October 30, 2020

W. H. Brady & Company Limited: Rating downgraded and moved to Issuer Not Cooperating category

Summary of Rated Instrument:

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based - Future Rent Receivable	2.18	2.18	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB- (Stable) and moved to the 'Issuer Not Cooperating' category
Fund-based - Cash Credit	2.30	2.30	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB- (Stable) and moved to the 'Issuer Not Cooperating' category
Non fund-based - Bank Guarantee	3.00	3.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB- (Stable) and moved to the 'Issuer Not Cooperating' category
Non fund-based – Letter of Credit	0.50	0.50	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB- (Stable) and moved to the 'Issuer Not Cooperating' category
Unallocated	12.02	12.02	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB- (Stable) and moved to the 'Issuer Not Cooperating' category
Total	**20.00**	**20.00**	

*Issuer did not co-operate; based on best available information.

Rationale

The ratings downgrade is because of lack of adequate information regarding W. H. Brady & Company Limited performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with W. H. Brady & Company Limited, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

About the company:

Established in 1895 by two individuals of British origin, and later incorporated in 1913, WHBCL sells material handling equipment and services various products related to the aviation industry. WHBCL also owns Brady House located at Fort, Mumbai, which generates significant rental income. WHBCL established BMECL in 1946 to manufacture and sell material handling equipment (such as chain pulley blocks, and various types of cranes and electric hoist blocks). The Group is controlled by the Mumbai-based Morarka family since 1960. BMECL has its manufacturing facility at Vatva (Gujarat).

The previous detailed rating rationale is available on the following link: Click here

Key financial indicators:

	FY2019	FY2020
Operating Income (Rs. crore)	10.7	20.5
PAT (Rs. crore)	3.1	3.2
OPBDIT/ OI (%)	25.2%	15.6%
RoCE (%)	11.7%	7.5%
Total Outside Liabilities/Tangible Net Worth (times)	5.0	6.8
Total Debt/OPBDIT (times)	0.06	0.05
Interest Coverage (times)	0.6	0.5

Source: Company data

Status of non-cooperation with previous CRA

Not Applicable

Any other information

Not applicable

Rating history for past three years

All figures in Rs. Crore

	Instrument	Current Rating (FY2021)				Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Rating	FY2020	FY2019	FY2018
					30-Oct-2020	08-Apr-2019	18-Apr-2018	-
1	Future Rent Receivable	Long Term	2.18	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable)	[ICRA]BB- (Stable)	-
2	Cash Credit	Long Term	2.30	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable)	[ICRA]BB- (Stable)	-
3	Bank Guarantee	Long Term	3.00	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable)	[ICRA]BB- (Stable)	-
4	Letter of Credit	Long Term	0.50	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable)	[ICRA]BB- (Stable)	-
5	Unallocated	Long Term	12.02	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable)	[ICRA]BB- (Stable)	-

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1

Instrument Details

ISIN No	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Future Rent Receivable	October 2014	12.05%	September 2020	2.18	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Cash Credit	-	-	-	2.30	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Bank guarantee	-	-	-	3.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Letter of Credit	-	-	-	0.50	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Unallocated				12.02	[ICRA]B+(Stable); ISSUER NOT COOPERATING

Source: W. H. Brady & Company Limited

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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.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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