

Attractively valued at 10.3x TTM earnings

In terms of valuations, the stock is valued at 10.3x its TTM earnings of Rs 39.7. With the company expected to ramp up its production significantly at its Moraiya facility in the coming quarters, coupled with its decent order book position and its likely foray into niche segment of larger class transformers, we remain bullish on the growth prospects of the company and recommend a **HOLD** on the stock.

Result Update



Kyon ki bhaiya, sabse bada rupaiya.

(Rs. In Cr.)

Transformers & Rectifiers (India) Ltd	Q1FY11	Q1FY10	% Chg.	Q1FY11	Q4FY10	% Chg.	FY201003	FY200903	% Chg.
Net Sales	85.6	85.9	-0.4	85.6	216.7	-60.5	522.7	431.5	21.1
Other operational Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Oper. Income(TOI)	85.6	85.9	-0.4	85.6	216.7	-60.5	522.7	431.5	21.1
Raw Materials Cons.-	74.2	71.1	4.5	74.2	126.6	-41.4	383.0	297.5	28.7
% to TOI	86.8%	82.7%	-	86.8%	58.4%	-	73.3%	69.0%	-
Stock adj. (-)Inc / (+)Dec-	-15.9	-14.7	7.8	-15.9	42.0	PL	0.3	11.3	-97.0
% to TOI	-18.5%	-17.1%	-	-18.5%	19.4%	-	0.1%	2.6%	-
Net Raw Mat adj. for stock	58.4	56.3	3.6	58.4	168.7	-65.4	383.3	308.8	24.1
% to TOI	68.2%	65.6%	-	68.2%	77.8%	-	73.3%	71.6%	-
Other expenses	9.7	11.9	-18.9	9.7	9.7	-0.1	43.9	43.4	1.1
% to TOI	11.3%	13.9%	-	11.3%	4.5%	-	8.4%	10.1%	-
Contribution Net_Sales	17.5	17.7	-0.9	17.5	38.4	-54.3	95.4	79.2	20.4
Personnel	2.8	3.2	-11.4	2.8	4.1	-32.1	12.9	8.7	48.2
% to TOI	3.3%	3.7%	-	3.3%	1.9%	-	2.5%	2.0%	-
Total expenditure	70.8	71.4	-0.8	70.8	182.5	-61.2	440.1	360.9	21.9
Operating Profit	14.7	14.5	1.4	14.7	34.3	-57.0	82.6	70.6	17.0
% to TOI	17.2%	16.9%	-	17.2%	15.8%	-	15.8%	16.4%	-
Non-Operating Income		0.5			0.3	0.0	1.2	4.5	-74.2
Interest	0.7	1.1	-30.2	0.7	1.9	-60.4	4.7	6.9	-32.1
Exceptional Items			-			-	0.0		0.0
Gross Profit	14.0	14.0	0.1	14.0	32.7	-57.2	79.0	68.2	15.9
Depreciation	1.4	0.9	67.1	1.4	1.4	5.2	4.4	2.5	75.0
PBT before Extra-ord	12.6	13.1	-4.3	12.6	31.3	-59.9	74.6	65.7	13.7
% to TOI	14.7%	15.3%	-	14.7%	14.5%	-	14.3%	15.2%	-
Extraordinary Items			-			-	0.0		0.0
PBT	12.6	13.1	-4.3	12.6	31.3	-59.9	74.6	65.7	13.7
Tax Rate	32.4%	32.8%	-	32.4%	36.3%	-	33.7%	32.8%	-
Prov. for Tax	4.1	4.3	-5.4	4.1	11.4	-64.2	25.1	21.5	16.6
% to TOI	4.8%	5.0%	-	4.8%	5.3%	-	4.8%	5.0%	-
Profit after Tax	8.5	8.8	-3.7	8.5	20.0	-57.4	49.5	44.1	12.2
% to TOI	9.9%	10.3%	-	9.9%	9.2%	-	9.5%	10.2%	-
Face Value	10.0	10.0	0.0	10.0	10.0		10.0	10.0	0.0
Equity Share capital	12.9	12.9	0.0	12.9	12.9	0.0	12.9	12.9	0.0
EPS (Rs.)	6.6	6.8	-3.7	6.6	15.4	-57.4	38.3	34.2	12.2
CEPS (Rs.)	7.7	7.5	2.5	7.7	16.5	-53.4	41.7	36.1	15.6

Source: ACE Equity

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