

GVK Gautami Power Limited

September 13, 2021

Ratings

Facilities	Amount (Rs. crore)	Rating1	Rating Action
Long Term Bank Facilities	1,009.75	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	1,009.75 (Rs. One Thousand Nine Crore and Seventy-Five Lakhs Only)		

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

CARE had, vide its press release dated July 21, 2020, placed the ratings of GVK Gautami Power Ltd. (GGPL) under the 'issuer non-cooperating' category as GGPL 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 June 06, 2021, June 16, 2021 and June 26, 2021. 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 July 21, 2020 the following were the rating strengths and weaknesses (updated for the information available from Registrar of Companies):

Key Rating Weaknesses***Stretched liquidity position with delay in debt servicing:***

The liquidity position of the company continued to remain stretched on an account of plant being non- operational since 2016 resulting in delays in debt servicing

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**Applicable Criteria**
[Policy in respect of Non-cooperation by issuer](#)
[Criteria on assigning outlook and credit watch](#)
[CARE's Policy on Default Recognition](#)
[CARE's methodology for Power Generators](#)
[Financial ratios – Non-Financial Sector](#)
About the Company

GVK Gautami Power Ltd. is a subsidiary of GVK Energy Limited (GEL), which in turn is the subsidiary of GVK Power & Infrastructure Limited the flagship company of the GVK group. The company set up a 464 MW gas-based Combined Cycle Power Plant (CCPP), located in East Godavari District of Andhra Pradesh, comprising two gas turbine generators and one steam turbine generator.

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	0.00	0.00
PBILDT	(19.22)	(3.93)
PAT	(300.72)	(274.65)
Overall gearing (times)	NM	NM
Interest coverage (times)	NM	NM

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: 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	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	June 2020	851.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	43.75	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - LT-Letter of credit	-	-	-	115.00	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

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 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based - LT-Term Loan	LT	851.00	CARE D; ISSUER NOT COOPERATING*	-	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	43.75	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (21-Jul-20)	1)CARE D; ISSUER NOT COOPERATING* (10-May-19)	-
3.	Non-fund-based - LT-Letter of credit	LT	115.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (21-Jul-20)	1)CARE D; ISSUER NOT COOPERATING* (10-May-19)	-

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not applicable

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

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

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About CARE Ratings:

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.

Disclaimer

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