

## January 17, 2024

# The Indian Steel & Wire Products Limited: Rating Withdrawn

## **Summary of rating action**

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action		
Long Term – Fund Based	30.00	30.00	[ICRA]A; Rating Watch with developing implication; Withdrawn		
Short Term – Non-Fund Based	7.00	7.00	[ICRA]A1; Rating Watch with developing implication; Withdrawn		
Total	37.00	37.00			

<sup>\*</sup>Instrument details are provided in Annexure I

#### Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of The Indian Steel & Wire Products Limited at the request of the company and based on the No Objection Certificate (NOC) received from the banker, and in accordance with ICRA's policy on withdrawal of credit ratings. However, ICRA does not have information to suggest that the credit risk has changed since the rating was last reviewed.

The Key Rating Drivers, Liquidity Position, and Rating Sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: <u>Click here</u>

# **Analytical approach**

Analytical Approach	Comments		
	Corporate Credit Rating Methodology		
Applicable rating methodologies	Policy on Withdrawal of Credit Ratings		
	Rating Methodology for Entities in the Iron & Steel Industry		
	Parent Company: Tata Steel Limited (TSL)		
Davant/Cuarra arranant	ISWPL's ratings are supported by the strong parentage of TSL, which holds a 95.01% stake in the		
Parent/Group support	company and the presence of top TSL executives on the board of ISWPL. There are considerable		
	operational, financial, and managerial linkages between ISWPL and TSL		
Consolidation/Standalone	The ratings are based on the standalone financial profile of the company.		

## **About the company**

The Indian Steel & Wire Products Limited (ISWPL) primarily works as a conversion agent for Tata Steel Limited (TSL) in the wires, TMT rebars and wire rods segments through its wire division. In addition, the company manufactures industrial rolls and engineering castings through its JEMCO division and produces welding products and nails through its direct business division. At present, TSL has a 95.01% stake in the company.

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# **Key financial indicators (audited):**

Quess (consolidated)	FY2022	FY2023
Operating Income (Rs. crore)	354.2	342.0
PAT (Rs. crore)	19.9	-0.3
OPBDIT/OI (%)	6.9%	1.4%
PAT/OI (%)	5.6%	-0.1%
Total Outside Liabilities/Tangible Net Worth (times)	0.5	0.5
Total Debt/OPBDITA (times)	0.0	0.0
Interest Coverage (times)	311.5	47.0

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs crore

## Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

# Rating history for past three years

			Current Rating (FY2024)				Chronology of Rating History for the past 3 years			
SN	SN Instrument		Amount Rated (Rs. crore)	Amount Outstanding March 31, 2023 (Rs. crore)	Date & Rating in FY2024	Date & Rating in FY2023		Date & Rating in FY2022 Date & Rating in FY20		FY2021
	in instrument	Туре			Jan 17, 2024	Mar 31, 2023	Oct 4, 2022	Dec 3, 2021	Nov 24, 2020	Oct 16, 2020
	Fund Based Facilities	Long- term	30.00	-	[ICRA]A; Rating watch with developing implications; Withdrawn	[ICRA]A; Rating watch with developing implications	[ICRA]A; Rating watch with developing implications	[ICRA]A; Rating watch with developing implications	[ICRA]A; Rating watch with developing implications	[ICRA]A (Stable)
	Non-fund 2 Based Facilities	Short- term	7.00	-	[ICRA]A1; Rating watch with developing implications; Withdrawn	[ICRA]A1; Rating watch with developing implications	[ICRA]A1; Rating watch with developing implications	[ICRA]A1; Rating watch with developing implications	[ICRA]A1; Rating watch with developing implications	[ICRA]A1

## **Complexity level of the rated instruments**

Instrument	Complexity Indicator
Fund Based Facilities	Simple
Non-fund Based Facilities	Very simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click Here

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## **Annexure I: Instrument details**

ISIN	Instrument	Date of	Coupon	Maturity Date	Amount Rated	Current Rating and Outlook	
ISIN	Name	Issuance	Rate		(Rs. crore)	Current Rating and Outlook	
NA	Fund Based Facilities	NA	NA	NA	30.00	[ICRA]A; Rating watch with developing implication; Withdrawn	
	Non-fund			NA		[ICRA]A1; Rating watch with developing	
NA	Based Facilities	NA	NA		7.00	implication; Withdrawn	

Source: Company

Annexure II: List of entities considered for consolidated analysis: Not Applicable



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## **About ICRA Limited:**

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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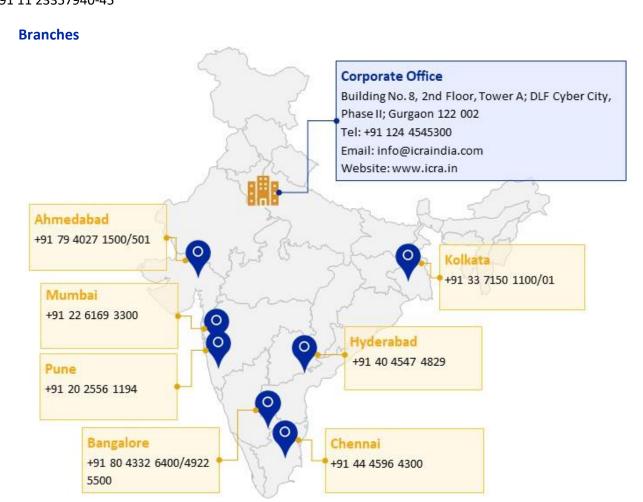


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