September 24, 2020

Goodluck India Limited: Ratings withdrawn

Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based - Term Loan	86.36	86.36	[ICRA]BBB (Negative); withdrawn
Fund-based - Working Capital Facilities	246.62	246.62	[ICRA]BBB (Negative); withdrawn
Non-fund Based - Working Capital Facilities	90.0	90.0	[ICRA]A3+; withdrawn
Total	**422.98**	**422.98**	

**Instrument details are provided in Annexure-1*

Rationale

ICRA has withdrawn the [ICRA]BBB (Negative)/A3+ ratings outstanding for the Rs. 422.98 crore bank facilities of Goodluck India Limited (GIL). The rating was withdrawn in accordance with ICRA's policy on the withdrawal and suspension of credit ratings, at the request of the company, and based on the no objection certificates from the lenders. ICRA does not have adequate information to suggest that the credit risk has changed since the time the rating was last reviewed.

The last detailed rating rationale can be found here.

Key rating drivers and their description

Not Applicable

Liquidity position

Not Applicable

Rating sensitivities

Not Applicable

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	NA
Consolidation/Standalone	The ratings are based on the standalone financial profile of the company.

About the company

Goodluck India Limited (GIL), incorporated in 1986, manufactures steel pipes and tubes, steel structures and steel forgings. GIL's product portfolio includes mild steel (MS) black pipes, galvanised iron (GI) pipes, galvanised product (GP) pipes, cold drawn welded (CRW) precision tubes, forgings, steel towers and cold rolled (CR) steel sections. The company has manufacturing facilities at Sikanderabad and Dadri in Uttar Pradesh and Bhuj, Gujarat for all these components, with manufacturing capacity of 1,87,000 MTPA for pipes and tubes, 55,000 MTPA for sheets, 60,000 MTPA for steel structures and 12,000 MTPA for steel forgings.

Key financial indicators (audited)

	FY2019	FY2020
Operating Income (Rs. crore)	1656.8	1633.8
PAT (Rs. crore)	30.6	33.9
OPBDIT/OI (%)	7.65%	7.83%
PAT/OI (%)	1.85%	2.07%
Total Outside Liabilities/Tangible Net Worth (times)	1.78	1.48
Total Debt/OPBDIT (times)	3.99	4.00
Interest Coverage (times)	2.09	2.12

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2021) Type	Amount Rated	Amount Outstanding (June 2019)	Rating 24-Sep-2020	20-Apr-2020	Rating History for the Past 3 Years FY2020 23-Sep-2019	FY2019 26-Oct-2018	FY2018 14-Jul-2017
1	Term Loan	Long Term	86.36	83.36	[ICRA]BBB (Negative); withdrawn	[ICRA]BBB (Negative)	[ICRA]BBB (Negative)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
2	Cash Credit	Long Term	246.62	-	[ICRA]BBB (Negative); withdrawn	[ICRA]BBB (Negative)	[ICRA]BBB (Negative)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
3	Letter of Credit & Bank Guarantee	Short Term	90.0	-	[ICRA]A3+; withdrawn	[ICRA]A3+	[ICRA]A3+	[ICRA]A3+	[ICRA]A3+

Amount in Rs. Crore;

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	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loans	FY2015-FY2018	9.3%-10.7%	FY2022-FY2024	86.36	[ICRA]BBB (Negative); withdrawn
NA	Cash Credit	-	-	-	246.62	[ICRA]BBB (Negative); withdrawn
NA	Letter of Credit & Bank Guarantee	-	-	-	90.0	[ICRA]A3+; withdrawn

Source: Goodluck India Limited

Annexure-2: List of entities considered for consolidated analysis – Not applicable

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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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