RECTIFIERS (INDIA) LTD.

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term/Short-term Bank Facilities	360	CARE BBB+/CARE A3+ (Triple B Plus/ A Three Plus)	Revised from CARE A/ CARE A1 (Single A/ A One)
Short-term Bank Facilities	70	CARE A3+ (A Three Plus)	Revised from CARE A1 (A One)
Total Facilities	430		
Short-term Debt / Commercial Paper Issue*	50	CARE A3+ (A Three Plus)	Revised from CARE A1 (A One)

* Carved out of working capital limits

Rating Rationale

The revision in the ratings of Transformers and Rectifiers (India) Limited (TRIL) is primarily on account of the sharp deterioration in its debt coverage indicators and liquidity during 9MFY13 (refers to the period April 1 to March 31) owing to the decline in the total operating income and significantly lower cash accruals primarily due to delay in the dispatch of transformers. The revision in the ratings also factor in the challenging industry scenario which is likely to put pressure on its profitability in the medium term. The ratings, however, continue to factor in the strong and established operational track record of TRIL, comfortable capital structure and reputed clientele. The ratings continue to remain constrained on account of the working capital intensive nature of operations resulting in elongation of inventory period and collection period, and risk associated with volatile raw material prices.

The ability of the company to increase its scale of operations, improve its profitability, maintain its comfortable capital structure and efficiently manage its incremental working capital requirements are the key rating sensitivities.

Background

Originally incorporated in 1994 as Triveni Electric Company Ltd, TRIL is promoted by Mr Jitendra Mamtora and is primarily engaged in the manufacturing of electrical transformers for various applications in the power and industrial sectors. With an overall capacity of 23,200 Mega Volt-Ampere (MVA) per annum as on March 31, 2012, TRIL has three manufacturing facilities in Changodar, Moraiya and Odhav in the Ahmedabad region.

¹ Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.



Press Release

During FY12, TRIL registered a PAT of Rs.9.18 crore on a total operating income of Rs.519.02 crore as against a PAT of Rs.40.11 crore on a total operating income of Rs.546.82 crore in FY11. During 9MFY13, TRIL registered a PAT of Rs.0.95 crore on a total operating income of Rs.265.88 crore.

Analyst Contact

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CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.