

July 13, 2023

Shri Ram Switchgears Limited: Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	17.00	17.00	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Non Fund Based-Others	32.00	32.00	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under '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 retained the Long-Term rating of Shri Ram Switchgears Limited in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]D; ISSUER NOT COOPERATING".

ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity. 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 bidding for tenders floated by the discoms.

Key financial indicators

	FY2022	FY2023
Operating income	4.42	2.95
PAT	- 16.83	- 3.87
OPBDIT/OI	-297.0%	-45.7%
PAT/OI	-380.3%	-131.2%
Total outside liabilities/Tangible net worth (times)	- 3.88	- 3.52
Total debt/OPBDIT (times)	- 4.22	- 46.55
Interest coverage (times)	- 3.74	- 0.59

Status of non-cooperation with previous CRA: NA

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2024)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021	
					13-Jul-2023	18-Apr-2022	28-Apr-2021	27-Jan-2021	
1	Cash Credit	Long Term	17.00	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D	
2	Non Fund Based	Long Term	32.00	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D	

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Non Fund Based	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

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	Non Fund Based	-	-	-	32.00	[ICRA]D; ISSUER NOT COOPERATING

Source: Shri Ram Switchgears Limited

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

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