

## **GOOD LUCK STEEL TUBES LTD**

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### **PRESS RELEASE**

## **Good Luck Credit Rating Upgraded by ICRA**

**Ghaziabad, December 02, 2015:** Good Luck Steel Tubes Ltd is pleased to announce that ICRA has upgraded its **long term rating** to one notch higher at **BBB+ from BBB** earlier and also upgraded the **short term rating to A2 from A3+**. The outlook on the long-term rating is Stable.

ICRA's long term rating BBB + signifies that the company has moderate degree of safety regarding timely servicing of financial obligations and + (plus) appended to the rating symbol indicate stronger relative position. On the other hand, for short term the company with A2 rating is now in a strong degree of safety regarding timely payment of financial obligations earlier from moderate degree of safety regarding timely payment of financial obligations. Improvements in rating increases stakeholders trust and will also help the company to raise finances at better terms.

**According to ICRA,** "The upgrade of ratings reflects significant improvement in Good Luck's profitability in 1HFY16 (six months ending September 2015) post commissioning of expanded capacity for precision tubes during FY15 which resulted in lower gearing and leverage ratio for the company. ICRA notes that the operating profit margin of the company improved to 10.6% in 1HFY16 from 7.7% in FY15 while its gearing reduced to 1.48 times from 1.71 times over the same period. The improvement has been brought about by consistent efforts of the management to diversify its product portfolio in favour of value-added products which currently comprise 50% of its turnover."

Going forward, the ability of the company to augment its revenues while sustaining recent improvement in profitability and to improve its capital structure and coverage indicators will form the key rating sensitivities from credit perspective.

### **About Good Luck Steel :**

Good Luck Group is an ISO 9001 certified organization, engaged in manufacturing and exporting of wide range of Automobile CDW Tubes, Forged Engineering Products, T&D Towers & Boiler Structure, Galvanized Pipes, Roofing Sheets & Annealed Sheets. Our Group is one of India's leading and fastest growing business groups with over 1800 employees and having plants and units at different locations. With all requisite facilities and domain expertise, Good Luck have the capacity to manufacture & process around 2,00,000 MT of various steel products. Years of research and careful Co-Ordination of methodology has resulted in qualitatively superior products meeting stringent customer norms, manufactured by cost effective production techniques.

*Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential product characteristics and uses, product sales potential and target dates for product launch are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results, changed assumptions or other factors.*

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