

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	-

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ABOUT SMERA

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