Press Release

Gagan Ferrotech Limited

February 12, 2021

Rating Update

Total Bank Facilities Rated*	Rs. 345.00 Cr.#
Long Term Rating	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Short Term Rating	ACUITE A4+ Issuer not co-operating*

#Refer Annexure for details
**The issuer did not co-operate; based on best available information.*

Acuité has downgraded the long term rating to '**ACUITE BB**' **(read as ACUITE double B)** from '**ACUITE BB+' (read as ACUITE double B plus)** and reviewed the short-term rating of **'ACUITE A4+' (read as ACUITE A four plus)** on the Rs. 345.00 crore bank facilities of Gagan Ferrotech Limited. The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

Incorporated in 1993, Gagan Ferrotech Limited (formerly, Gagan Commodities Private Limited) is a Kolkata based company promoted by Mr. Vinay Kumar Agarwal and Mr. Deepak Agarwal. In 2016, the entire stake of Mr. Deepak Agarwal in GFL was taken over by Mr. Vinay Kumar & family after a mutual agreement. Currently, the day to day affairs are managed by Mr. Vinay Kumar Agarwal. The company was trading in coal till 2006 after which they ventured into manufacturing activities by setting up a sponge iron plant at Asansol (West Bengal). Over the years, GFL forward integrated its operation by setting up a billet, rolling mill and a captive power plant. The present capacity of GFL stands at 1,38,600 MTPA for sponge iron, 2,64,000 MTPA for billets and 1,50,000 MTPA for rolling mill (TMT bars and wire rods). In addition, the company has a captive power plant of 12 MW. The TMT bars and wire rods are sold under the brand name 'Gagan'.

Non-cooperation by the issuer/borrower:
Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

This rating continues to be flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria
- Default Recognition - https://www.acuite.in/view-rating-criteria-52.htm
- Manufacturing Entities -https://www.acuite.in/view-rating-criteria-59.htm

Limitation regarding information availability:
The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Liquidity Indicators - "No information provided by the issuer / available for Acuite to comment upon."

Rating Sensitivity - "No information provided by the issuer / available for Acuite to comment upon."

About the Rated Entity - Key Financials
The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA (if applicable)
None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
05-Dec-2019	Term Loan	Long Term	116.00	ACUITE BB+ (Downgraded from ACUITE A-/ Stable) Issuer not co-operating*
	Cash Credit	Long Term	155.00	ACUITE BB+ (Downgraded from ACUITE A-/ Stable) Issuer not co-operating*
	Letter of Credit	Short Term	74.00	ACUITE A4+ (Downgraded from ACUITE A2+) Issuer not co-operating*
24-Sep-2018	Term Loan	Long Term	116.00	ACUITE A-/Stable (Assigned)
	Cash Credit	Long Term	155.00	ACUITE A-/Stable (Assigned)
	Letter of Credit	Short Term	74.00	ACUITE A2+ (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Term Loan	Not Available	Not Applicable	Not Available	116.00	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	155.00	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	74.00	ACUITE A4+ Issuer not co-operating*

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

Contacts

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About Acuité Ratings & Research:
Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.