

### Gyscoal Alloys Limited: Reaffirmed

Facilities	Amount (Rs. Crore)	Rating
Term Loan	0.20	SMERA D (Reaffirmed)
Cash Credit	63.00	SMERA D (Reaffirmed)
Letter of Credit	5.00	SMERA D (Reaffirmed)

SMERA has reaffirmed the rating of '**SMERA D**' (read as **SMERA D**) on the above mentioned Rs.68.20 crore bank facilities of Gyscoal Alloys Limited (GAL). The reaffirmation is in view of the company's stretched liquidity position and overdrawing in the cash credit account.

#### Update

GAL has reported operating income of Rs. 176.75 crore in FY2014-15 (refers to financial year, April 01 to March 31) as against Rs.276.36 crore in FY2013-14. The company has reported profit after tax (PAT) of Rs.0.20 crore in FY2014-15 as against Rs.0.55 crore for FY2013-14. The company's liquidity position is stretched evident from the stretched working capital cycle and overdrawing in the cash credit account. The working capital cycle days are 183 for FY2014-15 as against 88 for FY2013-14. Further, the cash credit account has been classified as sub-standard asset.

#### Rating Sensitivity Factors

- Curing of default
- Timely realisation of receivables
- Effective working capital management

#### Criteria applied to arrive at the ratings:

- Default recognition
- Manufacturing Entities

#### About the Company

GAL, incorporated in 1999, is a Gujarat-based company promoted by Mr. Viral Shah. The company is engaged in the manufacture of alloy ingots, billets and stainless steel long products.

For FY2014-15, GAL reported profit after tax (PAT) of Rs.0.20 crore on operating income of Rs.176.75 crore, as compared with PAT of Rs. 0.55 crore on operating income of Rs.276.36 crore in FY2013-14.

#### Rating History

Date	Name of the Instruments	Amount (Rs. Crore)	Rating		Rating Outlook
			Long Term	Short Term	
22 June, 2015	Term Loan	0.20	SMERA D (Assigned)	-	-
	Cash Credit	63.00	SMERA D (Assigned)	-	-
	Letter of Credit	5.00	-	SMERA D	-

**Contacts:**

<b>Analytical</b>	<b>Business Development</b>
Mr. Mohit Jain Vice President – Ratings Operations, Tel: +91-22-6714 1105 Cell: 9619911017 Email: <a href="mailto:mohit.jain@smera.in">mohit.jain@smera.in</a>	Mr. Suman M Vice President – Business Development, Corporate Ratings Tel: +91-22-6714 1151 Cell: +91-9892306888 Email: <a href="mailto:suman.m@smera.in">suman.m@smera.in</a>

**ABOUT SMERA**

SMERA Ratings Limited is a joint initiative of SIDBI, Dun & Bradstreet Information Services India Private Limited (D&B) and leading public and private sector banks in India. SMERA is registered with SEBI as a Credit Rating Agency and accredited by Reserve Bank of India. For more details, please visit [www.smera.in](http://www.smera.in).

***Disclaimer:*** A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.smera.in](http://www.smera.in)) for the latest information on any instrument rated by SMERA.