



Press Release
KRYFS POWER COMPONENTS LIMITED
August 05, 2025
Rating Reaffirmed and Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	92.00	ACUITE A Stable Upgraded	-
Bank Loan Ratings	463.00	-	ACUITE A1 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	555.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded its long-term rating to '**ACUITE A**' (read as **ACUITE A**) from '**ACUITE A-**' (read as **ACUITE A minus**) on the Rs. 92.00 Cr. bank facilities and reaffirmed short-term rating of '**ACUITE A1**' (read as **ACUITE A one**) on Rs 463.00 Cr. bank facilities of Kryfs Power Components Limited (KPCL). The outlook is '**Stable**'.

Rationale for Rating:

The rating upgrade reflects the sustained improvement in operating income and the increase in absolute EBITDA over the last two financial years ending FY2025. It considers the group's consistently healthy financial risk profile, characterized by a strong net worth, low gearing, and robust debt protection metrics. The rating is further supported by its strong liquidity profile, backed by healthy cash accruals. Additionally, it takes into account the healthy order book position of Rs.1,130.74 crore as of June 30, 2025. Furthermore, the rating benefits from KPCL's established track record of over three decades in manufacturing CRGO laminations, transformers, and transformer cores, along with its experienced management team.

However, the rating remains constrained by the working capital-intensive nature of operations and the vulnerability of profitability to fluctuations in raw material prices.

About the Company

KRYFS Power Components Limited (KPCL) was established in 1991 and commenced operations in December 1992 as a manufacturing and trading company, with its first manufacturing plant located in Palghar, Maharashtra, approximately 110 km from Mumbai. In response to the growing demand for electricity across the country, KPCL began by manufacturing one of the most critical raw materials for transformer production—CRGO laminations and transformer cores. KRYFS is India's leading transformer core manufacturing company, with the capacity to process 40,000 MTPA of CRGO electrical steel. The company manufactures and supplies high-quality, low-loss amorphous core loops for both single-phase and three-phase distribution transformers, using amorphous metal imported from prominent sources. Currently, KPCL operates three units in Silvassa dedicated to the manufacturing of CRGO laminations and transformers.

About the Group

The Kryfs Group comprises KRYFS Power Components Limited (KPCL), KRYFS Transformers Private Limited (KTPL), and KRYFS Fabrication Private Limited (formerly Satyam (Fab) Industries Private Limited) (KFPL). KPCL is primarily engaged in the manufacturing of CRGO laminations, transformer cores, and transformers, with one unit located in Palghar and three units in Silvassa, having a total capacity of 40,000 MTPA

and 2,000 MVA. KTPL's unit, located in Baroda, was acquired in 2012 from Pratik Transformers Pvt. Ltd. and is dedicated to transformer manufacturing. KFPL, acquired in 2018, specializes in the fabrication of transformer tanks (steel fabrication) with a manufacturing capacity of 5,000 MTPA.

Unsupported Rating

Not applicable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

The team has considered a consolidated approach for the rating exercise of Kryfs Power Components Limited. The following 100% subsidiaries have been consolidated:

- Kryfs Transformers Private Limited (KTPL)
- Kryfs Fabrication private limited (Erstwhile Satyam (Fab) Industries Private Limited) (KFPL).

In current review Kryfs Electricals Private Limited is not consolidated since it is a non-operational.

Key Rating Drivers

Strengths

- **Established track record of operations along with experienced management**

KPCL was established in 1992 and has been engaged in the manufacturing of CRGO laminations, transformers, and transformer cores since then, giving it a track record of over three decades in the business. The company's directors, Mr. Rauzat Saifuddin Qureishi and Mr. Saifuddin Fakhruddin Qureishi, have over 22 years and 12 years of experience respectively in this line of business. The group's established track record and experienced management have enabled it to maintain longstanding relationships with reputed customers and suppliers. Its customers include Transformers and Rectifiers Ltd, Bharat Bijlee Ltd, ECE Industries Ltd, South Bihar Distribution, and Retrasib SA, among others. The group procures materials from suppliers such as Toyota Tsusho Corporation, NLMK Group, and ThyssenKrupp, who together cater to nearly 70% of its raw material requirements. While there are no formal contracts with these vendors, the group maintains strong relationships with them, based on a mutual understanding for the supply of 10,000–12,000 MT of raw materials annually. Acuité believes that KPCL will continue to benefit from its established track record, market presence, and relationships with reputed customers and suppliers.

- **Improved scale of operations**

The group reported significant year-on-year growth of 27.96 percent in FY2025 compared to FY2024. Revenues stood at Rs.1,444.97 Cr. in FY2025, up from Rs.1,129.23 Cr. in FY2024. This improvement was driven by increased volumes and better price realization for transformers, along with the execution of an EPC order received from West Bengal. Capacity utilization for transformers improved significantly in FY2025, rising to 50.06 percent from 26.73 percent in FY2024, supported by higher demand and increased order inflow. However, CRGO lamination utilization declined due to lower demand and reduced price realizations. The group exports only lamination products. Export revenue contributed approximately 20–25% of the total revenue in both FY2024 and FY2025. Operating margins improved to 8.84 percent in FY2025, up from 6.95% in FY2024. This improvement was primarily driven by a decline in raw material prices and better realizations from transformer sales, along with the execution of a high-margin EPC contract. The group has a healthy order book position of Rs 1130.74 Cr. as of June 30th 2025. Acuite believes that the scale of operations may continue to improve over the medium term backed by a healthy order book position and demand prospects for the power system equipment.

