April 28, 2021

Shri Ram Switchgears Limited: Rating moved to Issuer Non-Cooperation category

Summary of rating action

Instrument^	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based – Cash Credit	17.00	17.00	[ICRA]D ISSUER NOT COOPERATING*; Rating moved to 'Issuer Not Cooperating' category
Non-Fund-based- Bank Guarantee	32.00	32.00	[ICRA]D ISSUER NOT COOPERATING*; Rating moved to 'Issuer Not Cooperating' category
Total	**49.00**	**49.00**	

**Issuer did not cooperate; based on best available information.*
^Instrument details are provided in Annexure-1

Rationale

ICRA has moved the ratings for the bank facilities of Shri Ram Switchgears Limited to 'Issuer Not Cooperating' category. The ratings are denoted as **"[ICRA]D ISSUER NOT COOPERATING"**

The rating is based on limited cooperation from the entity since the time it was last rated in January 2021. As part of its process and in accordance with its rating agreement with Shri Ram Switchgears Limited, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. However, despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite cooperation and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, the company's rating has been moved to the "Issuer Not Cooperating" category. The rating action has been taken in accordance with ICRA's policy in respect of non-cooperation by a rated entity available at www.icra.in.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities,: Click here. ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Policy on Default Recognition
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Shri Ram Switchgears Limited (SRSL), promoted by the Jhalani family of Ratlam (Madhya Pradesh) since 1985, manufactures electrical items such as distribution transformers, switchgear, meter boxes, feeder pillars, distribution boxes, and junction boxes used in the distribution of power and also undertake erection, installation, and operation and maintenance of these items for its customers. Its manufacturing units are located in Ratlam. Customer profile mainly consists of power discoms in Madhya Pradesh and Mumbai. The contracts are primarily secured through biding for tenders floated by the discoms.

Key financial indicators

	Audited FY2019	Audited FY2020	Provisional H1 FY2021
Operating Income (Rs. crore)	28.6	22.4	1.2
PAT (Rs. crore)	0.8	-3.0	-4.4
OPBDIT/OI (%)	28.0%	12.5%	-149.7%
RoCE (%)	13.8%	4.9%	-6.7%
Total Outside Liabilities/Tangible Net Worth (times)	3.6	4.1	5.8
Total Debt/OPBDIT (times)	4.8	15.6	-12.6
Interest Coverage (times)	1.1	0.5	-0.7
DSCR (times)	1.0	0.4	-0.5

Source: SRSL; ICRA Research

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation; ROCE: PBIT/Avg (Total Debt + Tangible Net Worth + Deferred Tax Liability - Capital Work in Progress); DSCR: (PBIT + Mat Credit Entitlements - Fair Value Gains through P&L - Non-cash Extraordinary Gain/Loss)/(Interest + Repayments made during the Year)

Status of non-cooperation with previous CRA: NA

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in	Date & Rating in FY2021	Date & Rating in FY2020		Date & Rating in FY2019
					28-Apr-21	27-Jan-21	17-Feb- 20	24-May-19	26-Nov-18
1	Cash Credit	Long Term	17.00	-	[ICRA] D; ISSUER NOT COOPERATING	[ICRA]D	[ICRA] D	[ICRA] C+	[ICRA] B+(stable)
2	Bank Guarantee	Long Term	32.00	-	[ICRA] D; ISSUER NOT COOPERATING	[ICRA]D	[ICRA] D	[ICRA] C+	[ICRA] B+(stable)
3	Term loan	Long Term	-	-	-	-	[ICRA] D	[ICRA] C+	[ICRA] B+(stable)
4	Letter of Credit	Short Term	-	-	-	-	[ICRA] D	[ICRA] A4	[ICRA] A4

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	17.00	[ICRA]D ISSUER NOT COOPERATING
NA	Bank Guarantee	-	-	-	32.00	[ICRA]D ISSUER NOT COOPERATING

Source: Shri Ram Switchgears Limited

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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