

INVESTOR PRESENTATION | JUNE 2022

BHARAT WIRE ROPES LTD.

Company Snapshot



BWR

BHARAT WIRE ROPES LTD.

One of the largest manufacturer of Steel Wire Ropes in India



Manufacturing capability of Steel Wires, Strands, Slings and Wire Ropes with over thousands of varieties



Management with combined experience of over three decades



Integrated state-of-the-art wire rope plants with a Total Manufacturing Capacity of 72,000 MTPA



Diverse industry applications including Oil & Gas, Infrastructure, Mining and many more



Employing over 1,000 people



Strong Customer Base



Latest Technologies like high speed Stranding Machine, Zero liquid discharge facilities from Germany, U.K. and Korea



Exporting to 50+ countries



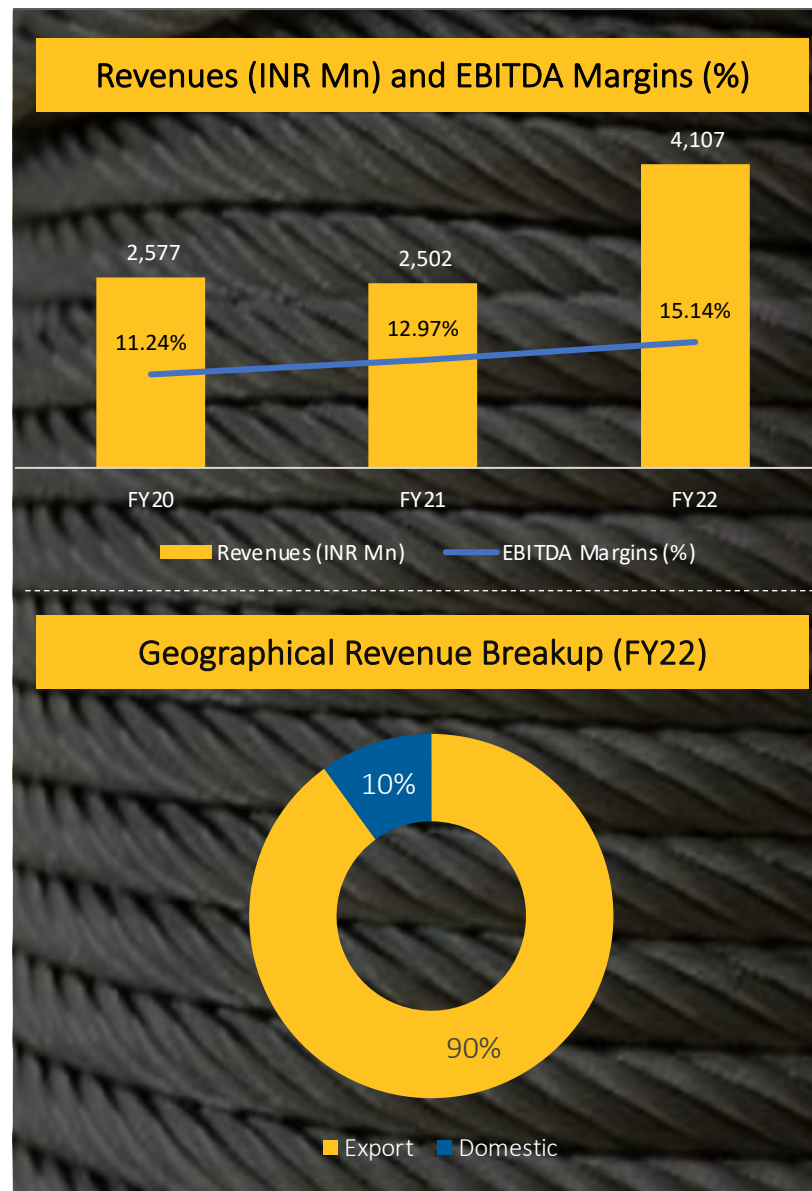
3 year CAGR
Revenues: 20%
EBITDA: 49%
Order Book: Approx INR 2,000 Mn





Company Overview

- Bharat Wire Ropes Limited (“BWR”) was originally incorporated in the year 1986, and later in 2010, it was acquired by Mr. M L Mittal, current promoter and managing director. The company is headquartered in Mumbai, Maharashtra.
- The company has two manufacturing plants, one in Atgaon, Maharashtra, with a capacity of 6,000 MTPA and one in Chalisgaon, Maharashtra with a capacity of 66,000 MTPA.
- BWR is one of the leading manufacturer of specialty steel wire, steel wire ropes, slings & strands, with over thousands of varieties of products.
- The Company has the capability of manufacturing wire ropes ranging from 6 mm to 90 mm and Steel Wire ranges from 0.3 mm to 5.5 mm.
- The wide range of products meet the functional needs of a vast array of industrial applications such as General Engineering, Aviation, Fishing, Elevators, Cranes, Material Handling, Onshore/ Offshore Oil Exploration, Ports & Shipping and Mining.
- BWR exports its products to over 50 Countries including Australia, Middle East, Nepal, New Zealand, UK, US, Singapore, South Africa, Vietnam and many more.
- The company caters to government, semi-government organizations, private organizations and also multi-national companies.





