



## Press Release

### RTS Power Corporation Limited

February 09, 2026

#### Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	20.87 (enhanced from Rs. 17.44 crore)	IVR BB+/Stable (IVR Double B Plus with Stable Outlook)	IVR BB+/Stable (IVR Double B Plus with Stable Outlook)	Rating reaffirmed	<a href="#">Simple</a>
Short Term Bank Facilities	39.10 (enhanced from Rs. 37.40 crore)	IVR A4+ (IVR A Four Plus)	IVR A4+ (IVR A Four Plus)	Rating reaffirmed	<a href="#">Simple</a>
<b>Total</b>	<b>59.97</b>	<b>Rupees Fifty-Nine Crore and Ninety-Seven Lakh Only</b>			

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

#### Detailed Rationale

Infomerics Valuation and Rating Limited (IVR) has reaffirmed the long-term rating at IVR BB+ with Stable outlook and short-term rating at IVR A4+ for the bank loan facilities of RTS Power Corporation Limited (RTSPCL or “the company”).

The reaffirmation of the ratings reflects the company’s sustained moderate financial risk profile, supported by the moderate scale of operations, a comfortable capital structure, satisfactory debt protection metrics, and adequate liquidity. The ratings also draw comfort from the experienced management team, diversified product portfolio, and well-established customer relationships. However, the ratings are constrained by the highly competitive nature of the industry, resulting in an elongated operating cycle, moderate operating margins, and a fragmented and cyclical business environment. These factors are further compounded by the company’s exposure to volatility in raw material prices, primarily copper and aluminium. The working-capital-intensive nature of operations—driven by elevated inventory levels necessitated by raw material price fluctuations and the order-based nature of production, particularly for government and institutional clients—also partially offsets the company’s strengths.



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The 'Stable' outlook factors in the visibility of revenues from core business operations, while taking into account the company's continued moderate scale of operations and moderate financial risk profile.

IVR has principally relied on the standalone audited financial results of the company up to FY25 (refers to period April 1st, 2024, to March 31st, 2025) as well as projected financials FY26 (refers to period April 1st, 2025, to March 31st, 2026), FY27 (refers to period April 1st, 2026, to March 31st, 2027) and FY28 (refers to period April 1st, 2027, to March 31st, 2028), and publicly available information/ clarifications provided by the management.

### Key Rating Sensitivities

#### Upward Factors

- Sustained improvement in revenue and profitability and improvement in the debt protection metrics, leading to improvement in overall liquidity profile of the company.
- Efficient management of working capital leads to shortening of operating cycle.

#### Downward Factors

- Any significant decline in revenue and/or profitability leading to decline in liquidity position of the company.
- Dip in operating income and/or profitability thereby impacting the debt protection indicators i.e. ISCR below 1.40x on sustained basis and/or any deterioration in the capital structure.

### List of Key Rating Drivers with Detailed Description

#### Key Rating Strengths

##### Extensive experience of promoters in industry

Mr. Rajendra Bhutoria and his cousin Mr. Abhay Bhutoria are the key promoters of RTS Power Corporation Ltd., bringing with them over three decades of diverse experience in the power equipment and electrical infrastructure industry. Their long-standing involvement in the sector has provided them with deep technical knowledge, strong industry relationships, and a comprehensive understanding of manufacturing, project execution, and regulatory requirements. Together, they are responsible for formulating the company's strategic vision



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and overseeing its overall operations, including business development, manufacturing, finance, procurement, and project execution.

### **Established track record of operations**

The company has established a diverse and well-spread clientele base over the years. RTS set up its first manufacturing plant at Jaipur in 1971 for the production of transformers and subsequently expanded its operations. In 2006, the company forayed into the manufacturing of cables and conductors, thereby diversifying its product offerings and strengthening its position in the power equipment value chain. At present, RTS is engaged in the manufacturing of both power and distribution transformers, along with cables and conductors, catering to a wide spectrum of customers. In addition to finished products, the company also manufactures semi-finished goods, which supports operational flexibility and enhances cost efficiencies across its manufacturing processes. RTS is an ISO 9001 certified company and is an approved vendor for all State Electricity Utilities across India. The company also supplies its products to various EPC contractors and transformer manufacturers, reflecting its strong technical capabilities, compliance with stringent quality standards, and long-standing relationships within the power infrastructure sector.

