

August 05, 2024

Indotech Transformers Limited: Issuer Ratings Withdrawn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); outstanding
Long-term – Term Loan	18.00	18.00	[ICRA]BBB- (Stable); outstanding
Short-term – Non-fund based	330.00	330.00	[ICRA]A3; outstanding
Issuer ratings	-	-	[ICRA]BBB- (Stable); withdrawn
Total	389.00	389.00	

*Instrument details are provided in Annexure-I

Rationale

ICRA is withdrawing the Issuer rating of Indotech Transformers Limited at the request of the company, and in accordance with ICRA's policy on withdrawal.

The Key rating drivers, Liquidity position, Rating sensitivities, Key financial indicators have not been captured as the rated instruments are being withdrawn.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	Corporate Credit Rating Methodology Policy on withdrawal of Credit Ratings
Parent/Group support	Parent Company: Shirdi Sai Electricals Limited (SSEL); 75% stake in ITL ICRA 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.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2025)					Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023		FY2022	
	Type	Amount Rated (Rs Crore)	Aug 05, 2024	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Cash Credit	Long term	41.00	[ICRA]BBB-(Stable)	Jul 10, 2024	[ICRA]BBB-(Stable)	Jul 07, 2023	[ICRA]BBB-(Stable)	Jul 18, 2022	[ICRA]BBB-(Stable)	Aug 16, 2021	[ICRA]BB-(Stable)
				Jul 16, 2024	[ICRA]BBB-(Stable)			Jan 05, 2023	[ICRA]BBB-(Stable)	Mar 07, 2022	[ICRA]BB+(Positive)
Non-Fund based Facilities	Short term	330.00	[ICRA]A3	Jul 10, 2024	[ICRA]A3	Jul 07, 2023	[ICRA]A3	Jul 18, 2022	[ICRA]A3	Aug 16, 2021	[ICRA]A4
				Jul 16, 2024	[ICRA]A3			Jan 05, 2023	[ICRA]A3	Mar 07, 2022	[ICRA]A4+
Term Loan	Long term	18.00	[ICRA]BBB-(Stable)	Jul 10, 2024	[ICRA]BBB-(Stable)	Jul 07, 2023	[ICRA]BBB-(Stable)	Jul 18, 2022	[ICRA]BBB-(Stable)	Aug 16, 2021	-
				Jul 16, 2024	[ICRA]BBB-(Stable)			Jan 05, 2023	[ICRA]BBB-(Stable)	Mar 07, 2022	[ICRA]BB+(Positive)
Unallocated Limits	Short term	-	-	Jul 10, 2024	-	Jul 07, 2023	-	Jul 18, 2022	[ICRA]A3	Aug 16, 2021	[ICRA]A4
				Jul 16, 2024	-			Jan 05, 2023	[ICRA]A3	Mar 07, 2022	[ICRA]A4+
CEL	Long term	-	-	Jul 10, 2024	-	Jul 07, 2023	-	Jul 18, 2022	-	Aug 16, 2021	-
				Jul 16, 2024	-			Jan 05, 2023	-	Mar 07, 2022	[ICRA]BB+(Positive)
Issuer Rating	Long Term	0.00	[ICRA]BBB-(Stable); withdrawn	Jul 10, 2024	-	Jul 07, 2023	[ICRA]BBB-(Stable)	Jul 18, 2022	[ICRA]BBB-(Stable)	Aug 16, 2021	[ICRA]BB-(Stable)
				Jul 16, 2024	[ICRA]BBB-(Stable)			Jan 05, 2023	[ICRA]BBB-(Stable)	Mar 07, 2022	[ICRA]BB+(Positive)

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
Issuer ratings	Not Applicable

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)
NA	Long-term – Term Loan	FY2022	NA	FY2028	18.00	[ICRA]BBB- (Stable)
NA	Short-term – Non-fund based – Letter of Credit	NA	NA	NA	94.00	[ICRA]A3
NA	Short-term – Non-fund based – Bank Guarantee	NA	NA	NA	236.00	[ICRA]A3
NA	Issuer ratings	NA	NA	NA	-	[ICRA]BBB- (Stable); 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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