

Tritronics India Private Limited: Reaffirmed

Facilities	Amount (Rs Crore)	Ratings/Outlook
Cash Credit	6.00	SMERA BB-/Stable (Reaffirmed)
Bank Guarantee	8.00	SMERA A4 (Reaffirmed)
Letter of Credit	3.00	SMERA A4 (Assigned)
Proposed Cash Credit	3.00	SMERA BB-/Stable (Withdrawn)

SMERA has reaffirmed the long-term rating of '**SMERA BB-**' (read as **SMERA double B minus**) on the Rs.6.00 crore bank facility and short-term rating of '**SMERA A4** (read as **SMERA A four**)' on the Rs.8.00 crore bank facility of Tritronics India Private Limited (TIPL). SMERA has also assigned a short term rating of '**SMERA A4** (read as **SMERA A four**)' on the Rs.3.00 crore bank facility. The outlook is '**Stable**'. Further, SMERA has withdrawn the long term rating of '**SMERA BB-**' (read as **SMERA double B minus**) on the proposed cash credit as the company has not availed the facility.

Update

The ratings continue to derive comfort from the company's experienced management, healthy financial profile and reputed clientele. However, the ratings are constrained by the modest scale of operations, intense market competition and high dependence on orders from various government bodies and private entities.

The company is headed by Mr. Rajan Chadha who possesses experience of over two decades in the electronic equipments business. Further, the company has diversified its business from uninterrupted Power System (UPS) to solar panel assembling and installation. The financial risk profile is healthy with low gearing of 0.84 times as on March'2016 (Provisional) and moderate interest coverage at 1.63 times in FY16 (Provisional). The clientele includes renowned names like Panasonic, Central Bank of India, Punjab Energy Development Agency among others.

The operating income stands at Rs.51.80 crore in FY2016 (Provisional), an increase from Rs.45.40 crore in FY2015. The company is exposed to intense market competition. Almost 80 per cent of sales is generated from government departments/public sector banks. The company's business is largely dependent on tenders floated by government departments/PSBs.

Outlook: Stable

SMERA believes that TIPL will maintain a stable outlook in the medium term on the back of established operations and extensive experience of the promoters in the business. The outlook may be revised to 'Positive' in case of improvement in operating income and profitability. Conversely, the outlook may be revised to 'Negative' in case of further deterioration in operating income and profitability.

Criteria applied to arrive at ratings

- Manufacturing Entities

About the Company

TIPL manufactures and markets UPS systems, inverters, and other power conditioning equipments. The company is also into assembling and installation of solar panels and caters to the telecom, banking and insurance industries, central and state government departments among others. Founded in 1988, the New Delhi-based company has offices in Delhi, Chandigarh, Lucknow, Varanasi to name a few.

For FY2015-16, the company reported PAT of Rs.0.92 crore on operating income of Rs.51.80 crore as compared with PAT of Rs.0.45 crore on operating income of Rs.45.40 crore for FY2014-15. The net worth stands at Rs.13.18 crore as on March 31, 2016 as compared with Rs.12.17 crore a year earlier.

Rating History

Date	Name of the Instrument	Amount (Rs. Crore)	Ratings	Rating/Outlook
			Long Term	
08 June, 2015	Cash Credit	6.00	SMERA BB-(Assigned)	Stable
	Proposed Cash Credit	3.00	SMERA BB-(Assigned)	Stable
	Bank Guarantee	8.00	SMERA A4 (Assigned)	-

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ABOUT SMERA

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