Gayatri Projects Limited

April 03, 2023

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	1,597.20	CARE D; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	4,447.16	CARE D / CARE D; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.
*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. has been seeking information from Gayatri Projects Limited (GPL) to monitor the rating vide e-mail communications dated January 2, 2023 to March 13, 2023 among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the rating. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on GPL's bank facilities will now be denoted as **CARE D; ISSUER NOT COOPERATING***.

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

The ratings have been revised on account of non-cooperation by GPL and CARE Ratings' efforts to undertake a review of the ratings outstanding. CARE views information availability risk as a key factor in its assessment of credit risk. Further the ratings assigned to the bank facilities of Gayatri Projects Limited (GPL) is on account of delays in debt servicing of the company due to liquidity stress on account of cash flow mismatch arising out of delays in receipt of debtors.

Analytical Approach: Standalone

Outlook: NA

Detailed description of the key rating drivers

Key Rating Weakness Delays in Debt Servicing

The company has been facing severe liquidity constraints in FY21 due to delay in receipt of receivables, the liquidity of the company has been strained due to cash flow mismatch resulting in delay in debt servicing obligations. The Lenders have also confirmed default in debt servicing obligations of total outstanding facilities. The account has become NPA since June 2021.

Key Ratings Strengths

Significant experience and track record of promoters in execution of construction contracts

Gayatri Projects Ltd (GPL) is a civil construction company with over four decades of experience in executing various infrastructure projects. GPL, an ISO 9001 – 2000 company, is engaged in execution of major civil works including Concrete/Masonry Dams, Earth Filling Dams, National Highways, Bridges, Canals, Aqueducts, Ports, etc. The clientele of the company includes various state government departments. GPL has successfully completed Construction / Maintenance/ Widening of more than 1,900 Km of highways, 1,250 Km of Irrigation projects along with several other projects of dams & reservoir and industrial buildings etc.

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

Liquidity Position: Poor

The liquidity position of the company stands poor on account of delays in receipt of receivables leading to cash flow mismatch resulting in delays in debt servicing.

Assumptions/Covenants: NA

Environment, social, and governance (ESG) risks: Nil

Applicable criteria

Policy in respect of Non-cooperation by issuer
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
Policy on Withdrawal of Ratings

About the company and industry

Industry Classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Industrials	Construction	Construction	Civil Construction

Gayatri Projects Limited (GPL) has been promoted by Dr T. Subbarami Reddy, while the day-to-day management of the company is currently undertaken by his son and Managing Director Mr. T. V. Sandeep Kumar Reddy. GPL is a prominent infrastructure construction company with over four decades of experience in executing various infrastructure projects, especially in road and irrigation segment. GPL, an ISO 9001 – 2000 company, is engaged in execution of major Civil Works including Concrete/Masonry Dams, Earth Filling Dams, National Highways, Bridges, Canals, Aqueducts, Ports, etc. It specializes in engineering, procurement and construction (EPC) of road, irrigation and industrial projects across India. GPL has healthy and diversified order book of Rs.12,040.91 crore as on September 30, 2020 (as against Rs.16,625.65 crore as on December 31, 2018), which translates to 4.39x of gross billing of FY20 providing long term revenue visibility.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	9MFY23 (UA)
Total operating income	3,900.52	3,102.34	872.68
PBILDT	444.33	-376.87	-608.26
PAT	56.58	-926.29	-952.39
Overall gearing (times)	1.97	34.20	NA
Interest coverage (times)	1.26	-1.03	NA

A: Audited UA: Unaudited The above results are latest financial results available.

Status of non-cooperation with previous CRA: N.A.

Any other information: N.A.

