

## GVK Industries Limited

November 07, 2022

### Ratings

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	520.07	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	19.60	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>539.67</b> <b>(₹ Five Hundred Thirty-Nine Crore and Sixty-Seven Lakhs Only)</b>		

Details of instruments/facilities in Annexure-1.

### Detailed rationale and key rating drivers

CARE had, vide its press release dated September 13, 2022 placed the ratings of GVK Industries Limited. (GIL) under the 'issuer non-cooperating' category as GIL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. GGPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a email dated August 14, 2022, August 19, 2022 and October 03, 2022. 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 ratings.***

### Detailed description of the key rating drivers

At the time of last rating on September 07, 2021 the following were the rating strengths and weaknesses (updated for the information available from Registrar of Companies):

### Detailed description of the key rating drivers

#### Key rating weaknesses

#### **Stretched liquidity position with delay in debt servicing:**

The liquidity position of the company continues to remain stretched with delays in debt servicing since the company is reporting continues net losses and cash losses.

#### Key Rating Strength

**Experience of group in power sector:** GGPL is a part of the Hyderabad-based GVK group, which is one of the first Independent Power Plant developers in the country. The GVK group through GVK Power & Infrastructure Limited and its subsidiaries has substantial ownership interest in power generating assets and is also engaged in the building and developing of road projects, providing infrastructure facilities, exploration of oil & natural gas, operations, maintenance and development (OMD) of airport projects and exploration of coal mines. The group has 15 assets in its portfolio, out of which, seven assets are in power, four in highways, two are in mining and two in airports.

**Analytical approach:** Standalone

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

## Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Power Generation Projects](#)

## About the company

GVK Industries Limited (GIL) is a wholly-owned subsidiary of GVK Energy Limited (GEL) incorporated in June, 1992. Further, GEL is also the subsidiary of GVK Power & Infrastructure Limited, the flagship company of the GVK group. GIL is engaged in generation of electricity at its mixed fuel combined cycle power plants situated in Jegurupadu in Andhra Pradesh (AP). Total installed capacity of the company is 437 MW, which was set up in two stages of 217 MW (Phase I) and 220 MW (Phase II).

Brief Financials (₹ crore)	March 31, 2020 (A)	March 31, 2021 (A)	March 31, 2022(A)	H1FY23(UA)
Total operating income	0.00	0.00	NA	NA
PBILDT	-8.58	-3.82	NA	NA
PAT	-118.46	-135.73	NA	NA
Overall gearing (times)	-3.87	-1.90	NA	NA
Interest coverage (times)	-0.11	-0.05	NA	NA

A: Audited UA: Unaudited NA: Not available

**Status of non-cooperation with previous CRA:** Nil

**Any other information:** Nil

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

**Covenants of the rated instruments/facilities:** Detailed explanation of covenants of the rated instruments/facilities is given in 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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	31.46	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	30/06/2022	488.61	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit		-	-	-	19.60	CARE D; ISSUER NOT COOPERATING*

**Annexure-2: Rating history for the last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	488.61	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (13-Sep-21)	1)CARE D; ISSUER NOT COOPERATING* (21-Jul-20)	1)CARE D; ISSUER NOT COOPERATING* (10-May-19)
2	Fund-based - LT-Cash Credit	LT	31.46	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (13-Sep-21)	1)CARE D; ISSUER NOT COOPERATING* (21-Jul-20)	1)CARE D; ISSUER NOT COOPERATING* (10-May-19)
3	Non-fund-based - ST-Letter of credit	ST	19.60	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (13-Sep-21)	1)CARE D; ISSUER NOT COOPERATING* (21-Jul-20)	1)CARE D; ISSUER NOT COOPERATING* (10-May-19)

\*Long term/Short term.

**Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: NA**
**Annexure-4: Complexity level of various instruments rated for this company**

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Letter of credit	Simple

**Annexure-5: Bank lender details for this company**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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### About us:

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### Disclaimer:

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