

Bharat Wire Ropes Ltd.

November 23, 2018

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long term Bank Facilities	385.00	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Issuer Not Cooperating, Revised from CARE BB+; Stable; ISSUER NOT COOPERATING* (Double B Plus; Outlook: Stable; ISSUER NOT COOPERATING*) on the basis of best available information
Short term Bank Facilities	65.00	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Issuer Not Cooperating, Revised from CARE A4+; ISSUER NOT COOPERATING* (A Four Plus; ISSUER NOT COOPERATING*) on the basis of best available information
Total	450.00 (Rs. Four hundred and fifty crore only)		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Bharat Wire Ropes Ltd to monitor the rating(s) vide e-mail communications dated January 15, 2018, January 23, 2018, January 24, 2018, January 25, 2018, January 29, 2018, January 30, 2018, January 31, 2018, February 1, 2018, February 2, 2018, February 5, 2018, February 6, 2018, February 14, 2018, February 15, 2018, February 19, 2018, February 20, 2018, February 21, 2018, March 3, 2018, April 3, 2018, May 3, 2018, June 4, 2018, July 2, 2018, August 1, 2018, September 3, 2018, October 1, 2018, November 1, 2018, November 15, 2018 and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the publicly available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The rating on Bharat Wire Ropes Ltd's bank facilities will now be denoted as **CARE D; ISSUER NOT COOPERATING*/CARE D; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings have been revised from **CARE BB+; Stable; ISSUER NOT COOPERATING*/ CARE A4+; ISSUER NOT COOPERATING*** to **CARE D; ISSUER NOT COOPERATING*/ CARE D; ISSUER NOT COOPERATING*** on account of delay in servicing of the term loans.

Detailed description of the key rating drivers

Key Rating Weaknesses

Delay in servicing of debt obligations: There have been ongoing delays in servicing of term loans on account of weakened liquidity and cash losses during H1FY19.

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Rating Methodology-Manufacturing Companies](#)

[Financial ratios – Non-Financial Sector](#)

About the Company

BWRL is engaged in manufacturing of variety of wire strands, wire ropes and slings of various sizes and dimensions ranging from 6 mm-125 mm diameter. The company has its facility located at Atgaon with installed capacity of 12000 MTPA (metric tonnes per annum). Further BWRL has commenced commercial production on March 22, 2017 at its Chalisgaon factory which has an installed capacity of 66,000 MTPA. The wire ropes are manufactured in galvanized as well

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best available information

as ungalvanised carbon steel variants, stainless steel wire ropes. The Company has a diverse product mix which includes Mechanically Spliced Slings, Hand Spliced Slings, Earth Wires, Stay Wires, Guy Wires, Spiral Strands, General Purpose Ropes, Fishing Ropes, Crane Ropes, Structural Ropes, Elevator Ropes, Mining Ropes, Oil & Gas Ropes & Shipping Ropes. The products find application in different industries including oil & gas, mining, fishing, ports & marine, elevator, power transmission, railways, construction, infrastructure, defence, crane manufacturers, among others.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)	H1FY19 (UA)
Total operating income	71.07	167.92	123.29
PBILDT	6.10	17.11	-4.45
PAT	2.44	0.25	-19.07
Overall gearing (times)	2.00	2.86	NA
Interest coverage (times)	2.40	0.68	NM

A: Audited; UA: Unaudited; NA: Not Available; NM: Not Meaningful

Status of non-cooperation with previous CRA: NA

Any other information: NA

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Instrument

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	55.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB+; Stable; ISSUER NOT COOPERATING* on the basis of best available information
Non-fund-based - ST-Letter of credit	-	-	-	60.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE A4+; ISSUER NOT COOPERATING* on the basis of best available information
Non-fund-based - ST-Bank Guarantees	-	-	-	5.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE A4+; ISSUER NOT COOPERATING* on the basis of best available information
Fund-based - LT-Term Loan	-	-	Mar-26	330.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB+; Stable; ISSUER NOT COOPERATING* on the basis of best available information

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Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (11-Dec-15)
2.	Fund-based - LT-Cash Credit	LT	55.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB+; Stable; ISSUER NOT COOPERATING* on the basis of best available information	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (06-Apr-18)	-	1)CARE BBB-; Stable (20-Mar-17)	1)CARE BBB- (11-Dec-15)
3.	Non-fund-based -	ST	60.00	CARE D; ISSUER	1)CARE A4+;	-	1)CARE	1)CARE A3

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
	ST-Letter of credit			NOT COOPERATING* Issuer not cooperating; Revised from CARE A4+; ISSUER NOT COOPERATING* on the basis of best available information	ISSUER NOT COOPERATING* (06-Apr-18)		A3 (20-Mar-17)	(11-Dec-15)
4.	Non-fund-based - ST-Bank Guarantees	ST	5.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE A4+; ISSUER NOT COOPERATING* on the basis of best available information	1)CARE A4+; ISSUER NOT COOPERATING* (06-Apr-18)	-	1)CARE A3 (20-Mar-17)	1)CARE A3 (11-Dec-15)
5.	Fund-based - LT-Term Loan	LT	330.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB+; Stable; ISSUER NOT COOPERATING* on the basis of best available information	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (06-Apr-18)	-	1)CARE BBB-; Stable (20-Mar-17)	1)CARE BBB- (11-Dec-15)

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