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

Covenants of the rated instruments/facilities: Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of the various instruments rated: Annexure-4

Lender details: Annexure-5

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		-	-	-	1023.50	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-External Commercial Borrowings		-	-	-	2.34	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Funded Interest term Loan		-	-	30-09-2021	6.75	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Funded Interest term Loan		-	-	31-03-2021	0.54	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	28-02-2022	43.95	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	30-06-2023	46.24	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	30-06-2023	189.67	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Working capital Term Loan		-	-	31-12-2023	64.99	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - LT-Bank Guarantee		-	-	-	219.22	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-BG/LC		-	-	-	4447.16	CARE D / CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

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	46.24	CARE D; ISSUER NOT COOPERATING*	1)CARE D (06-Apr-22)	-	1)CARE D (01-Mar-21) 2)CARE B; Stable (19-Jan-21)	1)CARE D (15-Nov-19) 2)CARE BB+; Stable (04-Jun-19)
2	Fund-based - LT-Term Loan	LT	189.67	CARE D; ISSUER NOT COOPERATING*	1)CARE D (06-Apr-22)	-	1)CARE D (01-Mar-21) 2)CARE B; Stable (19-Jan-21)	1)CARE D (15-Nov-19) 2)CARE BB+; Stable (04-Jun-19)
3	Fund-based - LT-Cash Credit	LT	1023.50	CARE D; ISSUER NOT COOPERATING*	1)CARE D (06-Apr-22)	-	1)CARE D (01-Mar-21) 2)CARE B; Stable (19-Jan-21)	1)CARE D (15-Nov-19) 2)CARE BB+; Stable (04-Jun-19)
4	Non-fund-based - LT/ ST-BG/LC	LT/ST*	4447.16	CARE D / CARE D; ISSUER NOT COOPERATING*	1)CARE D / CARE D (06-Apr-22)	-	1)CARE D / CARE D (01-Mar-21) 2)CARE B; Stable / CARE A4 (19-Jan-21)	1)CARE D (15-Nov-19) 2)CARE BB+; Stable / CARE A4+ (04-Jun-19)
5	Fund-based - LT-External Commercial Borrowings	LT	2.34	CARE D; ISSUER NOT COOPERATING*	1)CARE D (06-Apr-22)	-	1)CARE D (01-Mar-21) 2)CARE B; Stable (19-Jan-21)	1)CARE D (15-Nov-19) 2)CARE BB+; Stable

								(04-Jun-19)
6	Fund-based - LT-Funded Interest term Loan	LT	6.75	CARE D; ISSUER NOT COOPERATING *	1)CARE D (06-Apr-22)	-	1)CARE D (01-Mar-21) 2)CARE B; Stable (19-Jan-21)	1)CARE D (15-Nov-19) 2)CARE BB+; Stable (04-Jun-19)
7	Fund-based - LT-Working capital Term Loan	LT	64.99	CARE D; ISSUER NOT COOPERATING *	1)CARE D (06-Apr-22)	-	1)CARE D (01-Mar-21) 2)CARE B; Stable (19-Jan-21)	1)CARE D (15-Nov-19) 2)CARE BB+; Stable (04-Jun-19)
8	Fund-based - LT-Term Loan	LT	43.95	CARE D; ISSUER NOT COOPERATING *	1)CARE D (06-Apr-22)	-	1)CARE D (01-Mar-21) 2)CARE B; Stable (19-Jan-21)	-
9	Non-fund-based - LT-Bank Guarantee	LT	219.22	CARE D; ISSUER NOT COOPERATING *	1)CARE D (06-Apr-22)	-	1)CARE D (01-Mar-21) 2)CARE B; Stable (19-Jan-21)	-
10	Fund-based - LT-Funded Interest term Loan	LT	0.54	CARE D; ISSUER NOT COOPERATING *	1)CARE D (06-Apr-22)	-	1)CARE D (01-Mar-21) 2)CARE B; Stable (19-Jan-21)	-

*Issuer did not cooperate; based on best available information.
*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities N.A.

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-External Commercial Borrowings	Simple
3	Fund-based - LT-Funded Interest term Loan	Simple
4	Fund-based - LT-Term Loan	Simple
5	Fund-based - LT-Working capital Term Loan	Simple
6	Non-fund-based - LT/ ST-BG/LC	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please click here

Note on the 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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