



Rating Rationale

30 June 2020

A S Wire Industries (VSP) Pvt. Ltd

Brickwork Ratings has reviewed the ratings for the Bank Loan Facilities of Rs. 10.01 Crores of A S Wire Industries (VSP) Pvt. Ltd. based on best available information. As the issuer did not cooperate, accordingly the ratings for the said bank loan facilities are Downgraded to BWR B and migrated to the Issuer Not Cooperating* category.

Particulars

Facility	Amount (₹ Crs)		Tenure	Rating*	
	Previous	Present		Previous 10 May 2019	Present
Fund Based	10.01	10.01	Long Term	BWR B+ (Stable) (Reaffirm)	BWR B (Stable) (Downgrade) Issuer Not Cooperating**
Total	10.01	10.01	INR Ten Crores and One Lakh Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings.

**Issuer did not cooperate; Based on best available information

Note: Details of Bank facilities are provided in Annexure I

##EDFS facility is from SBI and Other facilities are from SBH

Ratings Downgraded and migrated to ISSUER NOT COOPERATING* category

Nature of Non-Cooperation:

The ratings were due for a Surveillance. Brickwork Ratings (BWR) took up with the issuer to provide required information over emails and through telephone communication. Despite the best efforts of Brickwork Ratings to get at least the minimum required information for a Surveillance, the entity has not provided the same. In the absence of adequate information from the issuer and continued lack of management cooperation, Brickwork Ratings is unable to assess the issuer's financial performance and its ability to service its debt and maintain valid ratings.



Based on inadequate information and continued lack of management cooperation, and non submission of No Default Statement for more than 3 months consecutively (Jan 2020-Mar 2020), Brickwork Ratings has downgraded the ratings to 'BWR B and migrated to the Issuer Not Cooperating* category.

Limitations of the ratings:

Information availability risk is a key factor in the assessment of credit risk as generally, non-cooperation by the rated entities to provide required information for a review of the assigned ratings may also be accompanied by financial stress. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the ratings.

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

About the Firm

A S Wire Industries (VSP) Private Limited (ASWIPL) was incorporated in 2011 but the commercial operations of the company started in 2012. The company's registered office and the manufacturing unit is located at Ravada Village near NTPC Parawada, Visakhapatnam, Andhra Pradesh. The company is involved in casting of iron and steel, manufacturing of MS Wire Rods, MS Wire Coils etc. Mr. Ravi Kumar is the Managing Director of ASWIPL. Mr. Jagadeesh, Mr. Mahesh Anumaliseti, Mr. Nagesh Anumaliseti, Mr. Gumpina Ramesh Guptha, Mr. Raj Kumar Anumaliseti and Mr. Ravi Kumar Anumaliseti are the other directors.

Financial information and No default statement has not been submitted to BWR over the last three months

Firm Financial Performance

The company has reported a total operating income of Rs.61.22 Crores in FY18 and Rs.72.86 Crores in FY17. Operating and net profit margins reported at 2.75% and (0.23)% in FY18. Tangible net-worth stood at Rs.3.04 Crs in FY18. Further, based on provisional financials, the firm reported operating income of Rs.45.51 Crs till Nov 2018. Subsequent information was not shared with BWR.

Rating History for the last three years

Facility	Current Rating (2020)			Rating History		
	Type	Amount (₹ Crs)	Rating	2019 10.05.2019	2018 3.07.2018	2017 22.02.2018
Fund Based	Long Term	10.01	BWR B (Stable) (Downgrade) Issuer Not Cooperating*	BWR B+ (Stable) (Reaffirm)	BWR B+ (Stable) (Reaffirm)	BWR B+ (Stable) (Reaffirm)
Total		10.01	INR Ten Crores and One Lakh Only			

* Issuer did not cooperate; Based on best available information

Status of non-cooperation with previous CRA- NA

Key Covenants of the facility rated: The terms of sanction include standard covenants normally stipulated for such facilities.

Complexity Levels of the Instruments:

For more information, visit <https://www.brickworkratings.com/download/ComplexityLevels.pdf>

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [What Constitutes Non-Cooperation](#)
- [Approach to Financial Ratios](#)

For any other criteria obtain hyperlinks from website



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Annexure I

A S Wire Industries (VSP) Pvt. Ltd. Details of Bank Facilities rated

Sl No	Bank	Facilities	Tenure	Amount (Rs. Cr)
	Lakshmi Vilas Bank Visakhapatnam Branch Andhra Pradesh	Fund Based: Cash Credit Term Loan	Long Term	10.00 0.01
Total				10.01

**For print and digital media**

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About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.