



## Press Release

### RMC Switchgears Limited

December 07, 2023

#### Ratings

Instrument / Facility	Amount (Rs. Crore)	Current Ratings*	Rating Action
Long-Term Bank Facilities	18.10	IVR B+; Negative, ISSUER NOT COOPERATING* (IVR Single B Plus with Negative Outlook, ISSUER NOT COOPERATING)	Downgraded with negative outlook and moved to Issuer Not Cooperating category
Short-Term Bank Facilities	30.90	IVR A4 ISSUER NOT COOPERATING* (IVR A Four ISSUER NOT COOPERATING)	Reaffirmed and moved to Issuer Not Cooperating category
Short-Term Bank Facilities (Proposed)	1.00	IVR A4 ISSUER NOT COOPERATING* (IVR A Four ISSUER NOT COOPERATING)	Reaffirmed and moved to Issuer Not Cooperating category
<b>Total</b>	<b>50.00 (INR Fifty crore only)</b>		

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

**Details of Facility are in Annexure 1**

#### Detailed Rationale

The revision in the rating is because of non-submission of monthly no default statement, non-cooperation by the company and lack of adequate information regarding RMC Switchgears Limited's performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy. The outlook remains negative due to information availability risk. 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 entity.



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### **Non-cooperation by Issuer**

Infomerics has been regularly following up with the entity to provide the monthly no default statement to monitor its assigned rating to the bank facilities, vide E-mail communications dated November 29, 2023, November 30, 2023, December 01, 2023, December 04, 2023, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the entity'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 rating based on the best available information. Accordingly, the bank facilities of RMC Switchgears Limited aggregating to Rs.50.00 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the long-term rating be noted as 'IVR B+/ Negative; ISSUER NOT COOPERATING', and the short-term rating be noted as 'IVR A4, ISSUER NOT COOPERATING' based on best available information.

**Analytical Approach & Applicable Criteria:** Standalone  
[Guidelines on what constitutes Non-Cooperation by clients](#)  
[Rating Methodology for Manufacturing companies](#)  
[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

**Liquidity:** Unable to comment due to lack of adequate information.

### **About the Company**

Rajasthan based RMC Switchgears Limited (RMCSL) promoted by one Mr. Ashok Kumar Agarwal was originally established as RFH Metal Casting Private Limited back in 1994. The company is engaged in manufacturing of 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



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### Financials of RMC Switchgears Limited (Standalone):

(Rs. crore)

For the year ended* / As on	31-03-2022	31-03-2023
	Audited	Audited
Total Operating income	41.56	125.27
EBIDTA	5.55	26.28
PAT	0.58	11.74
Total Debt	36.59	41.42
Tangible Net Worth	28.42	45.66
EBDITA Margin (%)	13.35	20.98
PAT Margin (%)	1.37	9.34
Overall Gearing Ratio (x)	1.46	1.02

\*Classification as per Infomerics' standards.

**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 Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (Oct 21, 2022)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1.	Cash Credit	LT	13.45	IVR B+; Negative; ISSUER NOT COOPERATING*	IVR BB-; Stable	-	-
2.	ECLGS	LT	3.98	IVR B+; Negative; ISSUER NOT COOPERATING	IVR BB-; Stable	-	-
3.	Term Loan	LT	0.67	IVR B+; Negative; ISSUER NOT COOPERATING	IVR BB-; Stable	-	-
4.	Bill Discounting	ST	5.00	IVR A4; ISSUER NOT COOPERATING*	IVR A4	-	-



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5.	Bank Guarantee	ST	25.90	IVR A4; ISSUER NOT COOPERATING*	IVR A4	-	-
6.	Bank Guarantee (Proposed)	ST	1.00	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 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.



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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*
Long Term Fund Based Limits – ECLGS	-	-	-	3.98	IVR B+; Negative; ISSUER NOT COOPERATING*
Long Term Fund Based Limits – Term Loan	-	-	May 24	0.67	IVR B+; Negative; ISSUER NOT COOPERATING*
Short Term Non-Fund Based Limits – Bill Discounting	-	-	-	5.00	IVR A4, ISSUER NOT COOPERATING*
Short Term Non-Fund Based Limits – Bank Guarantee	-	-	-	25.90	IVR A4, ISSUER NOT COOPERATING*
Short Term Non-Fund-Based Limits – Proposed	-	-	-	1.00	IVR A4 ISSUER NOT COOPERATING*

\* 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 Applicable



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**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>