Mr. Sanjiv Swarup (Chairman & Non-Executive Independent Director):

He holds a degree in Bachelor of Commerce from the University of Calcutta and a degree in Bachelor of Law (Special) from Saurashtra University, Gujarat and also has a degree of Chartered Accountant from the Institute of Chartered Accountants of India, he has also passed the Independent Director exam of the MCA.



Mr. Murarilal Ramsukh Mittal (Managing Director):

He was instrumental in acquiring our Company from the Previous Management. He holds a degree in Bachelor of Commerce and is also a Fellow member of the Institute of Chartered Accountants of India. Prior to acquiring the Company, he was associated with the Welspun Group for almost 23 years, in various positions inter-alia as the Executive Director on the board of several Welspun Group companies, including Welspun Corp Ltd. His professional background and association with large corporate houses has also played a key role in the development of the Company, coupled with his inputs on strategic planning and business development. He is actively involved in the business development and corporate relationship functions of the Company.



Mr. Mayank Mittal (Joint Managing Director):

He holds a degree in Bachelor of Science from the State University of New York Stonybrook as well as a degree in Masters of Business Administration from Long Island University. He has an overall experience of more than ten years. He has been critical in our progress, involved in all the strategic decisions, implementation of cutting edge technologies and ensuring best practices across the spectrum of BWR. He is making the vision of BWR a reality and is a man on a mission.



Ms. Ruhi Mittal (Non-Executive and Independent Director):

She has a career being a mix of Training, Law & Management. Starting as a Professor in a reputed Management Institute, moved on to being a full-time Author with CNBC TV18. Her main area of interest was Medico-Legal and wrote several books for various Pharmaceutical companies. Current field of interest is Mediations & Negotiations, Property Law, Company Law and Constitutional Law. She holds a degree in Masters of Business Administration from Guru Jambheshwar University, Hissar, and Masters of Law from Kurukshetra University, Kurukshetra.



Mr. Sushil Sharda (Director and Head of Finance):

He has been associated with the Company since 2010. He holds a degree of Bachelor of Commerce from Rajasthan University and is an Associate member of the Institute Chartered Accountants of India. He has an overall experience of 30 years serving various corporates like Welspun Group in several varied positions. Prior to joining BWR, he has worked with various large Corporate houses, where he mainly handled the financial and accounting profiles. At our Company he oversees the Accounts, Finance, Legal and Compliance.



Mr. Venkateswararao Kandikuppa Rao (Whole Time Director):

He holds a degree in Bachelor of Commerce from APS University, Madhya Pradesh and is also a member of the Institute of Cost and Works Accountants of India. He has been the General Manager and Vice president with an overall experience of more than 22 years with several large corporates across India, primarily handling plant operations and liaising with various departments for sanctions/approvals. At BWR, he is responsible for all the departmental liaising for smooth operations of Company's manufacturing units and also looking after the operations and production planning functions. He also plays an instrumental role in getting the necessary sanctions and approvals for the Proposed Project at Chalisgaon.



Mr. Dinesh Kumar Jain (Non-Executive Independent Director):

He has completed his Chartered Accountancy in 1984 and graduated in Law from Rajasthan University Jaipur in 1984. He also holds an Executive MBA from S.P. Jain Institute of Management, having over 3 decade of experience in the field of Finance & Accounts, also held various executive level leadership positions across manufacturing industries, his areas of expertise include Strategic Business Planning, Bottom Line Improvements, Budgeting & Control, Working Management, Mergers & Acquisitions, Government Incentive Schemes, And Direct & Indirect Taxation.



Mr. Shiv Kumar Malu (Non-Executive Independent Director):

He holds a Degree in Bachelors of Commerce from University of Marathwada and also holds a Degree of L.L.B. from University of Mumbai. He is a Fellow member of the Institute of Chartered Accountant of India, having an experience of more than 3 decades in the field of Audit, Taxation and Project Funding as Practicing Chartered Accountant.



Mr. Mahender Singh Arora (CEO):

He possesses an overall industry experience of 27 years. He holds a degree in Bachelors of Engineering from NIT, Bhopal, and has held executive positions with leading multinational companies spread over diverse sectors. He has been instrumental in making BWR a global name. His flair in the steel business is the strength that makes BWR stronger. With an eye for detail and maintaining a macro view gives us the confidence to realize our global ambition.



Mr. Rakesh Kumar Jain (CFO):

He also holds a degree in Bachelor of Commerce from the University of Rajasthan and is an Associate member of the Institute of Chartered Accountants of India as well as an Associate member of the Institute of Company Secretaries of India. He has an overall experience of approximately thirty years, in fields such as strategic financial planning of term loan/ working capital and implementation of the mega project; financial accounts & revenue assurance; auditing & taxation; company secretarial functions etc. He has been associated with BWR since 2015.



Mr. Manan Mittal (President):

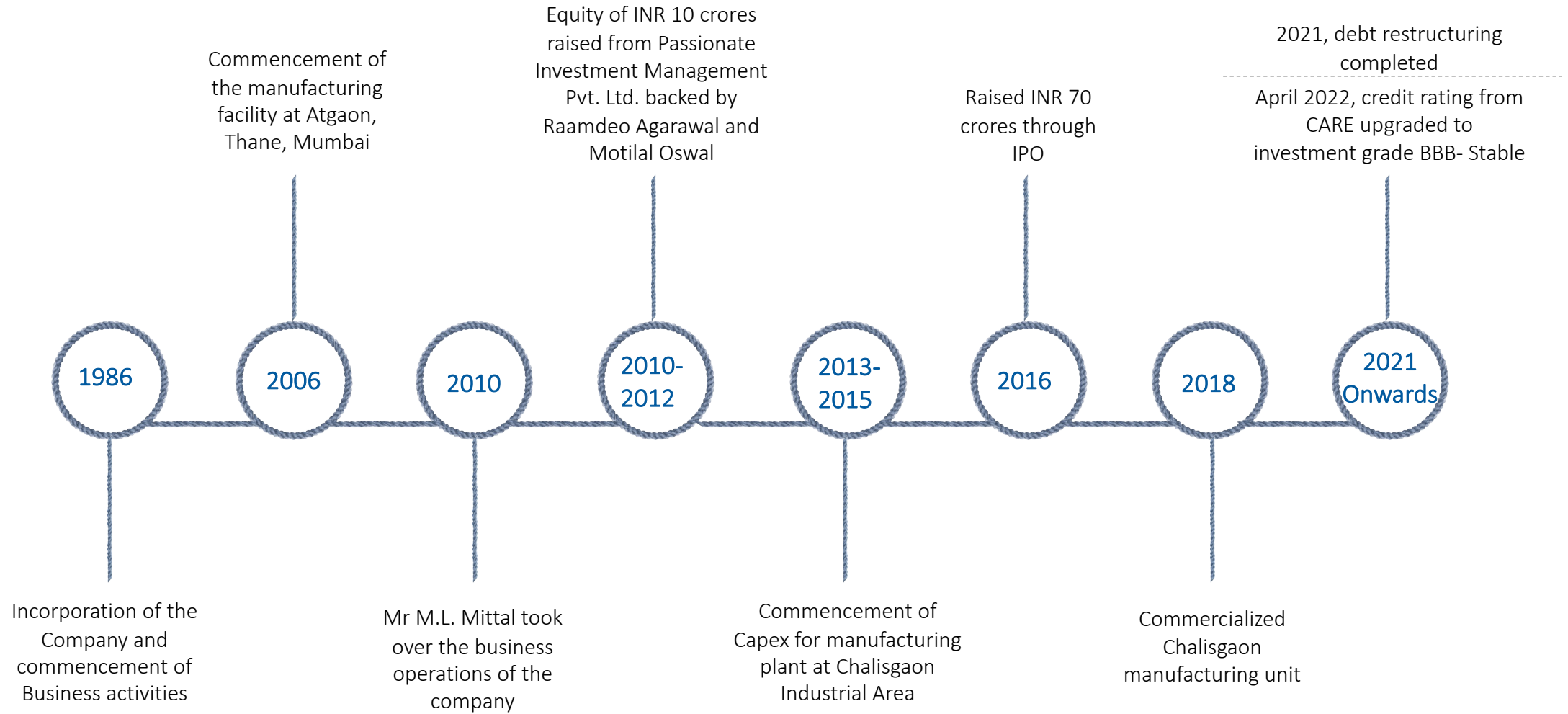
He also holds a degree in Bachelors of entrepreneurship from Pace university USA. Young and dynamic. He is responsible for keeping BWR on track, with more than 5 years of experience he has played a key role in running the Chalisgaon facility of BWR. Involved with all the nuances of the operations his hands on approach has been critical for BWR'S progress.



Mr. G. D. Gupta (Director & Head of Logistics):

Mr. G. D. Gupta holds a Bachelors degree in Mechanical Engineering. With a thorough knowledge of logistics & supply chain management, acquired over a span of more than three decades by serving as a principal management figure in a host of reputed MNCs, He empowers the logistics arm of BWR, enabling us to create unmatched value across six continents. His expedience, in dealing with critical issues, augmented with an unmatched compassion while mentoring & guiding others around him, continue to empower the vast BWR family towards our journey of excellence & value creation.

Key Milestones



Exporting to 50+ countries across the Globe



Awards, Approvals, Accreditations and Certifications



EpcIndia 51st Export Awards
Highest growth in Exports (2019)



Excellent Export performance



Outstanding FMB that
managed professionalization (SPJIMR)



Golden Jubilee year - 2008 (DRDO)



Life member of Paryavaran Mitra



British Standard
Institute and ANSI
– ASQ National
Accreditation
Board



TUV (Quality
Management)



SUD (Quality
Management)



ISO 9001:2015



ISO 14001:2015



ISO 45001:2018



BIS Licenses



Lloyds Register
Approval



RDSO Approvals



IRS Works
Approval



POWERGRID
Approval



Business Overview

	Wire Ropes	Strands	Slings	Steel Wire
				
Description	6-90 MM of various construction like 6*19, 6*36, 8*19, 35*7 etc.	Stay Wire, Structural Strands and Earth Wire	Mechanically Spliced, Hand Spliced, Spelter Sockets and Swaged Sockets	High carbon steel wires ranging from 0.3mm to 5.5 mm upto 2,360 N/mm ²
End Application	General Engineering, Structural, Oil & offshore, Elevator, Mining, Road Safety, Cranes etc.	Electrification, Haulage, Earthing, Structural Supports and Steel Fencing	An Important piece of rigging hardware used in lifting and hoisting operations and are commonly used across different industries	Cutting Tools, Springs, High Strength Wire, Wire Ropes etc.

Applications



Oil & Gas



Cranes



Mining



Offshore



Marine



Elevator



Structural

Ship Mooring



Roof Structure Ropes



Industrial Cranes



Speed Arresters



Transmission Tower



Industrial Cranes



Offshore Cranes



Suspension Bridge Ropes



Elevator Ropes



Dragline Drag & Hoist



Trawl Warps



Mobile Lattice Boom Cranes



Manufacturing Facility – Chalisgaon, Maharashtra



Commercialized in 2018 for an initial investment of approx. INR 5,500 Mn

The highest tensile range covered is 2,360 N/mm²

66,000 MTPA installed capacity

The patenting and Galvanizing furnace is a state-of-art facility covering a range of 0.90mm-12.0mm with a capacity of 70,000 MTPA

The facility is equipped with latest technology to manufacture Wire ropes, Slings, Strands and Steel wire

Wet and dry wire drawing machines from South Korea covering a range of 0.2mm to 5mm outlet wire and stranding machines from South Korea, Germany and India covering a range of up to 90 mm diameter

This is a Mega Project as per PSI Scheme 2007, Sales tax incentive equivalent to eligible investment in the project

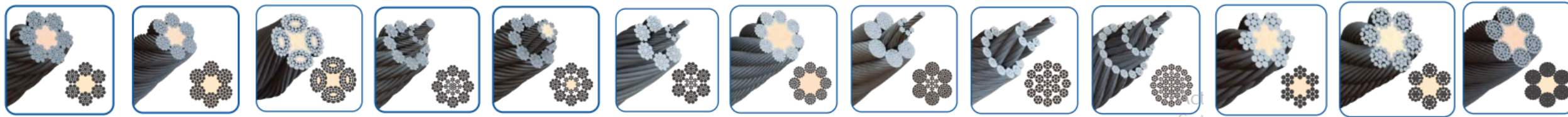
The tunnel pickling Line (imported from Germany) is fully automated with the annual pickling capacity of 70,000 M.T covering a wide range of 5.5mm-12mm wire rope

Plant located in close proximity to Mumbai port of 350 Kms

Equipped with a zero liquid discharge plant with Ultra Filtration, 2 stage RO and evaporation system imported from Steuler, Germany

Wire Ropes

- A wire rope is a mechanical device made up of parts that work together to move, support a load and/or an object.
- BWR is one of the largest manufacturers & exporter of high-quality wire ropes, that continues to create discernible value for Indian & Global clientele.
- Steel Wire Ropes have applications in almost all the major industries spanning from Elevators, Cranes, Bridges, Shipping, Mining, Oil & Gas, Fishing etc.
- BWR manufactures a single reel of up to 60 MT. Range : 6mm to 92mm.



Steel Wires

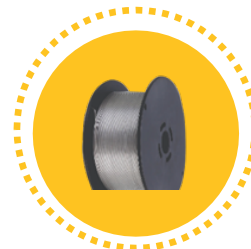
- High Carbon Steel wires are normally made of non-alloy carbon steel with a carbon content of 0.4 to 0.90%. The very high strength of the wire enables it to support large tensile forces used in varied industries and applications.
- BWR facility enables to draw wires from 0.3 mm to 5.5 mm with tensile strength of more than 2360 N/mm².

Galvanized Wires



Galvanized wires are steel wire coated in a layer of zinc. The coating helps protect the steel from moisture in the air to prevent the wire rope from being susceptible to rust. This type of wire is ideal for use in marine locations where the wire rope is exposed to wet, damp and humid conditions. Our capabilities enable us to give class A, AB, C class coating sanding from wire size of 0.3 mm - 5.5 mm wires

Ungalvanized Wires



Steel wires are normally made of non-alloy carbon steel with a carbon content of 0.4% to 0.95%. The very high strength of the roping wires enables wire ropes or other application of wires to support large tensile forces used in varied industries. BWR can manufacture spring wires with diameter ranging from 0.3 mm to 5.5 mm.

Strands

- Strands can be galvanized steel wire strands, finding varied applications in the electrical industry in the form of stay wires; they also come in highly durable, pre-stretched varieties that are used for building small and large structures.
- Earth Wires are a type of strand that are made up of 3 to 7 wires and help prevent the occurrence of electrical faults due to lightning.
- Strands are characterized by high breaking load capability and exhibit high resistance to abrasion.

Structural Strands



BWR is a leading manufacturer of structural strands that are used for the building of small and large structures. These superior quality strands are used for the building of bridges, roofs and other suspended structures.

Earth Wire



BWR is a key manufacturer of earth wires that prevents the occurrence of electrical faults due to lightning. Composed of between 3 to 7 strands, the earth wires prevent the occurrence of electrical faults by rerouting current flow where required.

Stay Wire



BWR produces an extensive range of galvanized stay wires that find multipurpose applications in the electrical industry. These high quality stay wires adhere to international specifications and come with a variety of coating options ranging from light to heavy.

Slings

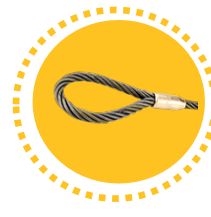
- Bharat Wire Ropes Ltd. manufactures an assorted array of Wire Rope Slings for hoisting, harness and fastening needs.
- The company is one of the leading name in manufacturing of wire rope slings in India and around the world.

Hand Spliced Slings



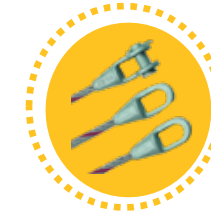
The wire rope is unwound and the wire strand components are usually tucked or spliced to form a Flemish loop.

Mechanically Spliced Slings



A mechanically spliced wire rope sling is fabricated using an Aluminium, Copper or Steel Ferrule to securely lock in place the splice junction. The difference here is that the Ferrule is swaged into place using a die based hydraulic swaging press, exerting a staggering 3000 tons of force.

Socketed Slings

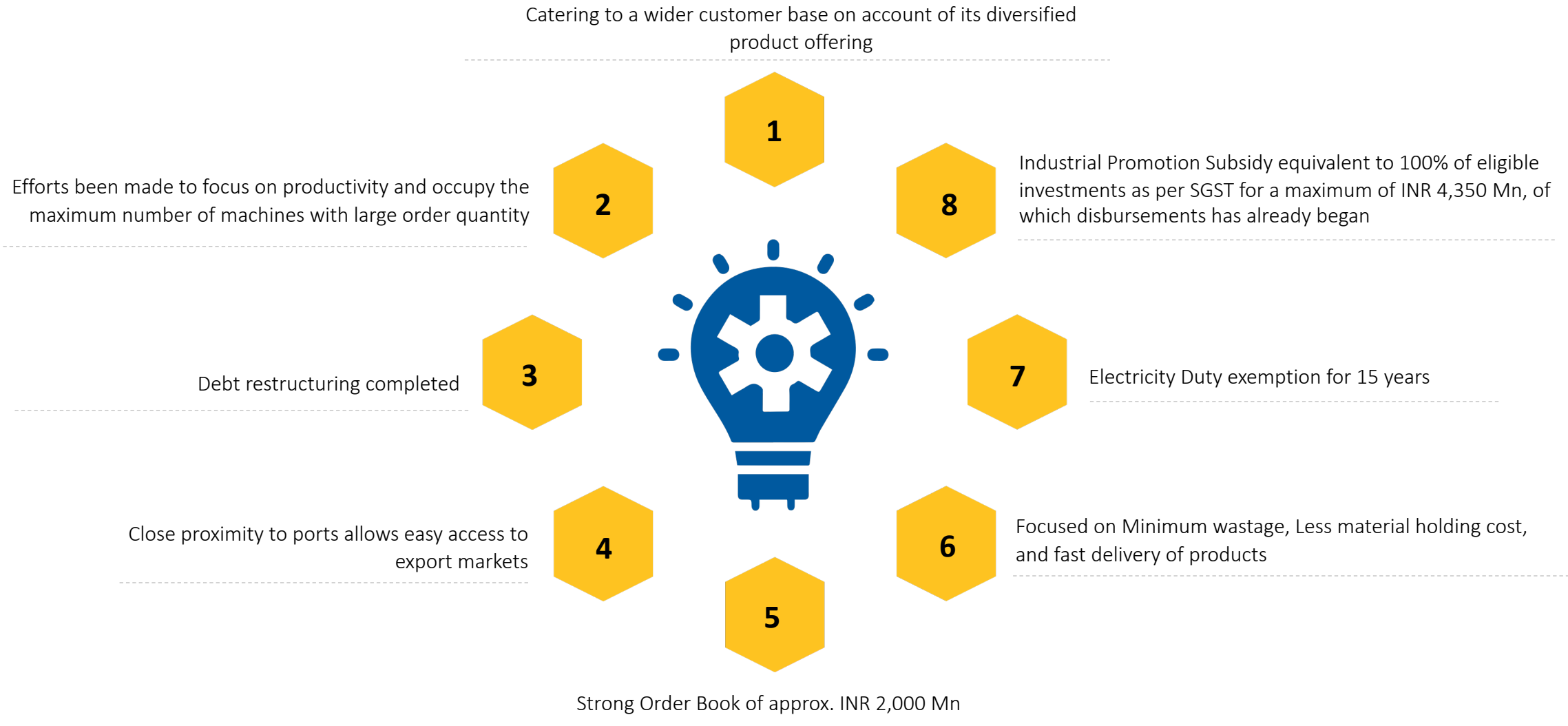


The individual wires of the strands are opened up to form a broom. This broom is inserted into the socket. Molten Zinc is poured into the broom to lock in the joint to form a Spelter lock for Spelter sockets. Alternatively, Wire Locking Resin may also be used to accomplish the lock.



Strategic Overview

- BWR initiated a greenfield capacity expansion plan at MIDC, Chalisgaon in 2014, for approx INR 4,900 Mn funded by Bank Loans of INR 3,300 Mn and rest from IPO proceeds of INR 700 Mn, promoters equity and internal accruals.
- The project was commercialized in March 2018, but the company faced difficulties in servicing its debt obligations in view of minor delays of the project, increase in project costs, and delay in working capital availability.
- Change of Tax structure from VAT to GST resulted in reduction of envisaged Mega Project Subsidy from 13.5% to 9%, and delays in receipt of these subsidies put further pressure on cashflows.
- In March 2021, BWR and the lending banks underwent a debt restructuring program and a final resolution plan was approved in accordance with RBI directions.
- Debt Restructuring details:
 - Sustainable debt considered at INR 2,250 Mn
 - INR 250 Mn paid upfront
 - INR 1,450 Mn would continue as term loan to be repaid in 11.5 years from FY21 to FY32
 - Balance INR 550 Mn would continue as fund based working capital
 - Balance INR 3,826 Mn of outstanding debt converted in Compulsory Convertible Preference Shares (CCPS)
 - Company issued equity shares for Rs. 54 Mn towards the waiver of Right to Recompense
 - Past penal interest/additional interest/Processing Fees etc. accrued and debited till date in addition to above were waived off
- Current status: Servicing of debt has continued for one year as per approved resolution plan, and the company has received investment grade rating by two rating agencies, effectively bringing the account of the company out of NPA in terms of RBI Guidelines.





Industry Overview

- The Global Steel Wire Rope market is expected to grow at a CAGR of 6.0% from USD 93.2 Bn in 2020 to USD 124.7 Bn in 2025. Europe is expected to be the fastest growing end-use industry in steel wire market.
- The Global Steel Wire Rope Industry is significantly being led by the Asia Pacific region. In the Asia Pacific, particularly in China, Indonesia, Thailand, Malaysia and India, both consumption and sales of steel wire ropes are extremely high.
- India is the second largest steel producer in the world after China. Steel Wire Rope industry in India has prospered owing to growth in infrastructure activities and demand in industrial sector.
- In India, the wire and cable market comprises nearly 40% of the electrical industry. It is growing at a CAGR of 15% thanks to the growth of the power and infrastructure sectors in the country.
- The resurgence in the Oil and Gas industry is also expected to increase the number of oil rigs which will further add impetus to the growth of steel wire rope industry.

The Infrastructure sector has become the biggest focus area for the Govt. of India. India plans to Invest USD 1.4 trillion by FY23 on Infrastructure to have a sustainable development of the country.

The steel wire rope Industry is witnessing a good growth due to the Increasing demand from various Industries like Marine, Fishery, Infrastructure & Mining Industry.



India is planning to double its refining capacity to 450-500 Mn tonnes by 2030. India's oil demand is projected to rise at the fastest pace in the world to reach 10 Mn barrels per day by 2030.

Increasing investment and cargo traffic point towards a healthy outlook for the Indian ports & shipping sector. The capacity addition at ports is expected to grow at a CAGR of 5-6% till 2022, thereby adding 275-325 MT of capacity.



Financial Overview

Historical Financial Performance



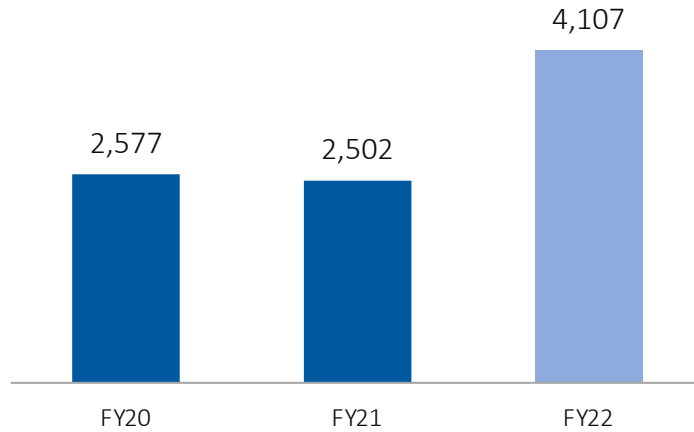
Particulars (INR Mn)	FY22	FY21	FY20
Revenue from Operations	4,107	2,502	2,577
Total Expenses	3,485	2,177	2,287
EBIDTA	622	325	290
<i>EBIDTA Margins (%)</i>	<i>15.14%</i>	<i>12.99%</i>	<i>11.25%</i>
Depreciation and amortisation expenses	214	217	218
Finance costs	234	341	895
Other Income	5	5	3
PBT	179	(228)	(820)
Tax	42	(60)	(210)
PAT	137	(168)	(610)
<i>PAT Margins (%)</i>	<i>3.34%</i>	<i>NA</i>	<i>NA</i>
Other Comprehensive Income	(2)	(2)	-
Total Comprehensive Income	135	(170)	(610)
Diluted EPS	0.47	(3.73)	(13.56)

Historical Balance Sheet

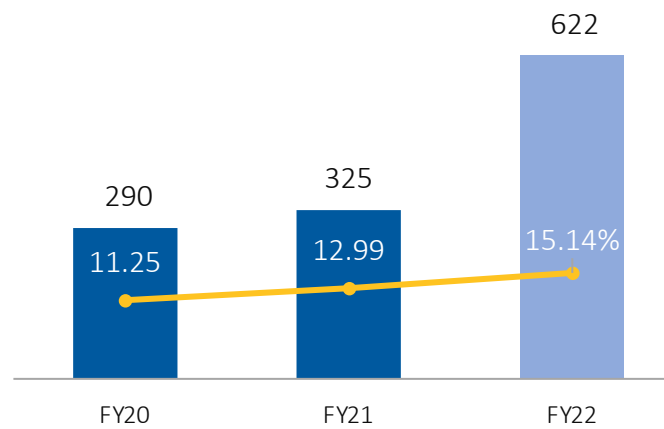


Particulars (INR Mn)	FY22	FY21	FY20	Particulars (INR Mn)	FY22	FY21	FY20
Equity	4,517	4,351	390	Non-Current Assets	5,583	5,784	5,983
(a) Equity Share Capital	638	626	449	(a) Property, Plant and Equipment	4,915	5,126	5,385
(b) Other Equity	3,879	3,725	(59)	(b) Capital Work in Progress	1	4	3
Non-Current Liabilities	2,123	2,197	2,835	(c) Other Intangible Assets	-	-	1
(a) Financial Liabilities				(d) Intangible Assets under Development	3	2	2
(i) Borrowings	2,065	2,143	2,785	Other Financial Assets	98	42	22
(ii) Other Financial Liabilities	33	33	33	(f) Deferred Tax Assets (Net)	480	524	464
(b) Provisions	25	21	17	(g) Other Non-Current Assets	86	86	106
Current Liabilities	1,098	917	4,298	Current Assets	2,155	1,681	1,540
(a) Financial Liabilities				(a) Inventories	805	647	776
(i) Borrowings	623	595	1,274	(i) Trade Receivables	399	363	294
(ii) Trade Payables	313	110	108	(ii) Cash and Cash Equivalents	29	5	8
(iii) Other Financial Liabilities	2	3	2,741	(iii) Other Bank Balances	3	49	27
(b) Other Current Liabilities	155	206	172	(iv) Other Financial Assets	10	11	8
(c) Provision	5	3	3	(c) Other Current Assets	909	606	427
TOTAL EQUITY AND LIABILITIES	7,738	7,465	7,523	TOTAL ASSETS	7,738	7,465	7,523

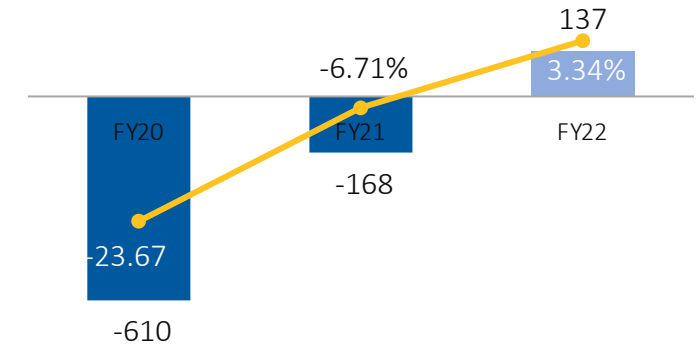
Operational Revenue (INR Mn)



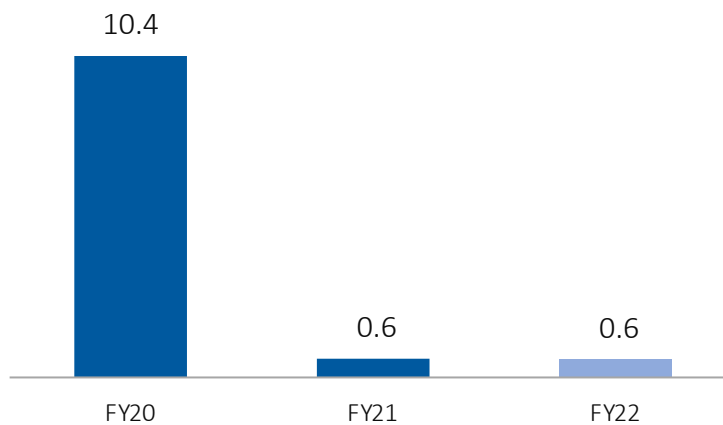
EBITDA (INR Mn) & EBITDA Margin (%)



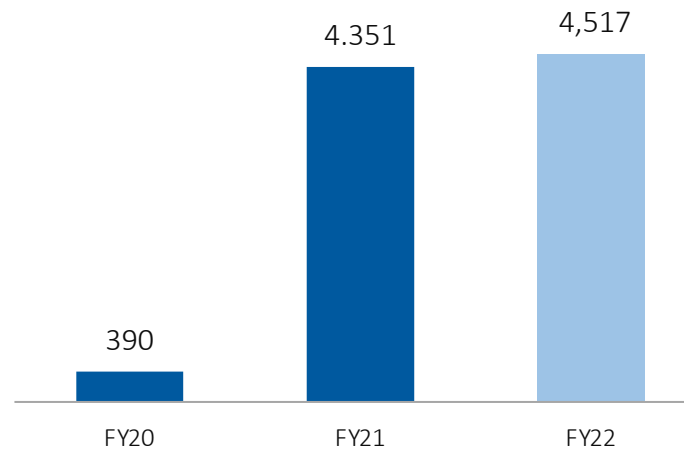
PAT (INR Mn) & PAT Margins (%)



