

## RMC Switch Gears Limited

March 23, 2022

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings <sup>1</sup>	Rating Action
Long Term Bank Facilities	16.75	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB-; Stable; (Double B Minus; Outlook: Stable)
Short Term Bank Facilities	30.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE A4; (A Four)
<b>Total Bank Facilities</b>	<b>46.75</b> <b>(Rs. Forty-Six Crore and Seventy-Five Lakhs Only)</b>		

Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

CARE had, vide press release dated October 20, 2021, placed the rating of RMC Switch Gears Limited (RMC) under the 'Issuer Non-cooperating' category as the company had not provided requisite information for monitoring the ratings. Further, RMC has not submitted monthly No Default Statement (NDS) for the month of December, January and February 2022 and continues to be non-cooperative. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which, however, in CARE'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).***

The revision in the ratings assigned to the bank facilities of RMC takes into account delays in its debt servicing obligations as informed by its lender.

### Detailed description of the key rating drivers

#### Key Rating Weaknesses

##### ***Delay in debt servicing***

As per interaction with the lender of RMC, the lender has informed that the company there are instances of overdrawal 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).

**Analytical approach:** Standalone

### Applicable Criteria

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

[Policy on Default Recognition](#)

[Rating Methodology - Manufacturing Companies](#)

[Criteria for Short Term Instruments](#)

[Financial ratios – Non-Financial Sector](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

### About the Company

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,

<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

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 (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	H1FY22 (UA)
Total operating income	59.70	37.01	18.49
PBILDT	8.30	6.69	3.64
PAT	0.30	0.45	0.39
Overall gearing (times)	1.54	1.44	1.34
Interest coverage (times)	1.54	1.63	1.78

A: Audited; UA: Unaudited

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

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

**Covenants of rated instrument / facility:** Please refer Annexure-3

**Complexity level of various instruments rated for this company:** Annexure 4

**Bank lender details:** Please refer Annexure-5

#### Annexure-1: Details of Instruments / Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	14.00	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*
Fund-based - LT-Term Loan		-	-	April 2024	2.75	CARE D; ISSUER NOT COOPERATING*

#### Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (26-Jul-18)  2)CARE BB; Stable; ISSUER NOT COOPERATING* (03-Apr-18)
2	Fund-based - LT-Cash Credit	LT	14.00	CARE D; ISSUER NOT COOPERATING*	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (20-Oct-21)	1)CARE BB; Negative; ISSUER NOT COOPERATING* (21-Sep-20)	1)CARE BB+; Negative (22-Nov-19)  2)CARE BB+; Stable	1)CARE BB+; Stable (26-Jul-18)  2)CARE BB; Stable; ISSUER NOT COOPERATING* (03-Apr-18)

							(04-Sep-19) 3)CARE BB+; Stable (03-Apr-19)	
3	Non-fund-based - ST-Bank Guarantee	ST	27.00	CARE D; ISSUER NOT COOPERATING*	1)CARE A4; ISSUER NOT COOPERATING* (20-Oct-21)	1)CARE A4; ISSUER NOT COOPERATING* (21-Sep-20)	1)CARE A4+ (22-Nov-19) 2)CARE A4+ (04-Sep-19) 3)CARE A4+ (03-Apr-19)	1)CARE A4+ (26-Jul-18) 2)CARE A4; ISSUER NOT COOPERATING* (03-Apr-18)
4	Non-fund-based - ST-Letter of credit	ST	3.00	CARE D; ISSUER NOT COOPERATING*	1)CARE A4; ISSUER NOT COOPERATING* (20-Oct-21)	1)CARE A4; ISSUER NOT COOPERATING* (21-Sep-20)	1)CARE A4+ (22-Nov-19) 2)CARE A4+ (04-Sep-19) 3)CARE A4+ (03-Apr-19)	1)CARE A4+ (26-Jul-18) 2)CARE A4; ISSUER NOT COOPERATING* (03-Apr-18)
5	Fund-based - LT-Term Loan	LT	2.75	CARE D; ISSUER NOT COOPERATING*	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (20-Oct-21)	1)CARE BB; Negative; ISSUER NOT COOPERATING* (21-Sep-20)	1)CARE BB+; Negative (22-Nov-19) 2)CARE BB+; Stable (04-Sep-19) 3)CARE BB+; Stable (03-Apr-19)	1)CARE BB+; Stable (26-Jul-18)

**Annexure-3: Detailed explanation of covenants of the rated instrument / facilities-** Not Applicable

**Annexure 4: Complexity level of various instruments rated for this company**

Sr. No	Name of 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: Bank Lender Details for this Company**

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

**Note on complexity levels of the rated instrument:** CARE Ratings Ltd. 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.

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