

**Press Release**  
**Bharat Wire Ropes Limited**  
**March 20, 2024**



**Rating Reaffirmed and Withdrawn**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	166.76	ACUITE BBB   Reaffirmed & Withdrawn	-
Bank Loan Ratings	31.24	Not Applicable   Withdrawn	-
Bank Loan Ratings	25.00	-	ACUITE A3+   Reaffirmed & Withdrawn
<b>Total Outstanding Quantum (Rs. Cr)</b>	0.00	-	-
<b>Total Withdrawn Quantum (Rs. Cr)</b>	223.00	-	-

**Rating Rationale**

Acuite has reaffirmed & withdrawn its long-term rating of '**ACUITE BBB**' (read as **ACUITE triple B**) and its short-term rating of '**ACUITE A3+**' (read as **ACUITE A three Plus**) on the Rs. 191.76 Cr. bank facilities of Bharat Wire Ropes Limited (BWRL).

Acuite has also withdrawn the long-term rating on the Rs 31.24 Cr. proposed bank facilities of Bharat Wire Ropes Limited without assigning any rating as it is a proposed facility.

The withdrawal is on account of client's request and receipt of NOC from the lead banker. The withdrawal is in accordance with Acuite's policy on withdrawal of rating.

**Rationale for rating reaffirmation:**

The rating reaffirmation factors sustained improvement in operating and financial performance of GAPL over the last three years. The revenue of the company grew at a compounded annual growth (CAGR) of 33.04% over the last three years ended FY2023. The revenue of the company improved to Rs. 589.06 Cr. in FY2023 as against Rs.410.68 Cr. in FY2022 and Rs.250.17 Cr. in FY2021. The company has already achieved Rs. 474.68 Cr. till December 2023. The improvement in revenue is on account of increase in volume sold and better realisations. The operating profit margin of the company expanded by 842 bps to 23.57 percent in FY2023 as against 15.15 percent in FY2022. In line with the improvement in operating performance, the financial performance of the company also recorded an improvement marked by reducing gearing and improving debt protection metrics. The overall gearing of the company reduced to 0.32 times in FY2023 from 0.60 times in FY2022. The interest coverage of the company improved to 6.28 times in FY2023 as against 2.68 times in FY2022.

The ratings however, are constrained by working capital intensive nature of operations and susceptible to fluctuations in raw material prices.

**About the Company**

Maharashtra based, Bharat Wire Ropes Limited is a listed entity, engaged in the business of manufacturing of all types of wire ropes, structural strands, slings and wires which find its application in general engineering, fishing, elevators, cranes, material handling, power

transmission, suspension bridges, onshore/ offshore exploration, ports and shipping.  
Incorporated in 1986 by the Shah family, Maharashtra based BWRL was acquired by the

current promoters, Mr. M.L. Mittal and family through an SPV in July, 2010. The Company was listed on the bourses in April 2016 when it raised Rs.70 Cr. for 17.5 million equity shares. The funds raised were primarily utilized towards setting up of its 66000MTPA Chalisgaon manufacturing plant. BWRL also has 6000MTPA manufacturing plant at Atgaon, Maharashtra.

## Unsupported Rating

Not applicable

## Analytical Approach

Acuité has considered the standalone financial and business risk profiles of BWRL to arrive at the rating.

## Key Rating Drivers

### Strengths

- **Established track record of operations with experienced management**

Incorporated in the year 1986, Maharashtra based BWRL is a listed entity promoted by Murarilal Ramsukh Mittal, Mayank Mittal and other Mittal family members. The operations of the company are managed by the promoters as well as a team of experienced senior management personnel who are further ably supported by a strong line of mid-level managers. The extensive experience of the promoters has helped the company to establish long and healthy relationships with reputed customers and suppliers over the years. Acuité believes that the company will continue to benefit from the extensive experience of its management and its established track record of operations.

- **Improvement in Operating Performance**

The revenue of the company grew at a compounded annual growth (CAGR) of 33.04 percent over the last three years ended FY2023. The revenue of the company improved to Rs. 589.06 Cr. in FY2023 as against Rs.410.68 Cr. in FY2022 and Rs.250.17 Cr. in FY2021. The company has already achieved Rs. 474.68 Cr till December 2023. The improvement in revenue is on account of increase in volume sold and better realisations. The operating profit margin of the company expanded by 842 bps to 23.57 percent in FY2023 as against 15.15 percent in FY2022.

- **Healthy Financial Risk Profile**

The financial risk profile of the company is healthy marked by healthy network, low gearing and healthy debt-protection metrics. The tangible network of the company improved to Rs. 559.45 crore as on March 31, 2023 from Rs. 451.38 crore as on March 31, 2022 on account of accretion to reserves. Gearing stood at 0.32 times in FY2023 as against 0.60 times in FY2022. The debt-protection metrics of the company are healthy marked by interest coverage ratio (ICR) of 6.28 times in FY2023 as against 2.68 times in FY2022 and debt-service coverage ratio (DCSR) of 3.59 times in FY2023 as against 2.09 times in FY2022. The total outside liabilities to total tangible net worth (TOL/TNW) improved to 0.37 times in FY2023 as against 0.61 times in FY2022. The debt to EBITDA of the company stood at 1.30 times as on March 31, 2023 as against 4.28 times as on March 31, 2022.

### Weaknesses

- **Working capital intensive operations**

The operations of the company are of working capital-intensive nature marked by high GCA days. The Gross Current Asset (GCA) days stood at 164 for FY2023 as against 191 days for FY2022. However, GCA days improved as compared in FY2023 from FY2022. The inventory days stood at 89 days for FY2023 as against 84 days for FY2022. The debtor days

stood at 30 days for FY2023 as against 39 days for FY2022. The average bank limit utilisation of the fund based working capital limits stood at 55 percent for past 9 months ended December 2023.

