

February 17, 2020

Indotech Transformers Limited - Update on Material Event

Summary of Rated Instrument

Instrument	Rated Amount(Rs. crore)	Rating Outstanding
Long-term - Fund-based	6.50	[ICRA]BB+ (Negative)
Short - term - Non-fund based	74.00	[ICRA]A4+
Short term – Interchangeable	12.00	[ICRA]A4+
Issuer Rating	-	[ICRA]BB+ (Negative)
Total	92.50	

Material Event

Indotech Transformers Limited has announced its quarterly results on February 6, 2020. The company reported an operating income of Rs. 168.7 crore with a profit after tax (PAT) of Rs. 2.95 crore in 9M FY2020 against an operating income of Rs. 145.87 crore with a net loss of Rs. 8.49 crore in 9M FY2019.

Impact of the Material Event

The ratings remain unchanged at [ICRA]BB+(Negative)/[ICRA]A4+ despite the company's improved net profit level in 9M FY2020 on a YoY basis. ICRA notes that the improvement in profit at net level was supported by non-operating income and the company's operating profitability continues to remain subdued. ICRA has also noted the ongoing process of acquisition of a majority stake in Indotech Transformers Limited by Shirdi Sai Electricals Limited. ICRA will continue to monitor the company's performance and impact of the likely change in the promoters/management.

The previous detailed rating rationale is available on the following link: [Click here](#)

Analyst Contacts

Ravichandran K

+91 44 4596 4301

ravichandran@icraindia.com

Srinivasan R

+91 44 4596 4315

r.srinivasan@icraindia.com

Rathina Pradeep R

+91 44 4297 4307

rathina.r@icraindia.com

Irfan Khan B

+91 44 4596 4345

irfan.b@icraindia.com

Relationship Contact

Jayanta Chatterjee

+91 80 4332 6401

jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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ICRA Limited

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: info@icraindia.com

Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87

Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,

Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,

Bangalore + (91 80) 2559 7401/4049

Ahmedabad+ (91 79) 2658 4924/5049/2008

Hyderabad + (91 40) 2373 5061/7251

Pune + (91 20) 2556 0194/ 6606 9999

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