

July 09, 2025

## Indotech Transformers Limited: Ratings withdrawn

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term –Fund based Cash Credit	41.00	41.00	[ICRA]BBB- (Stable); withdrawn
Long-term –Term Loan	18.00	18.00	[ICRA]BBB- (Stable); withdrawn
Short-term –Non-fund based	330.00	330.00	[ICRA]A3; withdrawn
<b>Total</b>	<b>389.00</b>	<b>389.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

ICRA has withdrawn the rating assigned to the bank facilities of Indotech Transformers Limited (ITL) at the request of the company, based on the no objection certificate (NOC) received from its bankers, and in accordance with ICRA's policy on the withdrawal of credit ratings. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The key rating drivers, liquidity position and rating sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

### Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Policy on Withdrawal of Credit Ratings</a>
Parent/Group support	Parent Company: Shirdi Sai Electricals Limited (SSEL); 75% stake in ITLICRA expects SSEL to be willing to extend financial and operational support, should there be a need
Consolidation/Standalone	The ratings are based on the standalone financials of Indotech Transformer Limited

### About the company

ITL, incorporated in 1992, manufactures power and distribution transformers and various special application transformers and mobile sub-station transformers. The company's manufacturing plants are in Chennai and Kancheepuram in Tamil Nadu. ITL is a subsidiary of Shirdi Sai Electricals Limited, and SSEL currently holds a 75% stake in ITL. SSEL bought stake from ITL's erstwhile promoters -Prolec GE (a joint venture between Mexican industrial group Xignux S.A. de C.V., and General Electric Company).

Shirdi Sai Electricals Limited (SSEL; rated [ICRA]BBB-(Stable)/[ICRA]A3), incorporated in 1994, manufactures power and distribution transformers (up to 20 MVA, 66 kV). The company has a transformer manufacturing facility at Kadapa, Andhra Pradesh. It designs and manufactures power and distribution transformers to cater to the needs of electricity utilities and private enterprises. SSEL also provides solutions for power transmission and distribution systems through its turnkey project division.

## Key financial indicators

Consolidated	FY2023	FY2024	FY2025*
Operating income	371.2	504.0	611.8
PAT	25.7	46.9	63.9
OPBDIT/OI	10.0%	13.7%	12.4%
PAT/OI	6.9%	9.3%	10.4%
Total outside liabilities/Tangible net worth (times)	0.8	0.7	0.5
Total debt/OPBDIT (times)	0.3	0.1	0.1
Interest coverage (times)	4.4	5.6	35.9

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 amortization; \*results

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

## Rating history for past three years

Instrument			Current rating (FY2026)	Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Date & Rating in	FY2025		FY2024		FY2023	
			Jul 09, 2025	Date	Rating	Date	Rating	Date	Rating
Cash Credit	Long term	41.00	[ICRA]BBB- (Stable); withdrawn	Jul 10, 2024	[ICRA]BBB- (Stable)	Jul 07, 2023	[ICRA]BBB- (Stable)	Jul 18, 2022	[ICRA]BBB- (Stable)
				Jul 16, 2024	[ICRA]BBB- (Stable)	-	-	Jan 05, 2023	[ICRA]BBB- (Stable)
				Aug 05, 2024	[ICRA]BBB- (Stable)	-	-	-	-
Non-Fund based Facilities	Short term	330.00	[ICRA]A3; withdrawn	Jul 10, 2024	[ICRA]A3	Jul 07, 2023	[ICRA]A3	Jul 18, 2022	[ICRA]A3
				Jul 16, 2024	[ICRA]A3	-	-	Jan 05, 2023	[ICRA]A3
				Aug 05, 2024	[ICRA]A3	-	-	-	-
Term Loan	Long term	18.00	[ICRA]BBB- (Stable); withdrawn	Jul 10, 2024	[ICRA]BBB- (Stable)	Jul 07, 2023	[ICRA]BBB- (Stable)	Jul 18, 2022	[ICRA]BBB- (Stable)
				Jul 16, 2024	[ICRA]BBB- (Stable)	-	-	Jan 05, 2023	[ICRA]BBB- (Stable)
				Aug 05, 2024	[ICRA]BBB- (Stable)	-	-	-	-
Unallocated Limits	Short term	-	-	-	-	-	-	Jul 18, 2022	[ICRA]A3
				-	-	-	-	Jan 05, 2023	[ICRA]A3
CEL	Long term	-	-	-	-	-	-	Jul 18, 2022	-
				-	-	-	-	Jan 05, 2023	-
Issuer Rating	Long term	-	-	-	-	Jul 07, 2023	[ICRA]BBB- (Stable)	Jul 18, 2022	[ICRA]BBB- (Stable)

				Jul 16, 2024	[ICRA]BBB-(Stable)	-	-	Jan 05, 2023	[ICRA]BBB-(Stable)
				Aug 05, 2024	[ICRA]BBB-(Stable); withdrawn	-	-	-	-

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long term –Fund based Cash Credit	Simple
Long-term –Term Loan	Simple
Short-term –Non-fund based	Very 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 I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long term –Fund based Cash Credit	NA	NA	NA	41.00	[ICRA]BBB- (Stable); Withdrawn
NA	Long-term –Term Loan	FY2022	NA	FY2028	18.00	[ICRA]BBB- (Stable); Withdrawn
NA	Short-term –Non-fund based –Letter of Credit	NA	NA	NA	94.00	[ICRA]A3; Withdrawn
NA	Short-term –Non-fund based –Bank Guarantee	NA	NA	NA	236.00	[ICRA]A3; Withdrawn

Source: Company

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

## Annexure II: List of entities considered for consolidated analysis – Not Applicable

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