



Press Release
MODERN TRANSFORMERS PRIVATE LIMITED
February 06, 2026
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	15.00	ACUITE BBB Stable Assigned	-
Bank Loan Ratings	18.00	ACUITE BBB Stable Reaffirmed	-
Bank Loan Ratings	21.00	-	ACUITE A3+ Assigned
Bank Loan Ratings	81.50	-	ACUITE A3+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	135.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed its long-term rating of '**ACUITE BBB**' (read as **ACUITE Triple B**) and short-term rating of '**ACUITE A3+**' (read as **ACUITE A three Plus**) on the Rs.99.50 Cr. bank facilities of Modern Transformers Private Limited (MTPL). The outlook is '**Stable**'.

Acuité has also assigned its long-term rating of '**ACUITE BBB**' (read as **ACUITE Triple B**) and short term rating of '**ACUITE A3+**' (read as **ACUITE A three Plus**) on the Rs.36.00 Cr. bank facilities of Modern Transformers Private Limited (MTPL). The outlook is '**Stable**'.

Rationale for rating:

The rating reaffirmation takes into account improved FY2025 performance with operating income, supported by higher execution and better margins. It also considers a moderate financial risk profile with low gearing, healthy net worth and comfortable coverage indicators. The rating factors moderate order book, providing near-to-medium-term visibility, and efficient working capital cycle. However, the rating remains constrained by exposure to volatility in input costs, the tender-based nature of operations, and moderation in fresh order inflows following the non-implementation of the Uttar Pradesh State Electricity Board (UPSEB) upgradation programme. Ongoing capex in smart meters and transformers is expected to support scale going forward.

About the Company

Modern Transformers Private Limited (MTPL) was incorporated in 1989 by Mr. Dinesh Kumar Agarwal at Delhi. MTPL is engaged in the manufacturing of Copper and Aluminium wound Transformers for distribution, power transformers, industrial and special purpose transformers and electronic energy meters, etc. The current directors of MTPL are Mr. Ankit Agarwal, Mr. Dinesh Kumar and Mrs. Chanchal Rani. One manufacturing facility of MTPL is located in Haridwar and two facilities are located at Ghaziabad.

Unsupported Rating

Analytical Approach

Acuité has considered standalone business and financial risk profile of Modern Transformers Private Limited (MTPL) to arrive at the rating.

Key Rating Drivers

Strengths

Established track record of operations along with experienced management

MTPL was established in 1989 and has been engaged in the manufacturing of transformers and smart meters, and executes EPC contracts for the construction of power substations and electrification projects for various power distribution companies across India. The company's directors, Mr. Ankit Agarwal, Mr. Dinesh Kumar, Mr. Anubhav Agarwal, and Mrs. Chanchal Rani, bring over three decades of the industry experience. This extensive experience coupled with established track record of operations have helped the company to forge healthy relationships with its customers and suppliers.

Acuité believes that the management's extensive experience will continue to play a pivotal role in strengthening the company's business risk profile.

Improving business risk profile coupled with moderate order book position

The company has demonstrated a strong revenue growth of ~50% to Rs.416.29 crore in FY2025 from Rs.276.66 crore in FY2024, driven by higher order volumes and timely execution. The year to date revenue upto november are Rs.234.00 Cr. Operating profitability improved significantly, with operating margins rising to 8.40% in FY2025 from 5.58% in FY2024, primarily supported by execution of a higher-margin contract awarded by the Uttar Pradesh State Electricity Board (UPSEB). Consequently, PAT margins also improved to 5.70% in FY2025 from 3.78% in FY2024. The performance during the year was further aided by a one-time transformer capacity upgradation program undertaken by UPSEB, which led to increased demand and higher capacity utilization.

Moderate financial risk profile:

The financial risk profile of the company stood moderate marked by high networth, below unity gearing and healthy debt protection metrics. The net worth of the company stood at Rs. 80.95 Cr. as on March 31st, 2025, as against Rs. 57.21 Cr. as on March 31st, 2024, due to accretion of profit to reserve. The total debt of the company stood at Rs. 30.81 Cr. as on March 31, 2025 comprising of Rs. 0.29 Cr. of long-term debt and Rs. 30.52 Cr. of short-term debt. The gearing (debt-equity) of the company stood below unity at 0.38 times as on March 31, 2025, as against to 0.33 times as on March 31, 2024. The TOL/TNW of the company stood at 1.05 times as on March 31, 2025, as against 0.85 times as on March 31, 2024. Further, the debt protection metrics of the company stood healthy reflected by interest coverage ratio stood at 13.01 times for FY2025 as against 13.93 times for FY2024 and debt service coverage ratio of 10.02 times for FY2025 as against 10.75 times for FY2024. The net cash accruals to total debt (NCA/TD) stood at 0.80 times in FY2025 as compared to 0.59 times in the previous year. Acuité believes that the company's ability to mark sustained improvement in its financial risk profile will remain a key monitorable over the medium term.

