

## Press Release

RELICAB CABLE MANUFACTURING LIMITED

July 17, 2024

Rating Downgraded and Issuer not co-operating



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	4.54	ACUITE B+   Downgraded   Issuer not co-operating*	-
Bank Loan Ratings	7.75	-	ACUITE A4   Downgraded   Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	12.29	-	-

## Rating Rationale

Acuite has downgraded its long-term rating to 'ACUITE B+' (read as ACUITE B plus) from 'ACUITE BB-' (read as ACUITE Double B Minus) and short-term rating to 'ACUITE A4' (read as ACUITE A Four) from 'ACUITE A4+' (read as ACUITE A Four Plus) on the Rs. 12.29 crore bank facilities of Relicab Cable Manufacturing Limited (RCML).

Acuite had sent repeated reminders to the company for sharing critical information for surveillance of the ratings. But despite multiple requests, the company has remained non-cooperative in providing the information. The rating is now flagged as "Issuer Not-Cooperating" and is based on the best available information. The downgrade is on account of information risk.

## About the Company

RCML incorporated in 2009, is a public limited company engaged into manufacturing and marketing of PVC Compounds, wires and cables used across industries like telecom, electrical, automotive and household appliances. The company is based out of Daman, Gujarat and it took over the running business of wires and cables manufacturing carried out since 1999 under the name of 'M/s. Relicab Cable Corporation (Partnership concern). RCML is promoted by Mr. Suhir Hiralal Shah who possess an extensive experience of over two decades in the wires and cable industry.

## Unsupported Rating

Not Applicable

## Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuite believes that information risk is a critical component in such ratings, and non cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as "Issuer not cooperating", in line with prevailing SEBI regulations and Acuite's policies.

## Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

**Rating Sensitivities**

No information provided by the issuer / available for Acuite to comment upon

**Liquidity Position**

No information provided by the issuer / available for Acuite to comment upon

**Outlook: Not Applicable****Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	38.02	34.73
PAT	Rs. Cr.	1.54	1.51
PAT Margin	(%)	4.06	4.34
Total Debt/Tangible Net Worth	Times	0.92	0.97
PBDIT/Interest	Times	1.71	1.76

### Status of non-cooperation with previous CRA

Not Applicable

### Any other information

None

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

### Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in)

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
25 Apr 2023	Proposed Long Term Bank Facility	Long Term	0.29	ACUITE BB-   Stable (Reaffirmed)
	Letter of Credit	Short Term	2.75	ACUITE A4+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	5.00	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	4.25	ACUITE BB-   Stable (Reaffirmed)
01 Feb 2022	Bank Guarantee/Letter of Guarantee	Short Term	5.00	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	4.25	ACUITE BB-   Stable (Reaffirmed)
	Letter of Credit	Short Term	2.75	ACUITE A4+ (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	0.29	ACUITE BB-   Stable (Reaffirmed)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Union Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.00	ACUITE A4   Downgraded   Issuer not co-operating* ( from ACUITE A4+ )
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	4.25	ACUITE B+   Downgraded   Issuer not co-operating* ( from ACUITE BB- )
Union Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	2.75	ACUITE A4   Downgraded   Issuer not co-operating* ( from ACUITE A4+ )
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.29	ACUITE B+   Downgraded   Issuer not co-operating* ( from ACUITE BB- )

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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