



Press Release

Megawin Switchgear Private Limited

November 08, 2024

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	75.99	IVR BB+/ Negative ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook Issuer Not Cooperating)	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	Downgraded and moved to Issuer Not Cooperating category; long term rating outlook revised from 'Stable' to 'Negative'	Simple
Short Term Bank Facilities	10.00	IVR A4+ ISSUER NOT COOPERATING* (IVR A Four Plus Issuer Not Cooperating)	IVR A3 (IVR A Three)	Downgraded and moved to Issuer Not Cooperating category	Simple
Long Term/Short Term Bank Facilities	40.00	IVR BB+/ Negative/ A4+ ISSUER NOT COOPERATING* (IVR Double B Plus with Negative outlook and IVR A Four Plus Issuer Not Cooperating)	IVR BBB-/ Stable/ A3 (IVR Triple B Minus with Stable Outlook and IVR A Three)	Downgraded and moved to Issuer Not Cooperating category; long term rating outlook revised from 'Stable' to 'Negative'	Simple
Total	125.99 (INR One Hundred and Twenty Five Crore and Ninety Nine Lakhs Only)				

**Issuer did not cooperate; based on best available information*

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



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Detailed Rationale

The downgrade of the ratings is because of lack of adequate information regarding Megawin Switchgear Private Limited's (MSPL) performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its ratings and reviews the same as per its policy. The outlook has been changed to negative due to information availability risk. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using these ratings as the ratings may not adequately reflect the credit risk profile of the entity.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data & NDS to monitor its assigned rating to the bank facilities, vide mail communications dated 3rd August 2024, 19th August 2024, 30th August 2024, 16th September 2024, 3rd October 2024, 4th November 2024, 5th November 2024, 6th November 2024, 7th November 2024, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the ratings based on the best available information. Accordingly, the ratings assigned to the bank loan facilities aggregating to INR 125.99 crore of MSPL shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the long-term rating be noted as 'IVR BB+/ Negative ISSUER NOT COOPERATING' based on best available information (IVR Double B Plus with Negative Outlook Issuer not cooperating based on best available information), and the short-term rating be noted as 'IVR A4+ ISSUER NOT COOPERATING' based on best available information (IVR A Four Plus Issuer not cooperating based on best available information).

Analytical Approach: Standalone

Applicable Criteria:



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[Rating Methodology for Manufacturing Companies](#)

[Criteria of assigning Rating outlook](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Financial Ratios & Interpretation \(Financial Sector/Non- Financial Sector\)](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

About the Company

Megawin Switchgear Private Limited (MSPL) is one of the largest Engineering and Manufacturing Company in the field of Medium Voltage Switchgear in India. Established in the year 1988, MSPL has ushered in a slew of new products and ideas in the Switchgear Industry in India. MSPL manufactures their products from three sophisticated full-fledged units at Salem catering to the core sectors of the economy, like Power Generation, Transmission and Distribution, Industries and Infrastructure Sectors.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31.03.2022	31.03.2023
	Audited	Audited
Total Operating Income	140.16	146.09
EBITDA	15.92	14.69
PAT	6.33	8.96
Total Debt	34.21	38.88
Tangible Net Worth	109.37	116.31
EBITDA Margin (%)	11.36	10.05
PAT Margin (%)	4.48	6.10
Overall Gearing Ratio (x)	0.31	0.33
Interest Coverage (x)	2.24	3.36

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:



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Sr. No.	Name of Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					Oct 10, 2023	Aug 25, 2022	-
1.	Cash Credit	Long Term	60.00	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable	IVR BBB-/ Stable	-
2.	Term Loan	Long Term	15.99	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable	IVR BBB-/ Stable	-
3.	Letter of Credit	Short Term	10.00	IVR A4+ ISSUER NOT COOPERATING*	IVR A3	IVR A3	-
4.	Bank Guarantee	Long Term/ Short Term	40.00	IVR BB+/ Negative/ IVR A4+ ISSUER NOT COOPERATING*	IVR BBB-/ Stable/ IVR A3	IVR BBB-/ Stable/ IVR A3	-

**Issuer did not cooperate; based on best available information*

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) 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.



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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.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Facility Details

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit 1	-	-	-	-	20.00	IVR BB+/ Negative ISSUER NOT COOPERATING*
Cash Credit 2	-	-	-	-	20.00	IVR BB+/ Negative ISSUER NOT COOPERATING*
Cash Credit 3	-	-	-	-	20.00	IVR BB+/ Negative ISSUER NOT COOPERATING*
Term Loan	-	-	-	March 2029	15.99	IVR BB+/ Negative ISSUER NOT COOPERATING*
Letter of Credit	-	-	-	-	10.00	IVR A4+ ISSUER NOT COOPERATING*
Bank Guarantee 1	-	-	-	-	20.00	IVR BB+/ Negative/ IVR A4+ ISSUER NOT COOPERATING*



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Bank Guarantee 2	-	-	-	-	20.00	IVR BB+/ Negative/ IVR A4+ ISSUER NOT COOPERATING*
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**Issuer did not cooperate; based on best available information*

Annexure 2: Facility wise lender details: Not Applicable

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.