

## Gayatri Bioorganics Limited

August 26, 2021

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	16.66	<b>CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)</b>	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	10.00	<b>CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)</b>	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Facilities</b>	<b>26.66 (Rs. Twenty-Six Crore and Sixty-Six Lakhs Only)</b>		

*Details of instruments/facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers:

CARE had, vide its press release dated September 18, 2020, placed the rating(s) of Gayatri BioOrganics Limited (GBL) under the 'issuer non-cooperating' category as GBL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. GBL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated August 04, 2021, August 14, 2021, August 18, 2021 & August 19, 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 rating(s).***

### Detailed description of the key rating drivers

Further, at the time of last rating on September 18, 2020, the following were the rating strengths and weaknesses:  
*(Updated information taken from Bombay Stock Exchange (BSE) as the company is listed)*

### Key Rating weakness

**Delays with respect to debt servicing on account of stretched liquidity position:** The Company was facing stretched liquidity position which had led to delays in debt servicing at the back of losses resulting in erosion of Network.

**Analytical approach:** Standalone

### Applicable Criteria:

[Policy in respect of Non-cooperation by issuer](#)  
[CARE's Policy on Default Recognition](#)  
[Criteria for Short Term Instruments](#)  
[Rating Methodology-Manufacturing Companies](#)  
[Financial ratios – Non-Financial Sector](#)  
[Liquidity Analysis of Non-Financial Sector Entities](#)

### About the Company:

Gayatri Bio-organics Ltd (GBL) was originally incorporated as Starchkem Industries Ltd in December 1991 by Mr. T. Sandeep Kumar Reddy (Present Chairman). GBL is a part of Hyderabad based Gayatri Group, which is in the business of civil constructions, sugar and hospitality. GBL was engaged in the business of manufacturing of Maize, Starch, sorbitol (Sugar Alcohol), Liquid Glucose and other allied products. During FY2019, GBL transferred its assets to Bluecraft Agro Private Ltd under Business Transfer Agreement by way of slump sale.

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

\*Issuer did not cooperate; Based on best available information

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)
Total operating income	0.00	0.01
PBILDT	-0.61	-0.49
PAT After Discontinuing Operations	-0.55	-0.50
Overall gearing (times)	NM	NM
Interest coverage (times)	NM	NM

A: Audited; NM: Not Meaningful

**Status of non-cooperation with previous CRA:** Not Applicable.

**Any other information:** Not applicable

**Rating History (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	-	-	March, 2015	1.66	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	15.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit	-	-	-	10.00	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	1.66	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (18-Sep-20)	1)CARE D; ISSUER NOT COOPERATING* (18-Jul-19)	-
2.	Fund-based - LT-Cash Credit	LT	15.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (18-Sep-20)	1)CARE D; ISSUER NOT COOPERATING* (18-Jul-19)	-
3.	Non-fund-based - ST-Letter of credit	ST	10.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (18-Sep-20)	1)CARE D; ISSUER NOT COOPERATING* (18-Jul-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/firm**

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Non-fund-based - LT-Term Loan	Simple
3.	Non-fund-based - ST-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](mailto:care@careratings.com) for any clarifications.

**Contact us****Media Contact**

Mr. Mradul Mishra  
 Contact no. – +91-22-6837 4424  
 Email ID – [mradul.mishra@careratings.com](mailto:mradul.mishra@careratings.com)

**Analyst Contact**

Group Head Name – Mr. Prasanna Krishnan  
 Group Head Contact no.- 040-67937421  
 Group Head Email ID- [prasanna.krishnan@careratings.com](mailto:prasanna.krishnan@careratings.com)

**Relationship Contact**

Name: Mr. Ramesh Bob  
 Contact no. : 9052000521  
 Email ID: [ramesh.bob@careratings.com](mailto:ramesh.bob@careratings.com)

**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**

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**