

## GVK Gautami Power Limited

January 12, 2017

### Ratings

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long-term Bank Facilities	1,009.75	CARE D	Reaffirmed
<b>Total Facilities</b>	<b>1,009.75</b> <b>(Rupees One Thousand Nine crore and Seventy Five lakh only)</b>		

*Details of instruments/facilities in Annexure-1*

### Detailed Rationale

The rating assigned to the bank facilities of GVK Gautami Power Limited (GGPL) continues to be constrained by the strained liquidity position at the back of the plant being non-operational during FY16 (refers to the period April 01 to March 31) resulting in delays in debt servicing.

### Detailed description of the key rating drivers

During FY16, liquidity position of the company continued to remain stretched on account of the plant being non-operational during FY16 resulting in delays in debt servicing.

The plant operated for around 22 days in April 2015 using Re Gasified Liquefied Natural Gas (RLNG) arranged by Andhra Pradesh Power Coordinating Committee (APPCC) to meet the summer demand. Plant Load Factor (PLF) for the FY16 was 2.60% as against NIL% achieved in FY15.

GGPL is a part of the Hyderabad-based GVK group, which is one of the first Independent Power Plant developers in the country.

**Analytical approach:**Standalone

### Applicable Criteria

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Rating Methodology - Infrastructure Sector Ratings \(ISR\)](#)

[Financial ratios – Non-Financial Sector](#)

[Rating Methodology - Private Power Producers](#)

### About the Company

GGPL is a subsidiary of GVK Energy Limited (GEL), which in turn is the subsidiary of GVK Power & Infrastructure Limited the flagship company of the GVK group. The company operates a 464 MW gas-based Combined Cycle Power Plant (CCPP), located in East Godavari District of Andhra Pradesh, comprising two gas turbine generators and one steam turbine generator.

During FY16, GGPL reported total income of Rs.88.35 crore (Rs.17.62 crore in FY15) and net loss of Rs.219.68 crore (net loss of Rs.204.74 crore in FY15).

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

**Any other information:** Not Applicable

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

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

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is 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.

**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	-	-	April, 2019	851.00	CARE D
Fund-based-Long-term	-	-	-	43.75	CARE D
Non-fund-based-Long-term	-	-	-	115.00	CARE D

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Type	Current Ratings		Chronology of Rating history for past three years		
			Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015	Date(s) & Rating(s) assigned in 2013-2014
1.	Fund-based - LT-Term Loan	LT	851.00	CARE D	1)CARE D (March 23, 2016)	1)CARE D (February 17, 2015)	1)CARE BB+ (March 27, 2014) 2)CARE BB+ (July 01, 2013)
2.	Fund-based-Long-term	LT	43.75	CARE D	1)CARE D (March 23, 2016)	1)CARE D (February 17, 2015)	1)CARE BB+ (March 27, 2014) 2)CARE BB+ (July 01, 2013)
3.	Non-fund-based-Long-term	LT	115.00	CARE D	1)CARE D (March 23, 2016)	1)CARE D (February 17, 2015)	1)CARE BB+ (March 27, 2014) 2)CARE BB+ (July 01, 2013)

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