### **Moderate financial risk profile**

The tangible net worth of the company stood at ₹152.85 crore as on March 31, 2025, increasing from ₹148.39 crore as on March 31, 2024, primarily on account of accretion to reserves through retained profits during the year. The company's capital structure remained comfortable, marked by an overall gearing ratio of 0.09x as on March 31, 2025, as compared to 0.12x as on March 31, 2024. Further, the Total Outside Liabilities to Tangible Net Worth (TOL/TNW) ratio stood at 0.42x as on March 31, 2025, indicating a comfortable leverage position. The company's debt coverage indicators showed improvement, with Total Debt/EBITDA declining to 3.23x in FY25 from 4.27x in FY24, reflecting improved operating performance and controlled debt levels. Debt protection metrics, however, remained largely stable, with the Interest Coverage Ratio (ICR) at 1.66x in FY25 as against 1.69x in FY24. The Debt Service Coverage Ratio (DSCR) remained comfortable to 3.08x in FY25 from 3.38x in FY24, though it continued to remain satisfactory.



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### **Key Rating Weaknesses**

#### **Elongated Operating Cycle**

The operating cycle of the company declined to 118 days in FY25 from 211 days in FY24; however, it remained elevated on account of high receivable days and inventory holding levels, driven by elongated collection cycles from state electricity utilities and the need to maintain higher inventory of raw materials and work-in-progress to support ongoing and anticipated orders.

#### **Decline in operating margin**

The EBITDA margin of the company contracted sharply to 3.81% in FY25 from 7.06% in FY24. The contraction in operating margins was primarily driven by intensified competition in the transformers, cables, and conductors segment, which resulted in aggressive pricing and lower realizations. In addition, the company was impacted by volatility and increase in key raw material prices, particularly copper and aluminium, which constitute a significant portion of the total input cost. The company's ability to fully pass on the increase in raw material costs to customers remained limited, especially in the case of fixed-price contracts and orders executed for state electricity utilities, where pricing flexibility is constrained. Further, changes in product mix, execution of relatively lower-margin orders, and higher operating expenses associated with scaling up operations also contributed to the moderation in margins during the year. Consequently, despite stable revenue levels, overall operating profitability witnessed a decline in FY25.

#### **Highly fragmented and cyclical nature of the industry**

The transformers and cables and conductors' industry is highly competitive and fragmented, characterized by the presence of a large number of organized as well as unorganized players. The industry operates with low entry barriers, primarily due to modest capital requirements and the ready availability of manufacturing technology, which has resulted in intense competition across both segments. This fragmented market structure exerts continuous pressure on pricing, margins, and order inflows. Additionally, the company's profitability remains susceptible to fluctuations in raw material prices, particularly key inputs such as copper, aluminium, steel, and insulating materials, which constitute a significant portion of the total cost of production. Volatility in raw material prices can adversely impact operating margins, especially in cases where contracts are executed on a fixed-price basis or where



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cost escalations cannot be fully passed on to customers due to competitive pressures. Consequently, sustained volatility in input prices poses a risk to the company's earnings and overall profitability.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Manufacturing Companies](#)  
[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)  
[Criteria for assigning Rating Outlook](#)  
[Policy on Default Recognition](#)  
[Complexity Level of Rated Instruments/Facilities](#)

**Liquidity – Adequate**

The liquidity of the company remains adequate marked by satisfactory cash accrual of ₹ 5.85 crore with minimal amount of long-term loan repayment i.e., ₹ 0.45 crore in FY26. Going forward its expected cash generation is ~₹ 20-25 crore during FY26-28 against the scheduled repayment of ~₹ 5.20 crore. The company has a satisfactory current ratio of 1.88x and cash & cash equivalent of ~₹ 14.32 crore as on March 31, 2025. The average working capital utilisation of the company remained moderate at ~59% during the past 12 months ended October 2025. Going forward, in case of substantial increase in scale of operations, enhancement in bank lines remains critical to efficiently manage liquidity.

