

## Rating Report

### Brickwork Ratings assigns BWR B+ rating for the Bank Loan Facilities aggregating to Rs. 12.42 Crores of AS Wire Industries (VSP) Pvt Ltd.

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

Fund based Facilities	Previous Limit (₹ Crs)	Present Limit (₹ Crs)	Previous ratings	Present Ratings
Cash Credit Term Loan	<b>10.00</b> <b>3.73</b>	<b>10.00</b> <b>2.42</b>	<b>BWR B</b> (Pronounced BWR B) <b>Outlook: Stable</b>	<b>BWR B+</b> (Pronounced BWR BPlus) <b>Outlook: Stable</b> <b>(Upgradation)</b>
<b>Total</b>	<b>13.73</b>	<b>12.42</b>	<b>INR Thirteen Crores and Seventy Three Lakhs Only</b>	<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 Crs in FY 15. Tangible net worth reported at Rs. 3.07Crs 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.

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**AS Wire Industries (VSP) Pvt Ltd**  
**Annexure I : Summary of P&L Account**

**Profit and Loss Account**

<b>Crores</b>	<b>FY 13</b>	<b>FY 14</b>	<b>FY 15</b>
<b>Result Type</b>	Audited	Audited	Audited
Gross Sales	28.72	23.95	20.22
<b>Net Sales</b>	<b>28.72</b>	<b>23.95</b>	<b>20.22</b>
Other Operating Income	0.00	0.04	0.01
<b>Total Operating Income</b>	<b>28.72</b>	<b>23.99</b>	<b>20.22</b>
<b>Operating Expenses</b>	<b>28.95</b>	<b>23.26</b>	<b>19.08</b>
<b>OPBDIT</b>	<b>-0.23</b>	<b>0.73</b>	<b>1.15</b>
Depreciation/Amortization/Impairment	0.62	0.83	0.38
<b>OPBIT</b>	<b>-0.85</b>	<b>-0.10</b>	<b>0.77</b>
Interest and Finance Charges	0.82	1.70	1.98
<b>OPBT</b>	<b>-1.67</b>	<b>-1.80</b>	<b>-1.21</b>
Non Operating Income(Expenses)	1.05	0.97	0.84
<b>PBT</b>	<b>-0.62</b>	<b>-0.83</b>	<b>-0.37</b>

**AS Wire Industries (VSP) Pvt Ltd**  
**Annexure II : Summary of Balance Sheet**

**Balance Sheet**

<b>Crores</b>	<b>FY 13</b>	<b>FY 14</b>	<b>FY 15</b>
<b>Result Type</b>	Audited	Audited	Audited
<b>Liabilities</b>			
<b>EQUITY AND RESERVES</b>	<b>4.08</b>	<b>4.06</b>	<b>3.09</b>
Share capital	2.00	2.00	2.00
Share Application money Pending allotment	2.70	3.50	2.70
Reserves and Surplus	-0.62	-1.44	-1.61
<b>Non-current liabilities</b>	<b>4.52</b>	<b>3.78</b>	<b>3.02</b>
Long-Term Borrowings	4.52	3.78	3.02
<b>Current liabilities</b>	<b>7.37</b>	<b>8.85</b>	<b>13.75</b>
Short-Term Borrowings	5.28	8.07	8.43
Trade Payables	1.95	0.72	5.24
Other Current Liabilities	0.03	0.04	0.05
Short-Term Provisions	0.11	0.01	0.03
<b>Total Liabilities</b>	<b>15.97</b>	<b>16.68</b>	<b>19.87</b>
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>7.81</b>	<b>7.65</b>	<b>7.36</b>
Net Fixed assets	7.81	6.77	6.37
Capital Work-In-Progress	0.00	0.88	1.00
<b>Current assets</b>	<b>8.16</b>	<b>9.04</b>	<b>12.50</b>
Inventories	2.21	3.28	5.02
Trade Receivables < Six Months	3.18	2.19	4.04
Cash and Cash Equivalents	0.83	0.81	0.73
Short-Term Loans and Advances	0.14	0.01	0.10
Other Current Assets	1.77	2.74	2.60
Miscellaneous Expenditure To the Extent Not Written off(Current)	0.03	0.02	0.02
<b>Total Assets</b>	<b>15.97</b>	<b>16.68</b>	<b>19.87</b>

**AS Wire Industries (VSP) Pvt Ltd**  
**Annexure III: Ratios**

<b>Ratios</b>	<b>FY 13</b>	<b>FY 14</b>	<b>FY 15</b>
<b>Result Type</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>
Long Term Borrowings	4.52	3.78	3.02
Short Term Borrowings	5.28	8.07	8.43
Total Debt	9.80	11.85	11.45
Tangible Net Worth	4.06	4.03	3.07
Capital Employed	13.86	15.89	14.52
Total Debt/TNW	2.42	2.94	3.73
Long Term Debt/TNW	1.11	0.94	0.98
ISCR	-0.29	0.43	0.58
DSCR	1.01	0.73	0.79
Net Cash Accruals/Total Debt	-0.04	0.03	0.00
Net Cash Accruals/Long Term Debt	-0.09	0.10	0.01
Net Profit Margin	-2.15	-3.45	-1.81
Operating Profit Margin	-0.81	3.04	5.68
ROCE	-6.16	0.05	5.05
Current Ratio	1.11	1.02	0.91
Days Receivables	40	41	56
Days Inventory	29	44	81
Days Payable	24	21	55
Conversion Cycle	45	64	82