

Ghai Construction Limited

January 21, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	5.00	CARE BB-; ISSUER NOT COOPERATING* (Double B Minus ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	20.00	CARE A4; ISSUER NOT COOPERATING* (A Four ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	25.00 (Rs. Twenty-Five Crore Only)		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated January 28, 2021, placed the rating(s) of Ghai Construction Limited (GCL) under the 'issuer non-cooperating' category as GCL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. GCL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated December 14, 2021, December 24, 2021, January 03, 2022.

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.

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

Detailed description of the key rating drivers

Please refer to PR dated [January 28, 2021](#)

Analytical approach: Standalone

Applicable Criteria

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

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

About the Company

Pune-based GCL, incorporated in April 1995, is a public limited company engaged in the construction of infrastructure projects. The company has eight promoters with Mr. Amarjit Singh Ghai being the managing director. GCL is a regional player in the construction industry and has executed various projects mainly for Government departments for the development of roads, railway tracks, bridges, highways and urban infrastructure.

Brief Financials (Rs. crore)	2020(A)	2021(A)	9MFY22(Prov.)
Total operating income	94.38	NA	NA
PBILDT	13.09	NA	NA
PAT	5.40	NA	NA
Overall gearing (times)	0.42	NA	NA
Interest coverage (times)	6.28	NA	NA

A: Audited, Prov.- Provisional, NA – Not Available

Status of non-cooperation with previous CRA: ICRA has continued the ratings assigned to the bank facilities of GCL into 'Issuer not-cooperating' category vide press release dated September 14, 2021 on account of non-availability of requisite information from the company.

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument/facility: Please refer Annexure-3

Complexity level of various instruments rated for this trust: Please refer Annexure-4

¹ Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE publications

*Issuer did not cooperate; Based on best available information

Annexure-1: Details of Instruments / Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Non-fund-based - ST-Bank Guarantees		-	-	-	20.00	CARE A4; ISSUER NOT COOPERATING*
Fund-based - LT-Bank Overdraft		-	-	-	5.00	CARE BB-; 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	Non-fund-based - ST-Bank Guarantees	ST	20.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (28-Jan-21)	1)CARE A4; ISSUER NOT COOPERATING* (22-Nov-19)	1)CARE A4; ISSUER NOT COOPERATING* (16-Jul-18)
2	Fund-based - LT-Bank Overdraft	LT	5.00	CARE BB-; ISSUER NOT COOPERATING*	-	1)CARE BB-; ISSUER NOT COOPERATING* (28-Jan-21)	1)CARE BB-; ISSUER NOT COOPERATING* (22-Nov-19)	1)CARE BB-; ISSUER NOT COOPERATING* (16-Jul-18)

*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 instrument	Complexity level
1	Fund-based - LT-Bank Overdraft	Simple
2	Non-fund-based - ST-Bank Guarantees	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@careedge.in for any clarifications.

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About CARE Ratings:

Established in 1993, CARE Ratings Ltd is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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