

June 08, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	6.00	SMERA BB-/Stable (Assigned)
Proposed Cash Credit	3.00	SMERA BB-/Stable (Assigned)
Bank Guarantee	8.00	SMERA A4 (Assigned)

SMERA has assigned ratings of '**SMERA BB-**' (read as **SMERA double B minus**) and **SMERA A4** (read as **SMERA A four**) to the Rs.17.00 crore bank facilities of Tritronics India Private Limited (TIPL). The outlook is '**Stable**'. The ratings are supported by the company's experienced management, reputed clientele and healthy financial risk profile. However, the ratings are constrained by the company's moderate-scale operations in an intensely competitive segment of the electronics industry.

TIPL, established in 1988, is a New Delhi-based company engaged in manufacturing of uninterrupted power systems (UPS). TIPL benefits from its experienced management. The directors of TIPL have around two decades of experience in the company's line of business. TIPL also benefits from its long-standing relations with various reputed customers, including State Bank of India, Punjab National Bank, Bank of Baroda, HCL Technologies, and Central Bank of India. TIPL's healthy financial risk profile is marked by low gearing (debt-equity ratio) of 0.43 times as on March 31, 2014 and moderate interest coverage ratio of 1.63 times in FY2013-14 (refers to financial year, April 01 to March 31).

The company has moderate-scale operations marked by operating income of Rs.66.25 crore in FY2013-14. TIPL operates in an intensely competitive segment of the electronics industry.

Outlook: Stable

SMERA believes TIPL will maintain a stable business risk profile in the near term on the back of its experienced management and established relations with reputed customers. The outlook may be revised to 'Negative' in case of decline in the company's revenues and profit margins. Conversely, the outlook may be revised to 'Positive' in case the company registers higher-than-expected growth in revenues and profitability.

About the company

TIPL, incorporated in 1988, is a New Delhi-based company promoted by Mr. `Rajan Chadha and Mr. Rajiv Chathrath. TIPL is engaged in manufacturing of UPS Systems. The company has one manufacturing unit in Parwanoo (Himachal Pradesh).

For FY2013-14, TIPL reported PAT of Rs.0.53 crore on operating income of Rs.66.25 crore, as compared with PAT of Rs.0.13 crore on operating scale of Rs.49.34 crore for FY 2012-13. The company's net worth stood at Rs.11.72 crore as on March 31, 2014, as compared with Rs.11.20 crore a year earlier.

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Tritronics India Private Limited (TIPL)

Rating Rationale

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