Press Release

JDS TRANSFORMERS INDUSTRIES PRIVATE LIMITED

July 21, 2025

Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.04	ACUITE BBB- | Stable | Assigned	-
Bank Loan Ratings	12.00	-	ACUITE A3 | Assigned
Total Outstanding Quantum (Rs. Cr)	22.04	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has assigned its long-term rating of **'ACUITE BBB-' (read as ACUITE Triple B minus)**and short-term rating of **'ACUITE A3' (read as ACUITE A three)**on the Rs. 22.04 Cr. bank facilities of JDS Transformers Industries Private Limited (JTIPL). The outlook is **'Stable'**.

Rationale for rating assigned

The rating assigned reflects JTIPL's established operational track record of more than three decades, along with extensive experience of its management in the manufacturing and supplying conductors, winding wires, fabrication tanks, and transformers. Further, the rating factors in the growth in operating income, with a CAGR of approximately 55% for the period between FY2025 and FY2023 coupled with moderate order book position, below unity gearing, comfortable debt protection metrics efficient working capital and adequate liquidity. However, the above-mentioned strengths are constrained by low net worth and challenges faced by transformer manufacturers in India.

About the Company

JDS Transformers Industries Private Limited (JTIPL) was incorporated in 1999 in Nagpur, Maharashtra, for the manufacturing of transformers. Prior to starting transformer production in July 2015, the company was involved in the manufacturing and supply of aluminium conductors. Since 2015, JTIPL has been engaged in the production of distribution transformers, power transformers, and solar inverter duty transformers. The company initially focused on 200 kVA distribution transformers. From 2022 onward, it shifted its focus to 5–10 MVA power transformers to meet changing market requirements.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered standalone business and financial risk profile of JTIPL to arrive at the rating.

Key Rating Drivers

Strengths

Established track record of operations along with experienced management

JDS Transformers Industries Private Limited (JTIPL), began its operations with the manufacturing and supply of aluminium conductors. In July 2015, the company diversified into transformer production and has since

been engaged in manufacturing distribution transformers, power transformers, and solar inverter duty transformers. Initially focused on 200 kVA distribution transformers, JTIPL strategically shifted its product portfolio in 2022 to cater to the growing demand for higher-capacity 5–10 MVA power transformers.
JTIPL is a part of the JDS Group, which also includes KJV Alloy Conductors Private Limited and Vidarbha Alloy Conductors. KJV Alloy Conductors specializes in the production of various types of conductors such as

AAC, ACSR, AAAC, and ABC, serving both domestic and international markets. Vidarbha Alloy Conductors complements the group's capabilities by supplying insulated winding wires and undertaking tank fabrication. The group companies share common promoters.

The promoters of the company Ms. Daksha Patel and Ms. Rina Patel bring over three decades of 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

JTIPL has demonstrated strong growth over the years with its operating income improving by ~51% to Rs. 116.16 Cr. in FY2025 (Prov.) as against Rs. 76.82 Cr. in FY2024 and Rs. 48.09 Cr. in FY2023, which can be attributed to higher volume of orders and its timely execution. As on May 31st 2025, JTIPL has an executable order book of Rs. 182 Cr. and L1 orders of ~Rs. 71 Cr. which provides moderate revenue visibility over medium term. The operating margin improved to 5.30 percent in FY2025 (Prov.) as against 3.62 percent in FY2024 and the PAT margin improved to 3.29 percent in FY2025 (Prov.) compared to 1.94 percent in FY2024. The improvement in the margins is driven by increased emphasis on power transformers and industrial transformers.

Efficient Working capital operations

The working capital operations of the company are efficient with Gross Current Assets (GCA) of 56 days in FY2025 (Prov.), compared to 70 days in FY2024. The inventory levels stood at 41 days in FY2025 (Prov.) as against 36 days in FY2024 and the debtor days improved to 9 days in FY2025 (Prov.) as against 26 days in FY2024 due to timely order completion and billing. The creditor days stood at 40 days in FY2025 (Prov.) as against 45 days in FY2024. Further, the average utilization for limits is moderate, averaging around 38% for fund-based limits over the last twelve months ending March-2025 and around 29% for non-fund based limits over the last six months ending March-2025.

Going ahead, the ability of the company to maintain efficient working capital operations will remain a key monitorable.

