

Transformers and Rectifiers (India) Ltd.

COMPANY SNAPSHOT					
CMP	Initiation Price*	Target	Potential Upside	Recommendation	MCap (Rsbn)
Rs31	Rs30	Rs40	29%	BUY	Rs4.0

* Initiation price adjusted for Stock Split

About the Company:

Transformers and Rectifiers (India) Ltd, more commonly known as TRIL, is one of the leading manufacturers of wide range of power, distribution, furnace and rectifier transformers in the country. The company is promoted by Mr. Jitendra U Mamtara and family. In the last thirty years of its existence, TRIL has successfully installed more than 7,000 transformers both locally and globally, thus making a reputed national and international presence in this transformer industry.

Results Declared:

- Net sales for the quarter stood at Rs1,658mn as against Rs2,632mn in the same quarter last year, de-growth of 37%; this was mainly due to lower dispatches in the current year.
- The Ebitda margins for the quarter came in 8.69% as against 10.45% in the comparative quarter; this was mainly lowered due to overhead absorption on lower volumes.
- The net profit stood at Rs28mn as compared to Rs100mn in the corresponding quarter last year.
- The EPS for the quarter stands at Rs0.21 as compared to Rs0.75 in the corresponding period last year.

Other highlights:

The order book of the company as on 1st November, 2017 stands at 23596 MVA which is valued at Rs8330mn.

The company has successfully

- Completed supply of 19 power transformers and 232 Inverter Transformer to Adani for their various solar projects pan India.
- Manufactured and supplied 1 no. 10.36MVA, 17.5/324-583 V Furnace transformer to South America
- Executed an order of 14 Nos. of 500 MVA, 765 KV Transformer for PGCIL

The company has received

- An export order for 1 no. 220 MVA, 132/33 kV Transformer. As per the Management, this is the highest rating transformer order for export by TRIL.
- An order for 2 Nos. of Rectifier Transformer from one of its customer in Gujarat.
- An order from TSTRANSCO for supply of 8 Nos. of 50 MVA, 132/33 kV Transformers.

Financials (Standalone):

Result Update (Q2FY2018)									
Q2FY18 Result (Rs mn)	Sep-17	Sep-16	y-o-y	June-16	q-o-q	FY16	FY17	y-o-y	Revised FY18E
Total Income	1,658	2,632	(37.0%)	1,233	34.5%	5,763	8,022	39.2%	7295
EBITDA	144	275	(47.6%)	73	97.3%	287	763	165.9%	705
Other Income	20	13	53.8%	15	33.3%	50	67	32.6%	76
Interest	90	101	(10.9%)	82	9.8%	328	362	10.4%	393
Depreciation	34	35	(2.9%)	36	(5.6%)	134	134	-	138
Exceptional Item	-	-	-	-	-	-	125	-	-
Tax	12	52	(76.9%)	8	50.0%	(40)	77	-	88
Net Profit	28	100	(72.0%)	(22)	(227.3%)	(85)	132	-	163

Outlook and Recommendations:

One will have to wait for the next quarters performance to take a call on the investment. Considering the current cut in the revenue guidance, we down size our target price to Rs40 for a horizon of 12 months.

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