

## Press Release

Satellite Cables Private Limited

March 18, 2023



### Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	5.00	ACUITE D   Downgraded   Issuer not co-operating*	-
Bank Loan Ratings	5.00	-	ACUITE D   Downgraded   Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	10.00	-	-

### Rating Rationale

Acuite has downgraded its **long-term rating to 'ACUITE D' (read as ACUITE D)** from **'ACUITE B+' (read as ACUITE B plus)** and the **short-term rating to 'ACUITE D' (read as ACUITE D)** from **'ACUITE A4' (read as ACUITE A four)** on the Rs.10.00 crore bank facilities of Satellite Cables Private Limited (SCPL). The rating continues to be flagged as "Issue Not-Cooperating". The downgrade is on the account of the suit filed against the company as mentioned in the defaulter list published by CIBIL.

### About the Company

Delhi based Satellite Cables Private Limited (SCPL) was incorporated in 1986. It is in the business of manufacturing of transmission cables and heavy load cables. It supplies to State Electricity Boards and large factories by first procuring wires, then bundling them and eventually applying the appropriate form of insulation. SCPL was acquired by Mr. V.N. Gupta, Mr. Vinay Gupta and Mr. Vikas Gupta in 2010. The current directors of the company are Mr. Vinay Gupta and Ms. Niharika Goyal.

SCPL's sales are a mix of tender based sales and retail sales to large factories, manufacturing firms and other users of heavy duty transmission cables. The company has one manufacturing facility with an average capacity of 8000km of insulation and bundling. However, the effective capacity depends on the quality of the cable which in turn a function of the total permissible load factor and the quality specifications of the cable.

### 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 due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating continues to be flagged as "Issuer notcooperating", 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). Acuité endeavored to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

### Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

### Rating Sensitivity

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

### Material Covenants

None

### Liquidity Position

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

### Outlook: Not Applicable

### Other Factors affecting Rating

None

### Status of non-cooperation with previous CRA

Crisil vide its press release dated 26.02.2022, had reaffirmed the company to CRISIL B+/A4; INC

### Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups

### Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.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. Acuite' 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
22 Aug 2022	Cash Credit	Long Term	5.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	5.00	ACUITE A4 (Downgraded and Issuer not co-operating*)
24 May	Letter of Credit	Short Term	5.00	ACUITE A4+ ( Issuer not co-operating*)

2021	Cash Credit	Long Term	5.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
03 Mar 2020	Cash Credit	Long Term	5.00	ACUITE BB (Issuer not co-operating*)
	Letter of Credit	Short Term	5.00	ACUITE A4+ (Issuer not co-operating*)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Bank of Baroda	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	5.00	ACUITE D   Downgraded   Issuer not co-operating*
Bank of Baroda	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	5.00	ACUITE D   Downgraded   Issuer not co-operating*

## Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 <a href="mailto:aditya.gupta@acuite.in">aditya.gupta@acuite.in</a>  Radhika Kolwankar Analyst-Rating Operations Tel: 022-49294065 <a href="mailto:radhika.kolwankar@acuite.in">radhika.kolwankar@acuite.in</a>	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a>

### 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.

**Disclaimer:** An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité.