

Gayatri Bioorganics Limited

July 18, 2019

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	26.66 (Rs. Twenty Six crore and Sixty Six lakh only)		

Details of instruments/facilities in Annexure-1

CARE has been seeking information from Gayatri Bioorganics Limited to monitor the ratings vide letters/e-mail communications from June 23, 2018 to July 01, 2019 and numerous phone calls. Despite our repeated requests; the company has not provided the requisite information for monitoring the ratings. **In the absence of minimum information required for the purpose of rating, CARE is unable to express opinion on the rating.** In line with the extant SEBI guidelines, the rating on Gayatri Bioorganics Limited bank facilities will now be denoted as **CARE D; ISSUER NOT COOPERATING/ CARE D; ISSUER NOT COOPERATING**

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

Detailed description of the key rating drivers

At the time of last rating in last Press Release dated February 05, 2018, the following were the rating strengths and weakness (updated for the information available from Registrar of Companies).

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

[Rating outlook and credit watch](#)

[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 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: Not Applicable as facilities have been closed

²Complete 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

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	0.00	0.00
PBILDT	0.00	0.00
PAT After Discontinuing Operations	-19.14	-15.51
Overall gearing (times)	-1.05	-2.22
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 for 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* Issuer not cooperating; Based on best available information
Fund-based - LT-Cash Credit	-	-	-	15.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-Letter of credit	-	-	-	10.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; 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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Term Loan	LT	1.66	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (05-Feb-18)	1)CARE D (04-Nov-16)
2.	Fund-based - LT-Cash Credit	LT	15.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (05-Feb-18)	1)CARE D (04-Nov-16)
3.	Non-fund-based - ST-Letter of credit	ST	10.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (05-Feb-18)	1)CARE D (04-Nov-16)

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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