

June 30, 2026

CTR Manufacturing Industries Private Limited: Long term rating reaffirmed and short-term rating upgraded to [ICRA]A1+

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long Term – Fund Based – Cash Credit	52.00	52.00	[ICRA]A+ (Stable); reaffirmed
Short Term – Fund Based – Bill Discounting	20.00	20.00	[ICRA]A1+; upgraded from [ICRA]A1
Short Term – Non-Fund Based – Working Capital Facilities	52.00	52.00	[ICRA]A1+; upgraded from [ICRA]A1
Total	124.00	124.00	

*Instrument details are provided in Annexure II

Rationale

ICRA has reaffirmed the long-term rating assigned to the bank lines of CTR Manufacturing Industries Private Limited (CTR/the company) and has upgraded the short-term rating for the bank lines. The upgrade in the rating factors in the steady improvement in the liquidity position of the company over the last few years supported by healthy cash flow from operations and modest capex incurred by the company. The same has resulted in the working capital borrowings moderating to Rs. 41.2 crore (Provisional) as on March 31, 2026, and the free cash and liquid investments rising to Rs. 94 crores as on March 31, 2026 (on standalone basis). The company currently has a Rs. 52.3 crore of Fixed Deposit backed Overdraft (FDOD) facility which remains utilized to the extent of Rs. 27 crore as on June 6, 2026, while the fund-based limits (backed by drawing power) of Rs. 52 crores remain utilized to the extent of Rs. 6 crores providing significant liquidity cushion. Going forward ICRA expects the company to maintain a healthy liquidity position supported steadily rising scale of operations and steady operating margins along with a stable working capital cycle, which should support the cash flow from operations. Since company does not have sizeable capex plans vis-à-vis the expected cash flow from operations, the liquidity position will further strengthen. The reaffirmation of the long-term rating factors in the company's leadership position in the market for the supply of on-load tap changers and fire protection systems for transformers in the country, a healthy financial risk profile, its strong liquidity position and moderate debt levels. The ratings also factor in the technological tie-ups with various multinational companies, which enable the company to maintain its market leadership in the tap changer and fire protection market for transformers. CTR reported a healthy revenue growth of 13.5% at Rs. 549.4 crore in FY2025 with an operating profit margin (OPM) of ~16.3%, aided by stable demand for its products. The company has posted a growth of ~22.1% in FY2026 as per provisional financials for standalone operations with an improvement in the OPM% to 15.3% (Prov, Standalone). ICRA expects going forward the company will benefit from the rising electrification and ramp up of the power infrastructure in the country across industries. With rising focus on safety aspects, the fire protection system segment is also expected to benefit. Thus, the revenue growth is expected to remain healthy over the next few years.

The ratings, however, continue to be constrained by the company's moderate scale of operations coupled with moderately high working capital intensity of operations. The working capital intensity has remained moderately high driven by the long receivable cycle of around 155 days on a consolidated basis. ICRA, however, notes that the company has been making constant efforts to streamline its debtor position through favourable arbitration directives and recovery measures, which has lowered the debtor days to 163 days in FY2025 from 188 days in FY2021. Although the company's receivable position has improved, it continues to face moderately high working capital intensity largely on account of the fire protection segment wherein the payment cycle continues to remain elongated. With the company looking to cater to few new customers in the fire protection segment wherein the payment cycles are expected to be better, which should result in some improvement in the working

capital cycle. The same will remain a monitorable going forward. The ratings also take into consideration the susceptibility of demand for transformers and its ancillaries to Government policies along with the increasing competition from existing domestic players and the potential entry of international players.

The Stable outlook on the long-term rating reflects ICRA's opinion that CTR will continue to benefit from the extensive experience of its promoters, its strong net worth and a healthy liquidity position. Further, the company's operations shall remain supported by the Government's continuing thrust on infrastructure to support growth.

Key rating drivers and their description

Credit strengths

Well-established position with sizeable market share and reputed customer base – CTR has established a strong position in the market for tap changers and fire protection systems for transformers, which constitute its key products. CTR also has a diversified and reputed customer profile, which includes established transformer companies such as Bharat Bijlee Limited, Atlanta Electricals Pvt. Ltd., Transformers & Rectifiers of India and Voltamp Transformers Limited. Going forward, the company is expected to witness a reasonable scale-up in volumes over the medium term, aided by the increasing number of transformers being set up across the country to meet the growing demand for power.

Access to superior technology through collaboration with reputed multinational technology companies – CTR has been following a strategy of entering into technological collaborations with leading global companies such as CFR, Switzerland, for plastic film capacitors; ELIN OLTC, Austria, for in-tank tap changers; and ELIN Energieversorgung, Austria, for fire prevention systems. As a result, over the years, the company has gained sufficient technical expertise to develop its own products through in-house research and development (R&D) that has ensured established relations with key transformer manufacturers and repeat orders.

Healthy financial position and liquidity position – CTR's financial risk profile remains healthy, driven by its market leadership position and a strong track record in its product market. As per the provisional financials shared by the company, the OPBITDA stood at Rs. 97.1 crore during FY2026 on a standalone basis, while the company posted an OPBDITA of Rs. 89.3 crore in FY2025 on consol basis, a YoY growth of ~13% with operating margins sustaining at 16.3% in FY2025 and FY2024. As a result of healthy cash generation and significant liquidity at hand, the company's reliance on external debt for funding working capital requirements has remained limited. The company's total debt/OPBDITA remained stable at 0.58x in FY2025 against 0.51x in FY2024. The company's interest coverage ratio also remained healthy at 25.8x in FY2026 (standalone prov.) and 19.6x in FY2025 as compared to 20.2x in FY2024. The company's liquidity position remains strong, backed by free cash balances/fixed deposits of Rs. 77 crore and cushion in working capital borrowings as on May 31, 2026.