Weaknesses

Moderate financial risk profile

The financial risk profile of the company stood moderate marked by low networth, below unity gearing and comfortable debt protection metrics. The net worth of the company stood at Rs. 9.38 Cr. as on March 31st, 2025 (Prov.), as against Rs. 5.56 Cr. as on March 31st, 2024, due to accretion of profit to reserve. The total debt of the company stood at Rs. 3.77 Cr. as on March 31, 2025 (Prov.) comprises of Rs. 0.30 Cr. of long-term debt and Rs. 3.47 Cr. of USL from Directors/Promoters. The gearing (debt-equity) of the company stood below unity at 0.40 times as on March 31, 2025 (Prov.), as against to 0.94 times as on March 31, 2024. The TOL/TNW of the company stood at 1.88 times as on March 31, 2025 (Prov.), as against 3.16 times as on March 31,2024. Further, the debt protection metrics of the company stood comfortable reflected by interest coverage ratio stood at 12.59 times for FY2025 (Prov.) as against 7.00 times for FY2024 and debt service coverage ratio of 3.59 times for FY2025 (Prov.) as against 1.48 times for FY2024. The. JTIPL is undertaking a capital expenditure of Rs 5 Cr. for research, development, and manufacturing of 17.5 MVA solar inverter duty transformers which will be completed in FY2026. The capex will be funded through a mix of ~Rs 3.47 Cr. term loan and the remaining balance through unsecured loans from the promoters.

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.

Challenges faced by Transformer Manufacturers in India

Transformer manufacturers in India face a range of complex challenges that hinder their operating efficiency and growth potential. One of the primary concerns is the volatility in the prices and availability of key raw materials such as copper, aluminium and cold rolled grain oriented (CRGO) steel which directly impacts production costs. The industry is also highly competitive with pressure from both domestic and internation manufacturers leading to aggressive pricing and shrinking profit margins. Many manufacturers operate with outdated technology and machinery which limits product quality and innovation capabilities. Furthermore, there is a persistent shortage of skilled technical personnel making it difficult to maintain consistent manufacturing standards. Compliance with increasingly stringent regulatory and energy efficiency norms to the operational burden. In addition, delayed payments from state electricity boards and public sector clients often lead to working capital constraints, disrupting the timely execution of projects. These challenges collectively create a difficult environment for sustainable growth and long-term competitiveness in both domestic and export markets.

Rating Sensitivities

Sustained improvement in scale of operation while maintaining the profitability margins.
Improvement in net worth.
Timely execution of orders.
Consistent increase in order book.

Liquidity Position

Adequate

The liquidity position remains adequate, evidenced by sufficient net cash accruals offsetting maturing debt obligations. Net cash accruals ranged Rs. 1.09-4.42 Cr. between FY2023 and FY2025 (Prov.), surpassing maturing repayment obligations of Rs. 0.87-1.31 Cr. during the same period. Projections indicate adequate liquidity, with expected cash accruals ranging from Rs. 5.98-8.65 Cr. against maturing repayment obligations of Rs. 0.28-0.83 Cr. over the medium term. The cash and bank balance stood at Rs. 2.44 Cr. as on 31st March 2025 (Prov.) The current ratio has improved slightly to 1.32 times on March 31, 2025 (Prov.) from 1.18 times on March 31, 2024, affirming the company's sound liquidity position. Further, the average utilization for limits is moderate, averaging around 38% for fund-based limits over the last twelve months ending March-2025 and around 29% for non-fund based limits over the last six months ending March-2025.
Acuite believes the liquidity position of the company may continue to remain adequate with steady cash accruals and buffer available from unutilised working capital limits.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	116.16	76.82
PAT	Rs. Cr.	3.82	1.49
PAT Margin	(%)	3.29	1.94
Total Debt/Tangible Net Worth	Times	0.40	0.94
PBDIT/Interest	Times	12.59	7.00

Status of non-cooperation with previous CRA (if applicable)
None

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 :
Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Axis Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.00	Simple	ACUITE A3 | Assigned
Axis Bank	Not avl. / Not appl.	Cash Credit	13 Dec 2024	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE BBB- | Stable | Assigned
Axis Bank	Not avl. / Not appl.	Term Loan	29 Apr 2025	Not avl. / Not appl.	01 May 2030	3.75	Simple	ACUITE BBB- | Stable | Assigned
Axis Bank	Not avl. / Not appl.	Term Loan	14 Sep 2018	Not avl. / Not appl.	14 Sep 2025	0.28	Simple	ACUITE BBB- | Stable | Assigned
Axis Bank	Not avl. / Not appl.	Term Loan	21 Nov 2020	Not avl. / Not appl.	21 Oct 2025	0.01	Simple	ACUITE BBB- | Stable | Assigned

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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