



## Press Release

### RMC Switchgears Limited

February 19, 2024

#### Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facilities	18.10	IVR B+; Negative; ISSUER NOT COOPERATING * (IVR Single B Plus with Negative outlook; ISSUER NOT COOPERATING) and Withdrawn	Reaffirmed and Withdrawn	Simple
Short Term Bank Facilities	30.90	IVR A4; ISSUER NOT COOPERATING * (IVR A Four; ISSUER NOT COOPERATING) and Withdrawn	Reaffirmed and Withdrawn	Simple
Short Term Bank Facilities (Proposed)	1.00	IVR A4; ISSUER NOT COOPERATING * (IVR A Four; ISSUER NOT COOPERATING) and Withdrawn	Reaffirmed and Withdrawn	Simple
<b>Total</b>	<b>50.00 (Rupees fifty crore only)</b>			

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

#### Details of Facility are in Annexure 1

#### Detailed Rationale

The reaffirmation in ratings assigned to the bank facilities of RMC Switchgears Limited is because of continuous non-cooperation by the company despite repeated follow ups and lack of adequate information leading to information availability risk and hence uncertainty around its credit risk. Moreover, the company has not submitted no default statement for the past three months. However, the lenders have confirmed that there is no delay or default in debt servicing till January 2024. Infomerics Ratings assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy. Further, Infomerics Ratings simultaneously withdraw the aforesaid ratings with immediate effect. The above action has been taken at the request of RMC Switchgears Limited and 'No Objection



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Certificate' received from the banker that have extended the facilities rated by Infomerics. The withdrawal is in line with Infomerics 'Policy on withdrawal of rating.'

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

**Analytical Approach:** Standalone

### **Applicable Criteria**

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

[Policy on Withdrawal of ratings](#)

[Criteria of assigning Rating outlook](#)

[Rating Methodology for Manufacturing companies](#)

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

[Policy of default recognition](#)

[Criteria on complexity](#)

**Liquidity:** Unable to comment due to non-availability of information despite repeated follow ups.

### **About the company**

Rajasthan based RMC Switchgears Limited (RMCSL) promoted by Mr. Ashoke Agarwal was originally established as a private limited company named RFH Metal Casting Private Limited back in 1994. Later In 2008, it became a public company and rechristened as RFH Metal Casting Limited. In 2016, the name of the company was changed to RMC Switchgears Ltd. From 1993, the company was engaged in copper and zinc-based hardware fittings activities. Going forward, to expand its business line, RMCSL got engaged in designing and manufacturing various electrical equipment's and execute Turnkey Contracts. Presently, the company is engaged in the business of Manufacturing, LT/HT Distribution Boxes and Panels, Junction Boxes, Feeder Pillars, other Power Distribution, Circuit Protection Switchgears, PVC designer UV Sheets & Acrylic Solid Surface products. The manufacturing facilities of the company are located at Badodiya Village, under Chaksu Tehsil with its installed production capacity of ~36,000MT. The manufacturing facilities are ISO certified and follows quality management systems like KAIZEN, and 5- SIGMA etc. The operations of the company are looked after by Mr. Ashoke Agarwal (Managing Director) having an experience of more than



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two decades in the electrical industry. The other directors are well supported by a team of experienced professionals.

### Financials (Standalone):

(Rs. Crore)

For the year ended/ As on*	31-03-2022	31-03-2023
	Audited	Audited
Total Operating Income	41.56	125.27
EBITDA	5.55	26.28
PAT	0.58	11.74
Total Debt	36.59	4.142
Tangible Net Worth	28.42	45.66
EBITDA Margin (%)	13.35	20.98
PAT Margin (%)	1.37	9.34
Overall Gearing Ratio (x)	1.46	1.02
Interest coverage (x)	1.81	3.78

\* As per Infomerics Standard

**Status of non-cooperation with previous CRA:** CARE Edge ratings vide its press release dated June 16, 2023 had continued the rating under issuer not cooperating category due to non-submission of information by the company.

**Any other information:** Nil

### Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (Dec 07, 2023)	Date(s) & Rating(s) assigned in 2022-23 (Oct 21, 2022)	Date(s) & Rating(s) assigned in 2021-22
1.	Cash Credit	Long Term	13.45	IVR B+; Negative; ISSUER NOT COOPERATING * & Withdrawn	IVR B+; Negative; ISSUER NOT COOPERATING	IVR BB-; Stable	-
2.	ECLGS	Long Term	3.98	IVR B+; Negative; ISSUER NOT COOPERATING * & Withdrawn	IVR B+; Negative; ISSUER NOT	IVR BB-; Stable	-



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					COOPERATING		
3.	Term Loan	Long Term	0.67	IVR B+; Negative; ISSUER NOT COOPERATING* & Withdrawn	IVR B+; Negative; ISSUER NOT COOPERATING	IVR BB-; Stable	-
4.	Bill Discounting	Short Term	5.00	IVR A4; ISSUER NOT COOPERATING* & Withdrawn	IVR A4; ISSUER NOT COOPERATING*	IVR A4	-
5	Bank Guarantee	Short Term	25.90	IVR A4; ISSUER NOT COOPERATING* & Withdrawn	IVR A4; ISSUER NOT COOPERATING*	IVR A4	-
6	Bank Guarantee (Proposed)	Short Term	1.00	IVR A4; ISSUER NOT COOPERATING* & Withdrawn	IVR A4; ISSUER NOT COOPERATING*	IVR A4	-

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

### Name and Contact Details of the Rating Analyst:

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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



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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 visit [www.infomerics.com](http://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: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund Based Limits – Cash Credit	-	-	-	13.45	IVR B+; Negative; ISSUER NOT COOPERATING * & Withdrawn
Long Term Fund Based Limits – ECLGS	-	-	-	3.98	IVR B+; Negative; ISSUER NOT COOPERATING * & Withdrawn



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Long Term Fund Based Limits – Term Loan	-	-	May 24	0.67	IVR B+; Negative; ISSUER NOT COOPERATING * & Withdrawn
Short Term Non-Fund Based Limits – Bill Discounting	-	-	-	5.00	IVR A4, ISSUER NOT COOPERATING* & Withdrawn
Short Term Non-Fund Based Limits – Bank Guarantee	-	-	-	25.90	IVR A4, ISSUER NOT COOPERATING* & Withdrawn
Short Term Non-Fund Based Limits – Proposed	-	-	-	1.00	IVR A4, ISSUER NOT COOPERATING* & Withdrawn

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

**Annexure 2: Facility wise lender details:** Not Available

**Annexure 3: List of companies considered for consolidated analysis:** Not Available

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:** 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 <https://www.infomerics.com/>