Efficient Working capital operations

The working capital operations of the company are efficient with Gross Current Assets (GCA) of 86 days in FY2025, compared to 78 days in FY2024. The inventory levels stood at 25 days in FY2025 as against 26 days in FY2024 and the debtor days stood at 60 days in FY2025 as against 43 days in FY2024. The billing process from DISCOMs is completed within 90 days resulting in low debtor days. The creditor days stood at 51 days in FY2025 as against 41 days in FY2024. Further, the average utilization for limits is moderate, averaging around 68% for fund-based limits over the last six months ending Dec-2025.

Going ahead, the ability of the company to maintain efficient working capital operations will

remain a key monitorable.

Weaknesses

Vulnerability of profitability to volatility in raw material prices

The company's operating margins are vulnerable to fluctuations in raw material prices. The company imports Cold Rolled Grain Oriented Electrical Steel (CRGO), a key component in transformers. Therefore, any fluctuations in raw material prices can affect the profitability margins.

Rating Sensitivities

- Continued growth in scale of operations while maintaining the profitability margins.
- Consistent increase in order book.
- Elongation in working capital cycle.

Liquidity Position

Adequate

The liquidity position remains adequate, evidenced by net cash accruals of Rs.24.71 Cr. in FY2025, as against no maturing debt obligations. In addition, it is expected to generate cash accrual in the range of Rs.15.00 to Rs.20.00 Cr. as against maturing repayment obligations in the range of Rs. 1.50 Cr. over the medium term. The cash and bank balance of the company stood at Rs. 0.15 Cr. as on 31st March 2025. The current ratio has stood at 1.27 times on March 31, 2025 from 1.61 times on March 31, 2024. Further, the average utilization for limits is moderate, averaging around 68% for fund-based limits over the last six months ending Dec-2025.

Acuité believes that going forward the company will maintain adequate liquidity position owing to steady accruals, moderate current ratio and reliance on bank lines to fund working capital requirements.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	416.29	276.66
PAT	Rs. Cr.	23.73	10.45
PAT Margin	(%)	5.70	3.78
Total Debt/Tangible Net Worth	Times	0.38	0.33
PBDIT/Interest	Times	13.01	13.93

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
30 Apr 2025	Bank Guarantee/Letter of Guarantee	Short Term	42.00	ACUITE A3+ (Upgraded from ACUITE A4+)
	Bank Guarantee/Letter of Guarantee	Short Term	0.50	ACUITE A3+ (Assigned)
	Letter of Credit	Short Term	12.00	ACUITE A3+ (Assigned)
	Bank Guarantee/Letter of Guarantee	Short Term	27.00	ACUITE A3+ (Assigned)
	Cash Credit	Long Term	12.00	ACUITE BBB Stable (Upgraded from ACUITE BB-)
	Cash Credit	Long Term	6.00	ACUITE BBB Stable (Upgraded from ACUITE BB-)
27 Nov 2024	Bank Guarantee/Letter of Guarantee	Short Term	23.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Bank Guarantee/Letter of Guarantee	Short Term	18.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Proposed Bank Guarantee	Short Term	5.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	4.50	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB)
	Cash Credit	Long Term	4.50	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB)
	Proposed Cash Credit	Long Term	5.00	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB)
30 Aug 2023	Bank Guarantee/Letter of Guarantee	Short Term	23.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Bank Guarantee/Letter of Guarantee	Short Term	18.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Proposed Bank Guarantee	Short Term	5.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	4.50	ACUITE BB (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	4.50	ACUITE BB (Reaffirmed & Issuer not co-operating*)
	Proposed Cash Credit	Long Term	5.00	ACUITE BB (Reaffirmed & Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
H D F C Bank Limited	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	42.50	Simple	ACUITE A3+ Reaffirmed
KOTAK MAHINDRA BANK LIMITED	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	27.00	Simple	ACUITE A3+ Reaffirmed
KOTAK MAHINDRA BANK LIMITED	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE A3+ Assigned
H D F C Bank Limited	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A3+ Assigned
H D F C Bank Limited	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.00	Simple	ACUITE BBB Stable Reaffirmed
KOTAK MAHINDRA BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE BBB Stable Reaffirmed
KOTAK MAHINDRA BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE BBB Stable Assigned
H D F C Bank Limited	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE BBB Stable Assigned
H D F C Bank Limited	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.00	Simple	ACUITE A3+ Reaffirmed
H D F C Bank Limited	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB Stable Assigned

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About Acuité Ratings & Research

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