

## RATING RATIONALE

05 March 2021

### Bharat Wire Ropes Ltd

**Brickwork Ratings Reaffirms the ratings for the Bank Loan Facilities of ₹ 517.16 Crores of Bharat Wire Ropes Ltd based on best available information, as the issuer did not cooperate.**

#### Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Mar, 2020)	Present
Fund based	422.16	<b>422.16</b>	Long Term	BWR D Issuer Not Cooperating*	<b>BWR D Issuer Not Cooperating* Reaffirmed</b>
Non Fund Based	95.00	<b>95.00</b>	Short Term	BWR D Issuer Not Cooperating*	<b>BWR D Issuer Not Cooperating* Reaffirmed</b>
<b>Total</b>	<b>517.16</b>	<b>517.16</b>	<b>INR Five hundred and seventeen crores and sixteen lakhs Only</b>		

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

\* Issuer did not cooperate, based on best available information.

Details of Bank facilities/NCD/Bonds/Commercial Paper is provided in Annexure-I

#### RATING ACTION/NATURE OF NON-COOPERATION

The rating was due for a review in March 2021. BWR took up with the issuer to provide required information over emails dated 15 Feb 21, 24 Feb 21, 02 Mar 21 and through telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. As per information filed with exchange dated 25 Feb 21 “the Company is in process of executing documents for ‘Resolution Plan’ in line with sanction letter received from consortium banks”. As per unaudited financial results of 9 months FY21, overdue amount as on 31 Dec is Rs. 383.10 Cr. In the absence of adequate information from the company, BWR is unable to assess the company’s financial performance and maintain a valid rating.

#### LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

**KEY FINANCIAL INDICATORS** (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY19	FY20
Result Type		Aud.	Aud.
Total Operating Income	Rs. Crs	240.64	257.71
OPBDIT	Rs. Crs	18.68	28.95
PAT	Rs. Crs	-44.56	-60.96
Tangible Net worth	Rs. Crs	99.37	38.83
Total Debt/Tangible Net worth	Times	6.14	17.36
Current Ratio	Times	0.56	0.36
<p>The company has achieved an operating revenue of Rs. 181.19 Cr and reported a net loss of Rs. 24.93 Cr for 9M FY21 as against an operating revenue of Rs. 183.12 Cr and reported a net loss of Rs. 26.70 Cr for 9M FY20.</p>			

**COMPANY PROFILE** [AS AVAILABLE WITH BWR]

Bharat Wire Ropes Limited (BWRL), was initially owned, managed & controlled by Shah group. Later in July 2010, BWRL was acquired by Gaji Mercantile Ltd., an SPV floated by Mr.M.L. Mittal. BWRL is engaged in manufacturing a variety of wire strands, wire ropes, mechanically / hand spliced slings, earth wires, stay wires, guy wires and spiral strands of various sizes and dimensions. Products of BWRL are used in a varied list of applications / industries such as General Engineering, Fishing, Elevators, Cranes, Material Handling, Onshore / Offshore Oil Exploration, Ports & Shipping and Mining. The initial manufacturing plant was located at Atgaon, Shahpur, Maharashtra with a capacity of 12,000 MTPA. The company has developed a Manufacturing Facility in Chalisgaon, Maharashtra with a capacity of 66,000 MTPA. BWRL exports its products to Australia, Middle East, Nepal, New Zealand, UK, US, Singapore, South Africa, Vietnam, etc. The COD of the new plant was achieved in March 2017.

**NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY** : CARE D Issuer not cooperating dated 12.01.2021 due to non submission of documents for rating review

**RATING HISTORY FOR THE PREVIOUS THREE YEARS (including withdrawn or suspended rating)**

S. No	Instrument /Facility	Current Rating			Rating History			
					2020	2019	2018	
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	04 Mar, 2020	15 Feb, 2019	23 Nov, 2018	12 March, 2018
1	Fund Based	Long Term	422.16	BWR D Issuer Not Cooperating*	BWR D Issuer Not Cooperating*	BWR D	BWR BB+ Stable	BWR BBB Stable
2	Non Fund Based	Short Term	95.00	BWR D Issuer Not Cooperating*	BWR D Issuer Not Cooperating*	BWR D	BWR A4+	BWR A3+
	<b>Total</b>		<b>517.16</b>	<b>₹ Five hundred and seventeen crores and sixteen lakhs Only</b>				

\* Issuer did not cooperate, based on best available information.

**COMPLEXITY LEVELS OF THE INSTRUMENTS**

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Rating Scale](#)
- [Short Term Debt](#)
- [Manufacturing Companies](#)
- [Default Recognition and Post Default Curing Period](#)
- [What Constitutes Non-Cooperation](#)

Analytical Contacts	
<b>Gaurav Agnihotri</b> Senior Ratings Analyst Board: +91 22 2831 1426 Ext: 603 <a href="mailto:gaurav.a@brickworkratings.com">gaurav.a@brickworkratings.com</a>	<b>Chintan Dilip Lakhani</b> Director - Ratings Board: +91 22 2831 1426 <a href="mailto:chintan.l@brickworkratings.com">chintan.l@brickworkratings.com</a>
1-860-425-2742	<a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a>

**ANNEXURE I**

**Bharat Wire Ropes Ltd**

**Details of Bank Facilities rated by BWR**

<b>Sl.No.</b>	<b>Type of Facilities</b>	<b>Long Term [₹ Cr]</b>	<b>Short Term [₹ Cr]</b>	<b>Total [₹ Cr]</b>
<b>1</b>	Fund Based			
	CC	67.50		422.16
	TL	342.16		
Proposed Facilities	12.50			
<b>2</b>	Non Fund Based			
	LC		74.50	95.00
	BG		10.00	
	Proposed Facilities		10.50	
<b>TOTAL</b>				

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