- **Susceptible to fluctuations in raw material prices**

BWRL's operations are exposed to inherent risks associated with availability of raw materials, fluctuations in prices, and changes in government regulations. The company is engaged in the business of manufacturing of all types of wire ropes, structural strands, slings and wires which find its application in general engineering, fishing, elevators, cranes, material handling, power transmission, suspension bridges, onshore/ offshore exploration, ports and shipping. The prices of these raw materials are volatile in nature; hence, the profitability is susceptible to the ability of the company to pass on the same to its customers.

**Rating Sensitivities**

Not applicable

**Liquidity Position: Adequate**

The liquidity position of the company is adequate marked by adequate net cash accruals against the maturing debt obligations. The company generated net cash accruals of Rs. 82.91 crore against maturing debt obligation of Rs. 7.11 crore. Going ahead, the net cash accruals are expected to be in the range of Rs. 91.93-105.34 crore against the debt obligations of Rs. 6.69-13.39 crore during the period FY2024-2025. The current ratio of the company stood at 3.67 times in FY2023 and the unencumbered cash and bank balance stood at Rs.0.04 crore as on March 31,2023. Acuité believes that the liquidity of the Company is likely to remain adequate over the medium term on account of comfortable cash accruals against debt repayment obligations over the medium term constrained to some extent by working capital intensive nature of operations.

**Outlook: Not applicable**

**Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	589.06	410.68
PAT	Rs. Cr.	62.25	13.67
PAT Margin	(%)	10.57	3.33
Total Debt/Tangible Net Worth	Times	0.32	0.60
PBDIT/Interest	Times	6.28	2.68

### Status of non-cooperation with previous CRA (if applicable)

Not applicable

### Any other information

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Entities In Manufacturing Sector:- <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
07 Jul 2023	Cash Credit	Long Term	7.70	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Cash Credit	Long Term	6.29	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Cash Credit	Long Term	24.68	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Cash Credit	Long Term	16.33	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	External Commercial Borrowing	Long Term	20.77	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Letter of Credit	Short Term	7.42	ACUITE A3+ (Upgraded from ACUITE A3)
	Letter of Credit	Short Term	11.22	ACUITE A3+ (Upgraded from ACUITE A3)
	Letter of Credit	Short Term	3.50	ACUITE A3+ (Upgraded from ACUITE A3)
	Letter of Credit	Short Term	2.86	ACUITE A3+ (Upgraded from ACUITE A3)
	Proposed Long Term Bank Facility	Long Term	12.75	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Term Loan	Long Term	11.90	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Term Loan	Long Term	5.36	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Term Loan	Long Term	46.70	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Term Loan	Long Term	30.94	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Term Loan	Long Term	14.58	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
20 Apr 2022	Cash Credit	Long Term	24.68	ACUITE BBB-   Stable (Assigned)
	Cash Credit	Long Term	6.29	ACUITE BBB-   Stable (Assigned)
	Cash Credit	Long Term	16.33	ACUITE BBB-   Stable (Assigned)
	Cash Credit	Long Term	7.70	ACUITE BBB-   Stable (Assigned)
	External Commercial Borrowing	Long Term	20.64	ACUITE BBB-   Stable (Assigned)
	Letter of Credit	Short Term	11.22	ACUITE A3 (Assigned)
	Letter of Credit	Short Term	7.42	ACUITE A3 (Assigned)
	Letter of Credit	Short Term	3.50	ACUITE A3 (Assigned)
	Letter of Credit	Short Term	2.86	ACUITE A3 (Assigned)
	Proposed Long Term Bank Facility	Long Term	1.56	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	13.14	ACUITE BBB-   Stable (Assigned)
	Long			

Term Loan	Term	34.18	ACUITE BBB-   Stable (Assigned)
Term Loan	Long Term	16.10	ACUITE BBB-   Stable (Assigned)
Term Loan	Long Term	5.78	ACUITE BBB-   Stable (Assigned)
Term Loan	Long Term	51.60	ACUITE BBB-   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Bank of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	24.68	ACUITE BBB   Reaffirmed & Withdrawn
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	16.33	ACUITE BBB   Reaffirmed & Withdrawn
Central Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	7.70	ACUITE BBB   Reaffirmed & Withdrawn
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	6.29	ACUITE BBB   Reaffirmed & Withdrawn
Union Bank of India	Not avl. / Not appl.	External Commercial Borrowing	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2032	Simple	18.73	ACUITE BBB   Reaffirmed & Withdrawn
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	2.86	ACUITE A3+   Reaffirmed & Withdrawn
Central Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	3.50	ACUITE A3+   Reaffirmed & Withdrawn
Union Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	7.42	ACUITE A3+   Reaffirmed & Withdrawn
Bank of Baroda	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	11.22	ACUITE A3+   Reaffirmed & Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	31.24	Not Applicable   Withdrawn
Exim Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2032	Simple	4.74	ACUITE BBB   Reaffirmed & Withdrawn
Union Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2032	Simple	26.22	ACUITE BBB   Reaffirmed & Withdrawn
Central Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2032	Simple	12.37	ACUITE BBB   Reaffirmed & Withdrawn



Bank of Baroda	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2032	Simple	39.55	ACUITE BBB   Reaffirmed & Withdrawn
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2032	Simple	10.15	ACUITE BBB   Reaffirmed & Withdrawn

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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