**About the company**

RTS Power Corporation Ltd. (RTSPCL) is a Kolkata-based public limited company and a flagship entity of the Bhutoria Group. The company was originally incorporated in 1947 as Bhanwarlal Bhutoria Pvt. Ltd.. Its constitution was converted into a public limited company in 1984, and it was subsequently renamed RTS Power Corporation Ltd. in 1994. Company has been listed on the stock exchange since 1995. RTSPCL is engaged in the manufacturing and installation of power and distribution transformers, cables, and conductors. Its transformer portfolio includes single-phase and three-phase power transformers, including extra-high-voltage transformers, with capacities ranging from 3.15 MVA to 50 MVA. The company also manufactures distribution transformers, including dry-type transformers, with capacities from 5 kVA to 3,150 kVA.

In addition to transformers, RTS manufactures a wide range of cables, including XLPE and PVC insulated power and control cables, aerial bunched cables, and railway signalling cables,



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as well as conductors such as AAC, AAAC, and ACSR. The company operates multiple manufacturing facilities located across Jaipur (four units), Howrah (one unit), and Agra (one unit), enabling it to cater to a broad range of power infrastructure requirements across India.

### Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	57.46	113.93
EBITDA	4.06	4.34
PAT	4.43	4.47
Total Debt	17.30	14.02
Tangible Net Worth	148.39	152.85
EBITDA Margin (%)	7.06	3.81
PAT Margin (%)	6.92	3.77
Overall Gearing Ratio(x)	0.12	0.09
Interest Coverage (x)	1.69	1.66

\*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Nil

Any other information: NA

Rating History for last three years:

Sr. No	Name of Instrument/Facilities	Current Rating (Year 2025-26)			Rating History for last 3 years		
		Type	Amount outstanding (Rs. Crore)	Current Rating	Date(s) & Rating(s) assigned in 2024-25 (Nov 13, 2024)	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1.	Long Term Bank Facilities	Long Term	20.87	IVR BB+/Stable	IVR BB+/Stable	-	-
2.	Short Term Bank Facilities	Short Term	39.10	IVR A4+	IVR A4+	-	-

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### About Infomerics:

Infomerics Valuation and Rating Limited (*Formerly Infomerics Valuation and Rating Private Limited*) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

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### Annexure 1: Instrument/Facility Details

(Rs. Crore)

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility	Rating Assigned/ Outlook
Long Term Bank Facility – GECL	-	-	-	January 31, 2027	0.72	IVR BB+/Stable
Long Term Fund Based Bank Facility -Cash Credit	-	-	-	Revolving	5.00	IVR BB+/Stable
Long Term Fund Based Bank Facility -Cash Credit	-	-	-	Revolving	8.00	IVR BB+/Stable



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Long Term Fund Based Bank Facility -Cash Credit	-	-	-	Revolving	2.00	IVR BB+/Stable
Long Term Fund Based Bank Facility -Cash Credit	-	-	-	Revolving	3.00	IVR BB+/Stable
Long Term Bank Facility - Secured Overdraft	-	-	-	Revolving	0.25	IVR BB+/Stable
Long Term Bank Facility – Term Loan	-	-	-	March 31, 2033	1.90	IVR BB+/Stable
Short Term Fund Based Bank Facility – EPC/PCFC	-	-	-	-	2.50	IVR A4+
Short Term Non–Fund Based Bank Facility – Bank Guarantee	-	-	-	-	4.00	IVR A4+
Short Term Non–Fund Based Bank Facility – Bank Guarantee	-	-	-	-	16.50	IVR A4+
Short Term Non–Fund Based Bank Facility – Bank Guarantee	-	-	-	-	2.00	IVR A4+
Short Term Non–Fund Based Bank Facility – Bank Guarantee	-	-	-	-	0.40	IVR A4+
Short Term Non–Fund Based Bank Facility – Bank Guarantee	-	-	-	-	4.00	IVR A4+
Short Term Non–Fund Based Bank Facility – Forward Contract Booking	-	-	-	-	0.20	IVR A4+
Short Term Non–Fund Based Bank Facility – Letter of Credit	-	-	-	-	1.00	IVR A4+
Short Term Non–Fund Based Bank Facility – Letter of Credit	-	-	-	-	5.50	IVR A4+
Short Term Non–Fund Based Bank Facility – Letter of Credit	-	-	-	-	3.00	IVR A4+



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**Annexure 2: Facility wise lender details**

[https://infomericstorage.blob.core.windows.net/uploads/lender\\_details\\_feb26\\_ba1731b5dd.pdf](https://infomericstorage.blob.core.windows.net/uploads/lender_details_feb26_ba1731b5dd.pdf)

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable**

**Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable**

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