- **Healthy financial risk profile**

The group's financial risk profile is healthy, supported by a strong capital structure, low gearing, and healthy debt protection metrics. The net worth of the group stood at Rs.469.44 Cr. and Rs.391.68 Cr. as on March 31, 2025, and 2024, respectively. The improvement in net worth is due to the accretion of reserves. Gearing of the group stood at 0.06 times on March 31, 2025, against 0.04 times as on March 31, 2024. Debt protection metrics—interest coverage ratio and debt service coverage ratio stood at 8.27 times and 6.51 times as on March 31, 2025, respectively, as against 5.65 times and 4.51 times as on March 31, 2024,

respectively. TOL/TNW (Total outside liabilities/Total net worth) stood at 0.89 times and 0.75 times as on March 31, 2025, and 2024, respectively. The debt to EBITDA of the group stood at 0.20 times as on March 31, 2025. Acuité believes the financial risk profile of the group will continue to remain healthy over the medium term in view of the completion of capex in FY2026 and no further debt funded capex plan over the medium term.

Weaknesses

- **Working capital intensive operations**

The group's working capital operations remain intensive, as reflected in gross current Asset (GCA) of 172 days in FY2025, as against 172 days in FY2024. The GCA days are mainly led by debtor days. Inventory days stood at 63 days in FY2025 as against 60 days in FY2024. The group needs to maintain an inventory of raw material for 60-90 days as they are importing majority of their requirements. Further, the lead-time for manufacturing CRGO lamination and transformer is 10-15 days and 40-45 days respectively. The receivable days stood at 103 day in FY2025 compared to 99 days in FY2024. Subsequently, the payable period stood at 106 days in FY2025 as against 94 days in FY2024 respectively. Acuité expects the group's working capital intensity to persist at similar levels over the medium term.

- **Vulnerability of profitability to raw material prices**

The group's profitability margins remain vulnerable to fluctuations in raw material prices. Steel, being the major raw material for this industry, poses a risk to profitability if its prices vary significantly. Additionally, the level of competition is fairly high for government tenders. At the lower end of the distribution transformer market, there is some fragmentation, although the segment is largely dominated by organized players such as Toshiba, BHEL, ABB, CG Power, and others.

Rating Sensitivities

- Improvement in profitability margins while Scaling up of operations.
- Sustenance of their conservative capital structure
- Any elongation of the working capital cycle

Liquidity Position: Strong

The group generated healthy cash accruals of Rs. 88.82 Cr. in FY2025, against nominal maturing repayment obligations of Rs. 0.13 Cr. during the same period. Going forward, the group is expected to continue generating strong net cash accruals against minimal repayment obligations. The current ratio stood at 1.68 times, and the group maintained unencumbered cash and bank balances of Rs. 19.99 Cr. in FY25 Furthermore, average bank limit utilization over the nine months ended May 2025 remained at 30 percent for fund-based limits and 75 percent for non-fund-based limits. Acuité believes that the group's liquidity will remain strong, supported by healthy net cash accrual generation and liquid investments.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	1444.97	1129.23
PAT	Rs. Cr.	79.19	44.03
PAT Margin	(%)	5.48	3.90
Total Debt/Tangible Net Worth	Times	0.06	0.04
PBDIT/Interest	Times	8.27	5.65

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

Not applicable

Any Other Information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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. Acuité'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
07 May 2024	Cash Credit	Long Term	5.00	ACUITE A- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	29.00	ACUITE A- Stable (Assigned)
	Cash Credit	Long Term	30.00	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	3.00	ACUITE A- Stable (Assigned)
	Cash Credit	Long Term	20.00	ACUITE A- Stable (Reaffirmed)
	Letter of Credit	Short Term	125.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	75.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	55.00	ACUITE A1 (Assigned)
	Letter of Credit	Short Term	55.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	40.00	ACUITE A1 (Assigned)
	Letter of Credit	Short Term	15.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	40.00	ACUITE A1 (Assigned)
	Letter of Credit	Short Term	53.00	ACUITE A1 (Assigned)
	Proposed Short Term Bank Facility	Short Term	5.00	ACUITE A1 (Reaffirmed)
11 Apr 2023	Cash Credit	Long Term	20.00	ACUITE A- Stable (Assigned)
	Cash Credit	Long Term	5.00	ACUITE A- Stable (Assigned)
	Cash Credit	Long Term	30.00	ACUITE A- Stable (Assigned)
	Cash Credit	Long Term	5.00	ACUITE A- Stable (Assigned)
	Letter of Credit	Short Term	20.00	ACUITE A1 (Assigned)
	Letter of Credit	Short Term	125.00	ACUITE A1 (Assigned)
	Bank Guarantee (BLR)	Short Term	75.00	ACUITE A1 (Assigned)
	Letter of Credit	Short Term	55.00	ACUITE A1 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	130.00	Simple	ACUITE A1 Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A Stable Upgraded (from ACUITE A-)
Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A Stable Upgraded (from ACUITE A-)
CITI Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A Stable Upgraded (from ACUITE A-)
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE A Stable Upgraded (from ACUITE A-)
Indusind Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE A Stable Upgraded (from ACUITE A-)
Indusind Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	53.00	Simple	ACUITE A1 Reaffirmed
Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	125.00	Simple	ACUITE A1 Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE A1 Reaffirmed
CITI Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	95.00	Simple	ACUITE A1 Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A1 Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	29.00	Simple	ACUITE A Stable Upgraded (from ACUITE A-)
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A1 Reaffirmed

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr. no.	Name of the company
1	Kryfs Transformers Private Limited
2	Kryfs Power Components Limited
3	Kryfs Fabrication private limited (ERSTWHILE Satyam (Fab) Industries Private Limited)

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