Credit challenges

Moderate scale of operations - The company's operating scale has remained moderate over the past few years. However, the revenues have witnessed healthy growth of 13% and 22% over FY2025 and FY2026, driven by a steady offtake of its products on the back of a stable demand from the transformer sector. The company is expected to report a healthy growth in revenues, going forward, backed by a robust order book, short execution cycle, steady replacement demand and an expanding transmission and distribution network, thereby ramping up the scale of operations.

Working Capital Intensive Operations - Over the last couple of years, the company's has managed to improve its working capital intensity from 35.4% in FY2019 to 25% in FY2025. However, the debtors days although improved over FY2021/FY2022 levels have remained elevated at 163 days as on March 31, 2025, the same further stood at further stood at 158 days (standalone, provisional) as on March 31, 2026. The NWC/OI remains susceptible to timely inflow of funds from the end users due to the nature of operations.

Demand for transformer ancillaries susceptible to Government policies, increasing competition from existing domestic and international player – The demand for transformers and its ancillaries is cyclical and is driven by investments in the power sector, which in turn is dependent on Government policies and initiatives. Moreover, there could be a potential entry of international players, which will increase the competitive intensity for CTR. Thus, the company's operating income and profits remain vulnerable to these factors.

Liquidity position: Strong

The liquidity position of the company is expected to remain healthy supported by Rs. 77 crore of free cash/FD/mutual fund investments as on May 31, 2026. The company has Rs. 52.26 crore of fixed deposits kept as lien for an Overdraft facility which remains utilized to the extent of Rs. 27 crore and the rest is freely available to use. The fund-based limit utilization was low at around Rs. 6 crores out of the Rs. 52 crore limits as on June 2026 end as company majorly utilizes, FDOD limits. With expectations of cash flow from operations in the range of Rs. 60 to 70 crores, modest capex plans, stable working capital cycle and no long-term debt repayments, the liquidity position of the company is expected to remain strong.

Rating sensitivities

Positive factors – The ratings maybe upgraded in a scenario of a sizeable growth in the revenues and earnings of the company, improvement in working capital cycle resulting in further improvement in the overall credit metrics and liquidity position.

Negative factors – Any material moderation in the profitability of the company resulting in the moderation in the debt metrics and/or liquidity position may result in a rating downgrade. Any material debt funded capex and/or a stretch in the working capital cycle resulting in the moderation in the credit metrics and/or liquidity position may result in a rating downgrade.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings for the company are based on consolidated financials.

About the company

CTR incorporated in December 1964 by Pratap Kumar as a Public Limited Company, is engaged in the manufacturing of transformer ancillaries, with tap changer, fire protection system and radiator forming the company's key products. The company's operation are headed by Mr. V.K. Wakchaure, who is the Managing Director of the company after the promotion of erstwhile Managing Director Mr. A.P. Kumar as Vice Chairman of the company. CTR has its head office in Pune and manufacturing facilities in Pune, Aurangabad and Nashik.

Key financial indicators (audited)

CTR Consolidated	FY2024	FY2025	FY2026*
Operating income	483.9	549.4	634.6
PAT	55.6	65.1	71.6
OPBDIT/OI	16.3%	16.3%	15.3%
PAT/OI	11.5%	11.9%	11.3%
Total outside liabilities/Tangible net worth (times)	0.54	0.59	-
Total debt/OPBDIT (times)	0.51	0.58	-
Interest coverage (times)	20.16	19.67	25.8

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 amortisation; Note(*)- Provisional Standalone, shared by the company.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current (FY2027)		Chronology of rating history for the past 3 years						
		Amount rated (Rs. crore)	FY2027		FY2026		FY2025		FY2024	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Long-term fund-based - Cash credit	Long term	52.00	June 30, 2026	[ICRA]A+ (Stable)	-	-	March 24, 2025	[ICRA]A+ (Stable)	Dec 22, 2023	[ICRA]A+ (Stable)
Short-term fund-based - Bills discounting	Short term	20.00	June 30, 2026	[ICRA]A1+	-	-	March 24, 2025	[ICRA]A1	Dec 22, 2023	[ICRA]A1
Short-term - Non-fund-based-LC/BG	Short term	52.00	June 30, 2026	[ICRA]A1+	-	-	March 24, 2025	[ICRA]A1	Dec 22, 2023	[ICRA]A1

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10, 2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSRs), as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(S) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under the regulatory purview of various FSRs, as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI

5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSRs other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund-based- Cash credit	Simple
Short-term Fund-based - Bills discounting	Simple
Short-term non-fund based – Working capital facilities	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 II: 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	52.00	[ICRA]A+ (Stable)
NA	Short-term fund-based - Bills discounting	NA	NA	NA	20.00	[ICRA]A1+
NA	Short-term non-fund-based – LC/BG	NA	NA	NA	52.00	[ICRA]A1+

Source: Company

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

Annexure III: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
CTR Exports Private Limited	100%	Full Consolidation
Polymermann (Asia) Private Limited	100%	Full Consolidation

Source: Company.

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