

**Gammon India Limited**

August 05, 2021

**Ratings**

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	949.05	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	9,092.78	CARE D / CARE D; ISSUER NOT COOPERATING* (Single D / Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>10,041.83</b> <b>(Rs. Ten Thousand Forty-One Crore and Eighty-Three Lakhs Only)</b>		
Non Convertible Debentures	324.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Long Term Instruments</b>	<b>324.00</b> <b>(Rs. Three Hundred Twenty-Four Crore Only)</b>		

*Details of instruments/facilities in Annexure-1;*
**Detailed Rationale & Key Rating Drivers**

CARE had, vide its press release dated July 23, 2020, placed the rating(s) of Gammon India Limited (GIL) under 'issuer non-cooperating' category as GIL had failed to provide information for monitoring of the rating. GIL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls dated June 1, 2021, June 22, 2021 and June 28, 2021 among others. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

The ratings consider the ongoing delays in debt servicing by the company.

**Detailed description of the key rating drivers**

*At the time of last rating on June 23, 2020 the following were the rating strengths and weaknesses (updated for the information available from Registrar of Companies)*

**Key Rating Weakness**

**Delays in Debt Servicing:** There are delays in servicing of debt obligations owing to delayed execution of projects, delays in recoveries from customers and huge debt burden leading to constrained liquidity position of the company.

**Analytical approach:** Standalone

**Applicable Criteria**

[Policy in Respect of Non-cooperation by issuers](#)

[Default recognition](#)

**About the Company**

Incorporated in 1922, GIL is the flagship company of the Gammon group and offers services covering the whole gamut of the civil and construction activities. GIL undertakes construction of roads, bridges, flyovers, power plants, chimneys and cooling towers, cross-country pipelines, structures for hydro-electric power projects, buildings and factories. The company has also

<sup>2</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

\*Issuer did not cooperate; Based on best available information

been present in the infrastructure project development space since 2001 through GIL's subsidiary Gammon Infrastructure Projects Limited (GIPL, 74.98% stake), which executes public private partnership based projects in the road, port and power sectors through project-specific special purpose vehicles.

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	281.02	118.85
PBILDT	107.61	-17.47
PAT	-1,752.15	-1,121.14
Overall gearing (times)	-1.50	-1.16
Interest coverage (times)	38.29	-14.70

A: Audited;

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating History for last three years:** Please refer Annexure-2

**Covenants of rated instrument/facility:** Annexure 3

**Complexity level of various instruments rated for this company:** Annexure 4

#### Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based-Long Term		-	-	-^	949.05	CARE D; ISSUER NOT COOPERATING*
Non-fund-based-LT/ST		-	-	-	9092.78	CARE D / CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE259B01020	April 15, 2015	9.50%	15-10-2022	324.00	CARE D; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; Based on best available information; ^information not available

#### Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Debentures-Non Convertible Debentures	LT	324.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (23-Jul-20)	1)CARE D; ISSUER NOT COOPERATING* (10-Jul-19)	-
2.	Fund-based-Long Term	LT	949.05	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (23-Jul-20)	1)CARE D; ISSUER NOT COOPERATING* (10-Jul-19)	-
3.	Non-fund-based-LT/ST	LT/ST	9092.78	CARE D / CARE D; ISSUER NOT COOPERATING*	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (23-Jul-20)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (10-Jul-19)	-

\*Issuer did not cooperate; Based on best available information

**Annexure 3: Covenants of rated instrument/facility:** Not applicable

**Annexure 4: Complexity level of various instruments rated for this company:**

Sr. No.	Name of the Instrument	Complexity Level
1.	Debentures-Non Convertible Debentures	Simple
2.	Fund-based-Long Term	Simple
3.	Non-fund-based-LT/ST	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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