

Shilpi Cable Technologies Limited

April 24, 2018

Summary of rated instruments

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debenture (NCD) programme	27.00	27.00	[ICRA]D ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]C and continues to remain in the 'Issuer Not Cooperating' category

^{*}Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rating action

ICRA has downgraded the rating for the Rs. 27.00 crore¹ NCD programme of Shilpi Cable Technologies Limited (SCTL) to [ICRA]D (pronounced ICRA D)² ISSUER NOT COOPERATING from [ICRA]C (pronounced ICRA C) ISSUER NOT COOPERATING. The rating continues to remain in the 'Issuer Not Cooperating' category.

ICRA has been trying to seek information from the entity so as to monitor its performance, but 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 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, despite the downgrade.

Rationale

The rating revision factors in the delay in servicing of interest on the NCD programme. The current rating action has been taken by ICRA basis the available information on timeliness of servicing of dues against the NCD by SCTL, while the entity's management has remained non-cooperative.

Key rating drivers

Delay / default in debt servicing – Based on the available information, SCTL has unpaid dues against the Rs. 27.00 crore (issued and outstanding principal amount: Rs. 10.80 crore) NCD programme. As per the list of creditors (admitted for corporate insolvency resolution process) published on SCTL's website, an amount of Rs. 11.10 crore has been claimed as receivable by the NCD investor.

Analytical approach: For arriving at the ratings, ICRA has applied its rating methodologies / policies as indicated below.

¹ 100 lakh = 1 crore = 10 million

² For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.

Links to applicable criteria:

[Corporate Credit Rating Methodology](#)

[Policy in respect of non-cooperation by the rated entity](#)

About the company:

SCTL was established in July 2006 as Rosenberger Shilpi Cable Technologies Limited, a 50:50 joint venture (JV) between Shilpi Communications Private Limited and Rosenberger Hochfrequenztechnik GmbH & Co. KG, Germany. The JV was formed to manufacture and sell radio frequency (RF) feeder cables in the domestic market. The JV set up a manufacturing facility at Chopanki, Rajasthan. The facility commenced commercial production in early 2008, and during the same year the stake of the German partner was bought by the Indian promoters. Though initially SCTL was only into RF feeder cables manufacturing, it has, over the years, added products such as wiring harnesses and battery cables for automobiles, wiring harness sets and power cords for white goods, and copper conductors (magnet copper wires and bunched copper wires) to expand and diversify its offerings. SCTL thus caters to automotive, telecom, and consumer durables segments, among others. In addition, it sells house wires, circuit breakers (MCCB and RCCB), and switches through distributors under the 'SAFE' brand name.

SCTL, headquartered in Delhi, has five manufacturing units in Bhiwadi, Chopanki, Bahadurgarh (owned by an associate – AGH Wires), Hosur, and Pune (Bhiwadi and Chopanki plants are owned by the company, while the remaining have been taken on lease), and has 13 sales offices across India. SCTL also has subsidiaries and joint ventures in Singapore and UAE, which trade in copper cables and other products. The company is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) since 2011.

As per audited financials for FY2017, SCTL, on a consolidated basis, reported a net loss of Rs. 834.34 crore on an operating income (OI) of Rs. 3,833.89 crore as against a profit after tax (concern share) of Rs. 163.48 crore on an operating income of Rs. 3,895.53 crore during FY2016.

For the nine months ending December 31, 2017, SCTL reported 81% YoY decline in standalone operating income to Rs. 296.79 crore and a net loss of Rs. 326.71 crore.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

		Current Rating (FY2019)		Chronology of Rating History for the past 3 years						
Instrum ent	Type	Amou nt Rated (Rs. crore)	Amount Outstandi ng as on March 31, 2018 (Rs. crore)	Date & Rating	Date & Rating in FY2018				Date & Rating in FY2017	Date & Rating in FY2016
					April 2018	July 2017	May 2017	May 2017		
1	NCD	27.00	11.10	[ICRA]D ISSUER NOT COOPERATI NG	[ICRA]C ISSUER NOT COOPERATI NG	[ICRA]C ISSUER NOT COOPERATI NG	[ICRA]BB (Negative) ISSUER NOT COOPERATI NG	-	-	

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
INE510K08014	NCD	March 10, 2017	13.05%	June 12, 2020	27.00 *	[ICRA]D

*SCTL has raised only Rs. 10.80 crore against the rated NCD programme of Rs. 27.00 crore

Source: SCTL

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About ICRA Limited:

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