February 25, 2022

Rajratan Global Wire Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Issuer Rating	0.00	0.00	[ICRA]A (Stable) withdrawn
Long-term Fund-based - Term Loan	75.50	75.50	[ICRA]A (Stable) withdrawn
Long-term Fund-based - Cash Credit Facilities	71.75	71.75	[ICRA]A (Stable) withdrawn
Long-term/ Short -term Fund-based/Non-fund Based Facilities	10.00	10.00	[ICRA]A (Stable)/ [ICRA]A1 withdrawn
Short -term Non-fund Based Facilities	42.36	42.36	[ICRA]A1 withdrawn
Long-term/ Short -term Unallocated	0.39	0.39	[ICRA]A (Stable)/ [ICRA]A1 withdrawn
Total	**200.00**	**200.00**	

**Instrument details are provided in Annexure-1*

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Rajratan Global Wire Limited at the request of the company and based on the no objection certificates received from its bankers, and in accordance with ICRA's policy on withdrawal of credit rating. ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key rating drivers, Liquidity position, Rating sensitivities have not been captured as the rated instruments are being withdrawn.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	Corporate Credit Rating Methodology Rating Methodology for Auto Component Manufacturers Policy on Withdrawal of Credit Ratings
Parent/Group Support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Rajratan Global Wire Limited. As on March 31, 2021, the company had one subsidiary, which is enlisted in Annexure-2.

About the company

Rajratan Global Wire Limited (Rajratan India), along with its wholly owned overseas subsidiary, Rajratan Thai Wire Limited (Rajratan Thailand), primarily manufactures high-carbon steel wires with specialisation in tyre bead wire (TBW), which is bronze-coated and used in tyres. TBW's main functions are to act as reinforcement and facilitate tyre grip on the rim, and it is used in all kinds of automobile, earth-moving equipment and aircraft tyres. The company also manufactures drawn steel wire (known as black wire), used in automobile, construction and engineering industries.

The company has two manufacturing units, one each in Pithampur (Madhya Pradesh) and Ratchaburi (near the Thailand port). Both these manufacturing facilities are approved vendors of leading tyre manufacturers in domestic as well as international markets. While Rajratan India enjoys a healthy share in the domestic market for TBW, Rajratan Thailand is the sole local TBW supplier in Thailand.

Key financial indicators (audited)

Consolidated	FY2020	FY2021
Operating Income (Rs. crore)	480.2	546.5
PAT (Rs. crore)	33.0	53.1
OPBDIT/OI (%)	14.2%	16.9%
PAT/OI (%)	6.9%	9.7%
Total Outside Liabilities/Tangible Net Worth (times)	1.2	1.0
Total Debt/OPBDIT (times)	2.1	1.5
Interest Coverage (times)	5.1	6.9

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument		Current Rating (FY2022)				Chronology of Rating History for the past 3 years				
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of Sep 30, 2020 (Rs. crore)	Date & Rating in		Date & Rating in FY2021		Date & Rating in FY2020		Date & Rating in FY2019
					Feb 25, 2022	Apr 20, 2021	Mar 25, 2021	Apr 24, 2020	Jun 06, 2019	May 24, 2019	-
1	Issuer Rating	Long Term	0.00	-	**[ICRA]A (Stable); Withdrawn**	**[ICRA]A (Stable)**	**[ICRA]A (Stable)**	**[ICRA]A- (Stable)**	**[ICRA]A- (Positive)**	**[ICRA]A- (Positive)**	-
2	Fund-based - Cash Credit Facilities	Long Term	71.75	-	**[ICRA]A (Stable); Withdrawn**	**[ICRA]A (Stable)**	**[ICRA]A (Stable)**	**[ICRA]A- (Stable)**	**[ICRA]A- (Positive)**	-	-
3	Non-fund Based Bank Facilities	Short Term	42.36	-	**[ICRA]A1; Withdrawn**	**[ICRA]A1**	**[ICRA]A1**	**[ICRA]A2+**	**[ICRA]A2+**	-	-
4	Fund-based -Term Loan	Long Term	75.50	47.6	**[ICRA]A (Stable); Withdrawn**	**[ICRA]A (Stable)**	**[ICRA]A (Stable)**	**[ICRA]A- (Stable)**	**[ICRA]A- (Positive)**	-	-
5	Fund-based/ Non-fund Based Facilities	Long Term/ Short Term	10.00	-	**[ICRA]A (Stable)/ [ICRA]A1; Withdrawn**	**[ICRA]A (Stable)/ [ICRA]A1**	**[ICRA]A (Stable)/ [ICRA]A1**	**[ICRA]A- (Stable)/ [ICRA]A2+**	**[ICRA]A- (Positive)/ [ICRA]A2+**	-	-

6	Unallocated	Long Term/ Short Term	0.39	-	**[ICRA]A (Stable)/ [ICRA]A1; Withdrawn**	**[ICRA]A (Stable)/ [ICRA]A1**	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Issuer Rating	Not applicable
Long-term Fund-based - Term Loan	Simple
Long-term Fund-based - Cash Credit Facilities	Simple
Long-term/ Short -term Fund-based/Non-fund Based Facilities	Simple
Short -term Non-fund Based Facilities	Very Simple
Long-term/ Short -term Unallocated	Not applicable

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 analyzing 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, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Issuer Rating	NA	NA	NA	0.00	[ICRA]A (Stable); Withdrawn
NA	Fund-based - Cash Credit Facilities	NA	NA	NA	71.75	[ICRA]A (Stable); Withdrawn
NA	Non-fund Based Bank Facilities	NA	NA	NA	42.36	[ICRA]A1; Withdrawn
NA	Fund-based/Non-fund Based Facilities	NA	NA	NA	10.00	[ICRA]A (Stable)/ [ICRA]A1; Withdrawn
NA	Unallocated	NA	NA	NA	0.39	[ICRA]A (Stable)/ [ICRA]A1; Withdrawn
NA	Term Loan – 1	01-Nov-18	-	31-Mar-25	20.00	[ICRA]A (Stable); Withdrawn
NA	Term Loan – 2	07-Jun-18	-	07-Sep-25	25.00	[ICRA]A (Stable); Withdrawn
NA	Term Loan – 3	03-Dec-19	-	07-Oct-26	20.00	[ICRA]A (Stable); Withdrawn
NA	Term Loan – 4	14-Dec-20	-	07-Jan-26	10.50	[ICRA]A (Stable); Withdrawn

Source: *Company*

Annexure-2: List of entities considered for consolidated analysis

Company Name	Rajratan India Ownership	Consolidation Approach
Rajratan Thai Wire Limited	100.00%	Full consolidation

Source: *the company;*

Note: *ICRA has taken a consolidated view of the parent (Rajratan India), its subsidiaries and associates while assigning the ratings.*

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