Rating Rationale

Brickwork Ratings assigns 'BWR B+' & 'BWR A4' ratings for the Bank Loan Facilities aggregating ₹ 10.50 Cr of India Wire

Brickwork Ratings assigns the following **Ratings**[1] for the bank loan facilities of India Wire.

Facilities	Limits (₹ Cr)	Tenure	Ratings
Fund Based **Cash Credit**	**9.50**	**Long Term**	**BWR B+** (Pronounced as BWR B Plus) **Outlook: Stable**
Non-Fund Based **FLC**	**1.00**	**Short Term**	**BWR A4** (Pronounced as BWR A Four)
Total	**10.50**	**INR Ten Crores and Fifty Lakhs Only**	

BWR has essentially relied upon consolidated audited financials of FY15, Projections for FY 16 & FY 17, publicly available information and information provided by the management.

The rating inter alia, factors long existence of the Firm, promoters experience in copper wire manufacturing business, improved operating revenues in FY 15 and scope to increase production volumes in view of available spare capacity. However, the rating is constrained by modest scale of operations, below average financial risk profile marked by high gearing with low coverage ratios, stretched liquidity position resulting in working capital nature of business, intense competition by established players in the market and proprietorship constitution risk.

Background:

India wire, a proprietorship firm started in the year 2000 by Mr. H C Gupta, located at Delhi. The firm is engaged manufacturing copper wire, has 2000 Kgs/ day of production capacity. Products dimension differs according to customers specifications. The firm merged with its group concern M/S hem Chand Gupta and Sons on 28th March, 2015.

Financials:

India Wire's revenues from operations reported at ₹ 30.71 Crs during FY 15. As on March 31st, 2015 net worth stood at ₹ 6.65 Crs.

[1] ***Please refer to www.brickworkratings.com for definition of the Ratings***

Rating Outlook:

The Firm's performance over the next year is expected to be stable. Going forward, the Firm's ability to increase scale of operations, profit margins, receivable days, cash accruals and rationalizing capital structure will be the key rating sensitivities.

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