

JANUARY 13, 2015

CARE REVISES RATINGS ASSIGNED TO BANK FACILITIES OF GPT INFRAPROJECTS LTD

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long term Bank Facilities	422.5 (reduced from 485)	CARE BBB- [Triple B Minus]	Revised from CARE BBB (Triple B)
Total Facilities	422.5		

Rating Rationale

The revision in the rating of GPT Infraprojects Ltd (GPTIL) is mainly on account of moderation in financial performance in FY14 (refers to the period April 1 to March 31) & H1FY15 with tight liquidity position on account of increase in unbilled revenue. The rating also takes into account of experience of the promoters, satisfactory project execution capability, healthy order book position and reputed client portfolio. The rating is, however, constrained by high exposure in group companies including joint ventures & subsidiaries, working capital intensive nature of the business, profitability susceptible to volatility in input prices. Ability of the company to efficiently manage its working capital requirement, steady flow of orders, timely execution of orders & receipt of contract proceeds remains the key rating sensitivities.

Background

GPTIL (erstwhile known as Tantia Concrete Products Private Ltd), incorporated in 1980, operates in two segments – Infrastructure Division and Sleeper Division. Infrastructure division is involved in civil infrastructure projects for roads, bridges, highways, railways, airports, irrigation, etc. and Sleeper Division includes manufacturing of concrete sleepers for railway tracks, with an installed capacity of 4,80,000 units of concrete sleepers at Panagarh, West Bengal. Infrastructure Division accounted for 80.0% of total revenue in FY14 (83.6% in FY13), whereas Sleeper Division share was 20% (16.4%).

In FY14, GPTIL reported PAT of Rs.2.67 crore on a total operating income of Rs.329.11 crore as against PAT of Rs.9.33 crore on a total operating income of Rs.338.69 crore in FY13.

In H1FY15, GPTIL reported PBILDT of Rs.26.17 crore (Rs.22.42 crore in H1FY14) and PAT (after defd. tax) of Rs.0.97 crore (Rs.1.81 crore in H1FY14) on operating income of Rs.113.35 crore (Rs.184.30 crore in H1FY14).

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating 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.

¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

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