

January 17, 2024

## The Indian Steel & Wire Products Limited: Rating Withdrawn

### Summary of rating action

| Instrument*                 | Previous Rated Amount<br>(Rs. crore) | Current Rated Amount<br>(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                             | 30.00                               | [ICRA]A; Rating Watch with developing implication; Withdrawn  |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                            | 7.00                                | [ICRA]A1; Rating Watch with developing implication; Withdrawn |
| <b>Total</b>                | <b>37.00</b>                         | <b>37.00</b>                        |   |

\*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ICRA has withdrawn the ratings assigned to the bank facilities of The Indian Steel & Wire Products Limited at the request of the company and based on the No Objection Certificate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Rating Drivers, Liquidity Position, and Rating Sensitivities have not been captured as the rated instruments are being withdrawn.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: [Click here](#)

### Analytical approach

| Analytical Approach             | Comments   |
|---------------------------------|--|
| Applicable rating methodologies | <a href="#">Corporate Credit Rating Methodology</a><br><a href="#">Policy on Withdrawal of Credit Ratings</a><br><a href="#">Rating Methodology for Entities in the Iron &amp; Steel Industry</a>  |
| Parent/Group support            | Parent Company: Tata Steel Limited (TSL)<br>ISWPL's ratings are supported by the strong parentage of TSL, which holds a 95.01% stake in the 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.

## 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

| SN | Instrument                | Type       | Current Rating (FY2024)           |   | Chronology of Rating History for the past 3 years              |   |   |   |   |                  |
|----|---------------------------|------------|-----------------------------------|---|--|---|---|---|---|------------------|
|    |                           |            | Amount<br>Rated<br>(Rs.<br>crore) | Amount<br>Outstanding<br>March 31,<br>2023<br>(Rs. crore) | Date & Rating in<br>FY2024                                     | Date & Rating in FY2023                             |   | Date & Rating in<br>FY2022                          | Date & Rating in FY2021                             |                  |
|    |                           |            |                                   |   | Jan 17, 2024   | Mar 31, 2023  | Oct 4, 2022   | Dec 3, 2021   | Nov 24, 2020  | Oct 16, 2020     |
| 1  | 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) |
| 2  | Non-fund 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](#)

#### Annexure I: Instrument details

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

Source: Company

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

## ANALYST CONTACTS

**Jayanta Roy**

+91 33 71501100

[jayanta@icraindia.com](mailto:jayanta@icraindia.com)

**Ritabrata Ghosh**

+91 33 6114348

[ritabrata.ghosh@icraindia.com](mailto:ritabrata.ghosh@icraindia.com)

**Priyesh Ruparelia**

+91 22 61693328

[priyesh.ruparelia@icraindia.com](mailto:priyesh.ruparelia@icraindia.com)

**Arpit Arora**

+91 124 4545388

[rpit.arora@icraindia.com](mailto:rpit.arora@icraindia.com)

## RELATIONSHIP CONTACT

**L Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

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## ICRA Limited



### Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001  
Tel: +91 11 23357940-45



### Branches



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