

Press Release

Truvolt Engineering Co. Private Limited

March 23, 2021

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities - Term Loan Cash Credit	15.00	IVR BB-; ISSUER NOT COOPERATING* (IVR Double B Minus; Issuer Not Cooperating)	Moved to Issuer Not Co-operating category
Long Term/Short Term Bank Facilities – BG/LC	14.00	IVR BB-; ISSUER NOT COOPERATING*/ IVR A4; ISSUER NOT COOPERATING* (IVR Double B Minus; Issuer Not Cooperating/ IVR A Four; Issuer Not Cooperating)	Moved to Issuer Not Co-operating category
Total	29.00 (Rupees Twenty- Nine Crore only)		

*Issuer did not cooperate; based on best available information

Details of Facility are in Annexure 1

Detailed Rationale

The rating revision is because of lack of adequate information regarding Truvolt Engineering Co. Pvt Ltd (TECPL's) performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using these ratings as the ratings may not adequately reflect the credit risk profile of the company.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities. However, despite repeated requests by Infomerics vide Emails dated Feb 8th 2021, Feb 18th 2021, Feb 22nd 2021, the company's management has not submitted the essential details and fees for surveillance.

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Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long-term and short-term ratings for the bank loan facilities aggregating to Rs.29.00 crore of TECPL shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics.

Analytical Approach & Applicable Criteria

Standalone

Guidelines on what constitutes Non-Cooperation by clients

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation (Non-Financial Sector)

About the Company

Truvolt Engineering Co. Private Limited (TECPL) was initially established as a proprietorship concern by Late Mr. S.K. Ghosh of Kolkata, West Bengal. In 1970, the erstwhile proprietorship concern was converted to a Private Limited Company with its present name. TECPL is engaged in manufacturing of a wide range of transformers. Apart from transformers, TECPL is the largest manufacturer of Crematorium Furnaces in the country. TECPL also manufactures control & relay panels for coal fields, automatic voltage regulating transformers, pollution control incinerator for solid waste management and also undertakes design, supply, and execution of 132 KV sub-station on turnkey basis. The company mainly caters to the domestic market along with exporting of transformers to countries like Nepal, Bangladesh, Bhutan, Zambia, Kenya, Nigeria, Ethiopia, Saudi Arabia and Iraq. Presently, Mr. Rajesh Ghosh [Son of Mr. S.K. Ghosh] is the Managing Director of the Company. Mr. Rajesh Ghosh joined the business in 1990 and has gained considerable experience in this segment.

Financials (Standalone):

	(Rs. crore)	
For the year ended* / As On	31-03-2018	31-03-2019
	Audited	Audited
Total Operating Income	56.11	57.10
EBITDA	4.49	5.78
PAT	0.64	-0.09
Total Debt	25.65	21.43
Tangible Net worth	11.39	18.97

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For the year ended* / As On	31-03-2018	31-03-2019
EBITDA Margin (%)	8.00	10.12
PAT Margin (%)	1.13	-0.15
Overall Gearing Ratio (x)	2.25	1.13

*Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: NIL

Any other information: Nil

Rating History for last three years:

Sr. No	Name of Facilities	Current Rating (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding. (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2019-20 (10.02.2020)	Date(s) & Rating(s) assigned in 2018-19 (21.05.2019)	Date(s) & Rating(s) assigned in 2017-18
1.	Cash Credit	LT	15.00	IVR BB-; ISSUER NOT COOPERATING*	IVR BB- / Stable	IVR BB- / Stable	-
2.	BG/LC	LT/ST	14.00	IVR BB-; ISSUER NOT COOPERATING*/ IVR A4; ISSUER NOT COOPERATING*	IVR BB- / Stable /IVR A4	IVR BB- / Stable /IVR A4	-

* Issuer did not cooperate; based on best available information.

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange

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Board of India (SEBI) and accredited by Reserve Bank of India. Firm's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer:

Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are 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 us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs.Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Cash Credit	-	-	-	15.00	IVR BB-; ISSUER NOT COOPERATING*
Long Term/Short Term Bank Facilities – Bank Guarantee/LC	-	-	-	14.00	IVR BB-; ISSUER NOT COOPERATING*/ IVR A4; ISSUER NOT COOPERATING*

* Issuer did not cooperate; based on best available information