

## Rating Rationale

### Brickwork Ratings Upgrades the rating to 'BWR B+' for the Bank Loan Facilities aggregating ₹ 12.42 Cr of AS Wire Industries (VSP) Pvt Ltd.

Brickwork Ratings has *upgraded* the following **Rating<sup>1</sup>** for the bank loan facilities of AS Wire Industries (VSP) Pvt Ltd.

Fund Based Facilities	Previous Limit (₹ Cr)	Present Limit (₹ Cr)	Previous Ratings	Present Ratings
Cash Credit	10.00	<b>10.00</b>	BWR B (Pronounced BWR B)	<b>BWR B+</b> (Pronounced BWR B Plus)
Term Loan	3.73	<b>2.42</b>	Outlook: Stable	<b>Outlook: Stable</b> (Upgradation)
<b>Total</b>	13.73	<b>12.42</b>	INR Thirteen Crores & Seventy Three Lakhs Only	<b>INR Twelve Crores and Forty Two Lakhs Only</b>

BWR has essentially relied upon audited financial results up to FY15, publicly available information and information provided by the management.

The rating, inter alia, factors experienced promoters in manufacturing steel wires, group concerns into similar business for more than a decade and established relationship with clients and also that the company on standalone having achieved breakeven point in FY15. However, the rating is constrained by low scale of operations, profitability margins, capacity utilization, tangible net worth and intense competition from large players.

#### Background:

A S Wire Industries (VSP) Pvt Ltd was incorporated in 2011, located in Vishakhapatnam - Andhra Pradesh. Mr. Jagadeesh, Mr. Mahesh Anumaliseti, Mr. Nagesh Anumalisetty, Mr. Gumpina Rameshguptha, Mr. Raj Kumar Anumalisetty and Mr. Ravi Kumar Anumalisetty are the directors of the company. The Company is into steel wire, which is manufacturing MS Wire Rod, MS Wire and Wire Rod Coil.

#### Financials:

A S Wire Industries (VSP) Pvt Ltd 's net revenue from operations stood at Rs.20.22 Cr in FY 15. Tangible net worth reported at Rs.3.07Cr as on 31<sup>st</sup> March, 2015.

<sup>1</sup> Please refer to [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the Ratings

### Rating Outlook:

A S Wire Industries (VSP) Pvt Ltd's performance over the next year is expected to be stable. Going forward, the Company's ability to scale up operations , achieve economies of scale, improve profit margins and sustain against intense competition will be the key rating sensitivities.

<b>Analyst Contact</b>	<b>Relationship Contact</b>
<a href="mailto:analyst@brickworkratings.com">analyst@brickworkratings.com</a>	<a href="mailto:bd@brickworkratings.com">bd@brickworkratings.com</a>
<b>Phone</b>	<b>Media Contact</b>
<b>1-860-425-2742</b>	<a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a>

**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.