

GJS Infratech Private Limited

July 14, 2022

Ratings

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	27.50	CARE D (Single D)	Rating removed from ISSUER NOT COOPERATING category and Revised from CARE B+; Stable; (Single B Plus; Outlook: Stable)
Short Term Bank Facilities	92.50	CARE D (Single D)	Rating removed from ISSUER NOT COOPERATING category and Revised from CARE A4; (A Four)
Total Bank Facilities	120.00 (₹ One Hundred Twenty Crore Only)		

Details of instruments/facilities in Annexure-1.

Detailed rationale and key rating drivers

The revision in ratings assigned to the bank facilities of GJS Infratech Private Limited (GIPL) is due to delay in debt servicing of the rated facilities by CARE Ratings.

Rating sensitivities

Positive factors – Factors that could lead to positive rating action/upgrade:

- Delay free track record in servicing debt obligations.
- Improvement in scale of operations and liquidity on a sustained basis.

Detailed description of the key rating drivers

Key rating weaknesses

Delays in debt servicing – The lender has classified the credit facilities availed by the company which were rated by CARE Ratings as NPA since May 29, 2022. The company had relied on working capital limits for capex, instead of term loans/construction finance leading to asset liability mismatch, thereby resulting in strain in liquidity and delay in debt servicing obligations.

Liquidity: Poor

Poor liquidity of the company is characterized by mismatch in cashflow due to funding of long terms using short term working capital limits, leading to delay in debt servicing.

Analytical approach - Standalone

Applicable criteria

[Policy on default recognition](#)

[Financial Ratios – Non-financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Construction](#)

About the company

GJS Infratech Private Limited (GIPL) was incorporated in October 2009, and promoted by Mr. Jangam Gopi and Mr. Jangam Vishwanath. Mr. Jangam Gopi, the Managing director of GIPL has about two and a half decades of experience in construction industry. He is ably supported by Mr. Jangam Vishwanath, another director; an MBA graduate has around four years of experience and is actively involved in day-to-day operations. The company is engaged in execution of civil works for Government and private entities.

Brief Financials (₹ crore)	March 31, 2020 (A)	March 31, 2021 (A)	March 31, 2022 (A)	Q1FY23 (UA)
Total operating income	119.22	81.20	NA	NA
PBILD	17.85	23.07	NA	NA
PAT	4.88	3.08	NA	NA
Overall gearing (times)	0.95	1.08	NA	NA
Interest coverage (times)	1.45	1.21	NA	NA

A: Audited; UA: Unaudited

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	27.50	CARE D
Non-fund-based - ST-BG/LC		-	-	-	92.50	CARE D

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-Cash Credit	LT	27.50	CARE D	1)CARE B+; Stable; ISSUER NOT COOPERATING* (09-Jun-22)	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (26-Mar-21) 2)CARE BB+; Stable (22-Sep-20)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (12-Mar-20)
2	Non-fund-based - ST-BG/LC	ST	92.50	CARE D	1)CARE A4; ISSUER NOT COOPERATING* (09-Jun-22)	-	1)CARE A4; ISSUER NOT COOPERATING* (26-Mar-21) 2)CARE A4 (22-Sep-20)	1)CARE A4; ISSUER NOT COOPERATING* (12-Mar-20)

*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities- Not Applicable

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	Non-fund-based - ST-BG/LC	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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