

Gammon India Limited

July 23, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	949.05	CARE 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*	Rating continues to remain under ISSUER NOT COOPERATING category
Non-Convertible Debentures	324.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under 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 had, vide its press release dated July 24, 2023, reaffirmed the rating(s) of Gammon India Limited (GIL) under 'issuer noncooperating' 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 08, 2024, to July 11, 2024, 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 reaffirmation in the ratings assigned to the bank facilities of GIL is due to continued delays in the company's ability to meet debt obligations due to cash flow mismatches and poor liquidity.

Analytical approach: Standalone

Detailed description of the key rating drivers:

At the time of last rating on July 24, 2023, the following were the rating strengths and weaknesses (updated for the information available from Registrar of Companies).

Key weaknesses

Delay in Debt servicing and poor liquidity: There are delays in servicing of debt obligations owing to delayed execution of projects, delays in recoveries from customers and heavy debt burden leading to strained liquidity.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

[Definition of Default](#)

[Policy in respect of non-cooperation by issuers](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Construction](#)

[Infrastructure Sector Ratings](#)

[Short Term Instruments](#)

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

About the company and industry

Industry classification

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

Established in 1922, GIL serves as the flagship entity of the Gammon group and provides a comprehensive range of civil and construction services. Their expertise encompasses the construction of various projects such as roads, bridges, flyovers, power plants, chimneys, cooling towers, cross-country pipelines, hydro-electric power structures, buildings, and factories. Additionally, GIL has been involved in infrastructure project development since 2001, facilitated by its subsidiary, Gammon Infrastructure Projects Limited (GIPL), which holds a significant 74.98% stake. GIPL focuses on executing public-private partnership projects in the road, port, and power sectors through dedicated special purpose vehicles.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	9MFY24 (UA)
Total operating income	27.66	101.48	18.85
PBILDT	-251.36	-93.64	-21.08
PAT	-1,085.75	-1,540.07	-881.07
Overall gearing (times)	-0.83	-0.67	NA
Interest coverage (times)	-0.35	-0.12	-0.03

A: Audited UA: Unaudited NA: Not Available; Note: 'the above results are latest financial results available'

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: 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-Long Term		-	-	-	949.05	CARE D; ISSUER NOT COOPERATING*
NCD	INE259B07100	18-Jun-2010	9.50	18-Jun-2020	324.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based-LT/ST		-	-	-	9092.78	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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Debentures-Non Convertible Debentures	LT	324.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (24-Jul-23)	1)CARE D; ISSUER NOT COOPERATING* (05-Aug-22)	1)CARE D; ISSUER NOT COOPERATING* (05-Aug-21)
2	Fund-based-Long Term	LT	949.05	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (24-Jul-23)	1)CARE D; ISSUER NOT COOPERATING* (05-Aug-22)	1)CARE D; ISSUER NOT COOPERATING* (05-Aug-21)
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* (24-Jul-23)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (05-Aug-22)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (05-Aug-21)

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

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of the various instruments rated**

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

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.

Contact Us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Saikat Roy Senior Director CARE Ratings Limited Phone: 91 22 6754 3404 E-mail: saikat.roy@careedge.in	Analytical Contacts Karthik Raj K Director CARE Ratings Limited Phone: 080 46625555 E-mail: karthik.raj@careedge.in Nivedita Anirudh Ghayal Associate Director CARE Ratings Limited Phone: 914040102031 E-mail: nivedita.ghayal@careedge.in Amit Jethwani Rating Analyst CARE Ratings Limited E-mail: Amit.Jethwani@careedge.in
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About us:

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