

Gayatri BioOrganics Limited

September 18, 2020

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	16.66	CARE D; ISSUER NOT COOPERATING* [Single D; ISSUER NOT COOPERATING]	Issuer not cooperating; Based on best available information
Short Term Bank Facilities	10.00	CARE D; ISSUER NOT COOPERATING* [Single D; ISSUER NOT COOPERATING]	Issuer not cooperating; Based on best available information
Total Facilities	26.66 (Rs. Twenty-Six Crore and Sixty-Six Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers:

CARE had, vide its press release dated July 18, 2019, 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 June 30, 2020, July 31, 2020, August 31, 2020 & September 02, 2020. 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 ratings assigned to the company takes into account the delays in debt servicing owing to stretched liquidity position of the company

Detailed description of the key rating drivers

On account non-cooperation of the company the information presented in the press release is dated.

Further, at the time of last rating on July 18, 2019 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](#)

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

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

*Issuer did not cooperate; Based on best available information

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.

Covenants of rated instrument/facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3.

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	155.58	0.00
PBILDT	-3.52	-0.61
PAT After Discontinuing Operations	-15.51	-0.55
Overall gearing (times)	NM	NM
Interest coverage (times)	NM	NM

A: Audited

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

Any other information: Not applicable

Rating History (Last three years): Please refer Annexure-2

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	-	-	January, 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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	1.66	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (18-Jul-19)	-	1)CARE D; ISSUER NOT COOPERATING* (05-Feb-18)
2.	Fund-based - LT-Cash Credit	LT	15.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (18-Jul-19)	-	1)CARE D; ISSUER NOT COOPERATING* (05-Feb-18)
3.	Non-fund-based - ST-Letter of credit	ST	10.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (18-Jul-19)	-	1)CARE D; ISSUER NOT COOPERATING* (05-Feb-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/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. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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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

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