



## Rating Rationale

**A S Wire Industries (VSP) Private Limited**

**22<sup>nd</sup> February 2017**

**Brickwork Ratings reaffirms BWR B+ the Bank Loan Facilities of A S Wire Industries (VSP) Private Limited**

### Particulars

Facility Rated	Amount (Rs. Crs)		Tenure	Rating*	
	Previous	Present <sup>#</sup>		Previous	Present
<b>Fund Based</b>	<b>12.42</b>	<b>11.40</b>	<b>Long Term</b>	<b>BWR B+ (Outlook: Stable)</b>	<b>BWR B+ (Outlook: Stable) (Reaffirmed)</b>
<b>Total</b>	<b>12.42</b>	<b>Rs. 11.40 Crores (INR Eleven Crores and Forty Lakhs Only)</b>			

<sup>^</sup> Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

<sup>#</sup>Annexure I provide bank-wise details of facilities

### Ratings Reaffirmed

#### Rationale/Description of Key Rating Drivers/Rating sensitivities:

The rating reaffirmation of **A S Wire Industries (VSP) Private Limited (ASWPL)** takes into consideration the experience of the promoters in the industry and the improvement in performance. However, the ratings remain constrained by the modest scale of operations, weak financial profile of the company marked by low net worth, high gearing, stretched liquidity position and working capital intensive nature of business.

Going forward, the ability of the company to increase its scale of operations profitably, improve its credit profile and manage its working capital effectively will be the key rating sensitivities.

#### Rating Outlook: Stable

BWR believes that **A S Wire Industries (VSP) Private Limited's** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the



revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

### About the Company

*A S Wire Industries (VSP) Private Limited (ASWIPL)* was incorporated in 2011. The company's registered office and the manufacturing unit is located at Survey No:175, Ravada Village near NTPC Parawada, Visakhapatnam, Andhra Pradesh. ASWIPL commenced operations in 2012 and is involved in casting of iron and steel, manufacturing of MS Wire Rods, MS Wire Coils etc. The installed capacity of ASWIPL is 12000 MTs per annum and the current capacity utilization is 70%.

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 Performance

ASWIPL reported Net Sales of Rs. 33.51 Crs and PAT of Rs 0.11 Crs in FY 16 as against Net Sales of Rs. 20.22 Crs and Loss of Rs. 0.37 Crs in FY 15. On a provisional basis, ASWIPL reported net sales of around Rs. 32.35 Crs for 10MFY17.

### Rating History for the last three years (including withdrawn/suspended ratings)

Sl. No.	Facility	Current Rating (Year 2017)			Rating History	Rating History	Rating History
		Type	Amount (Rs Crs)	Rating	2016	2015	2014
1	Fund Based	Long Term	11.40	BWR B+ (Reaffirmation) (Outlook: Stable)	BWR B+ (Outlook: Stable) 13 Jan 2016 Upgraded	Not Rated	BWR B (Outlook: Stable) 29 Apr 2014

### Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)



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**A S Wire Industries (VSP) Pvt Ltd**  
**Bank Facilities – Lakshmi Vilas Bank**  
**Annexure I**

Bank Facility	Rated Amount
Cash Credit	10.00
Term Loan	1.40
<b>Total Fund Based (FB)</b>	<b>11.40</b>

**For print and digital media**

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**Note on complexity levels of the rated instrument:**

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

**About Brickwork Ratings**

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been 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 Nationalized 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, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.



## **DISCLAIMER**

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