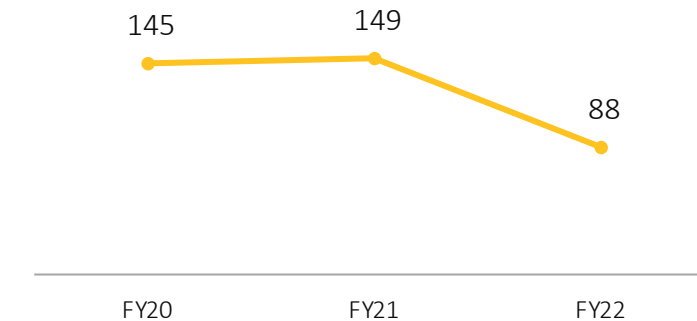
Debt to Equity (x)

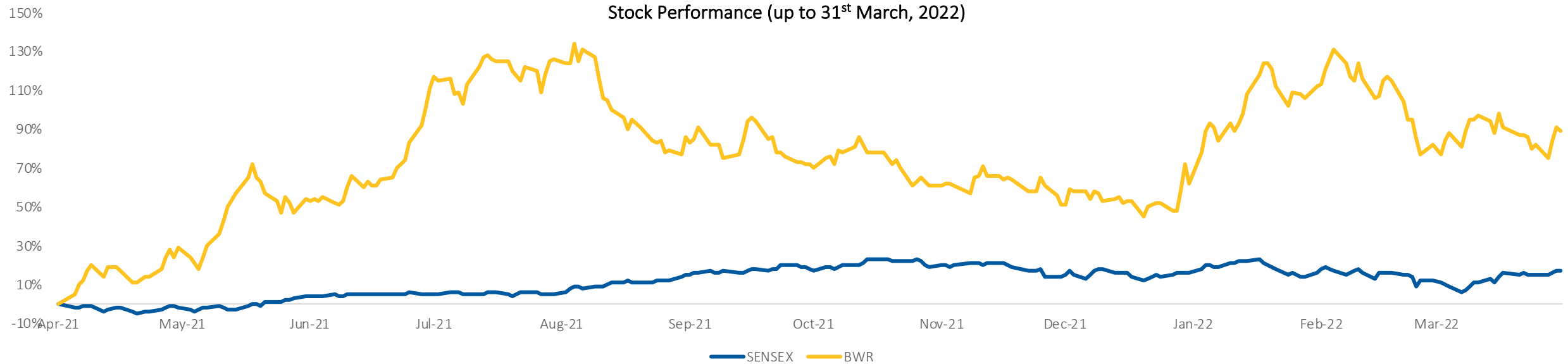


Net Worth (INR Mn)

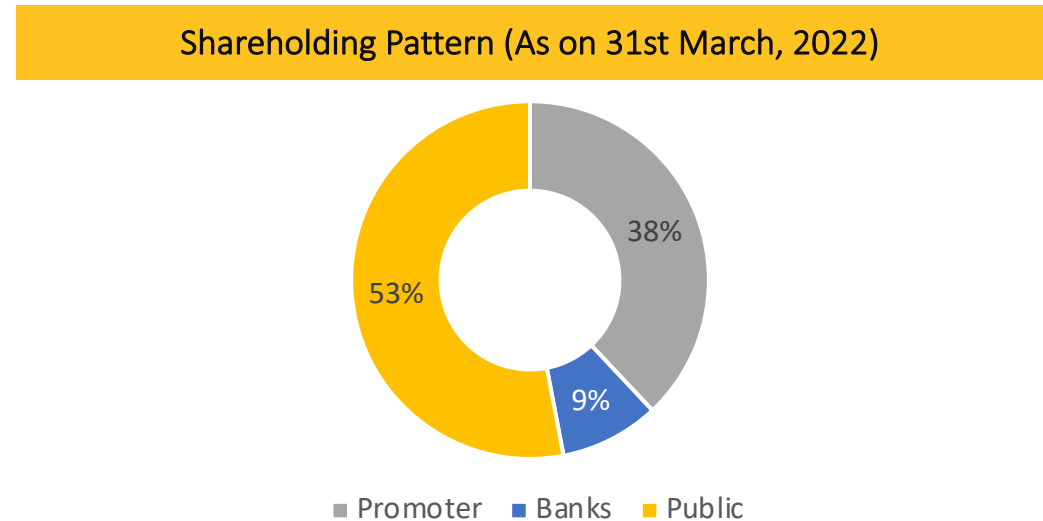


Cash Conversion Days





Market Data (As on 31 st March, 2022)	INR
Face Value	10.0
CMP	68.0
52 Week H/L	84.00/35.95
Market Cap (INR Mn)	4,301
Shares O/S (Mn)	63.25
Avg. Vol. ('000)	80



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Thank You