

## RMC Switch Gears Limited

June 16, 2023

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	16.75	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	30.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

### Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated September 21, 2020, placed the ratings of RMC Switchgears Limited (RMC) under the 'issuer non-cooperating' category as RMC had failed to provide information for monitoring of the ratings. RMC continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a email dated May 12, 2023, June 13, 2023, June 14, 2023 and June 15, 2023. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

**Analytical approach:** Standalone

**Outlook:** Not applicable

### Detailed description of the key rating drivers:

#### Key Rating Weaknesses

##### Delay in debt servicing

As per interaction with the lender, there were instances of overdrafts in its cash credit account for a period of 20-25 days mainly due to non-payment of interest charged at the end of the month. Also, there are delays in repayment of principle and interest amount of covid emergency loan (GECL).

### Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Manufacturing Companies](#)

[Policy on Withdrawal of Ratings](#)

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

## About the company and industry

### Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Industrials	Capital Goods	Electrical Equipment	Other Electrical Equipment

Jaipur (Rajasthan) based RMC Switchgears Limited (RMC) was originally established as a private limited company in 1993 by Mr. Ashok Agrawal under the name of Rajasthan Fitting House Private Limited for carrying out trading and manufacturing of copper and zinc based hardware fittings. Later, in 2004, it was reconstituted into public limited company and assumed its current name, RMC. Since 1993, the company has expanded its business from hardware fittings to the present business of manufacturing of board panel cabinets (equipped and un-equipped), aluminium channels for solar, single and three phases meter boxes for transmission, distribution boxes made up of metal (fabrication and deep drawn) and Sheet Moulded Compound (SMC) with or without installing of aggregated kits, Poly Vinyl Chloride (PVC) based decorative sheets and blocks and executes electrical contracts on turnkey basis. The company also sells aggregated kits which include bus bars, porcelain insulators and switchgears and other supporting equipment's. The company has its owned manufacturing facilities located at Badodiya Village, Chaksu- Tehsil. The plant of the company is certified with International Organization for Standardization (ISO) and also follows quality management system (QMS) like KAIZEN, TBM and 5- SIGMA for optimum utilization of resources with better time and quality management. Further, it sells PVC sheets under brand name of 'Lamina'.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	42.23	125.73
PBILDT	6.22	26.71
PAT	0.58	11.74
Overall gearing (times)	1.46	1.02
Interest coverage (times)	2.03	3.84

A: Audited; Note: 'the above results are latest financial results available'

**Status of non-cooperation with previous CRA: Nil**

**Any other information:** Not applicable

**Rating history for last three years:** Please refer Annexure-2

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	14.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	April 2024	2.75	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	27.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit		-	-	-	3.00	CARE D; ISSUER NOT COOPERATING*

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

**Annexure-2: Rating history for the last three years**

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fund-based - LT-Cash Credit	LT	14.00	CARE D; ISSUER NOT COOPERATING*	-	-	1)CARE D; ISSUER NOT COOPERATING* (23-Mar-22) 2)CARE BB-; Stable; ISSUER NOT COOPERATING* (20-Oct-21)	1)CARE BB; Negative; ISSUER NOT COOPERATING* (21-Sep-20)
2	Non-fund-based - ST-Bank Guarantee	ST	27.00	CARE D; ISSUER NOT COOPERATING*	-	-	1)CARE D; ISSUER NOT COOPERATING* (23-Mar-22) 2)CARE A4; ISSUER NOT COOPERATING* (20-Oct-21)	1)CARE A4; ISSUER NOT COOPERATING* (21-Sep-20)
3	Non-fund-based - ST-Letter of credit	ST	3.00	CARE D; ISSUER NOT COOPERATING*	-	-	1)CARE D; ISSUER NOT COOPERATING* (23-Mar-22) 2)CARE A4; ISSUER NOT COOPERATING* (20-Oct-21)	1)CARE A4; ISSUER NOT COOPERATING* (21-Sep-20)
4	Fund-based - LT-Term Loan	LT	2.75	CARE D; ISSUER NOT COOPERATING*	-	-	1)CARE D; ISSUER NOT COOPERATING* (23-Mar-22) 2)CARE BB-; Stable; ISSUER	1)CARE BB; Negative; ISSUER NOT COOPERATING* (21-Sep-20)

							NOT COOPERATING* (20-Oct-21)	
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\*Issuer did not cooperate; based on best available information.

\*Long term/Short term.

### Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not applicable

### Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple
4	Non-fund-based - ST-Letter of credit	Simple

### Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

**Note on the complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

### Contact us

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