Gayatri Projects Limited

March 12, 2018

Ratings

Facilities	Amount (Rs. crore)	Rating[1]	Rating Action
Long-term Bank Facilities	2138.03	**CARE D (Single D)**	**Revised from CARE BB-; Negative (Double B Minus; Outlook: Negative)**
Long-term/Short-term Bank Facilities	4594.03	**CARE D/CARE D (Single D/Single D)**	**Revised from CARE BB-; Negative/ CARE A4 (Double B Minus; Outlook: Negative/ A Four)**
Total	**6732.06 (Rupees Six thousand Seven hundred Thirty Two crore and Six lakh only)**		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The revision in ratings assigned to the bank facilities of Gayatri Projects Limited (GPL) takes into account delays in meeting debt obligations owing to the stretched liquidity position of the company.

Detailed description of the key rating drivers

Key Rating Weaknesses

Stretched liquidity position leading to delays in debt servicing and overdrawals: Liquidity position of the company deteriorated on account of elongated collection period coupled with high repayment obligations. There has been delay in realisation from debtors pertaining to the work orders executed during the year leading to stretched liquidity position resulting in delays in debt servicing.

Key Rating Strengths

Experienced promoters albeit limited experience in execution of power projects: GPL is a prominent infrastructure construction company with over four decades of experience in executing various infrastructure projects, especially road and irrigation segment. GPL, an ISO 9001 – 2000 company, is engaged in execution of major Civil Works including Concrete/Masonry Dams, Earth Filling Dams, National Highways, Bridges, Canals, Aqueducts, Ports, etc. It specialises in engineering, procurement and construction (EPC) of road, irrigation and industrial projects across India.

Analytical approach:

Standalone

Applicable Criteria

CARE's Policy on Default Recognition
Criteria for Short Term Instruments
Financial Ratios - Non-Financial Sector

About the Company

Gayatri Projects Limited (GPL) is promoted by Dr T. Subbarami Reddy, while the day-to-day management of the company is currently undertaken by his son and Managing Director Mr T V Sandeep Kumar Reddy. GPL is a prominent infrastructure construction company with over four decades of experience in executing various infrastructure projects, especially in road and irrigation segment. GPL, an ISO 9001 – 2000 company, is engaged in execution of major Civil Works including

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

Concrete/Masonry Dams, Earth Filling Dams, National Highways, Bridges, Canals, Aqueducts, Ports, etc. It specialises in engineering, procurement and construction (EPC) of road, irrigation and industrial projects across India.

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	1871.30	2185.74
PBILDT	329.29	415.66
PAT	57.42	70.60
Overall gearing (times)	2.93	3.93
Interest coverage (times)	1.46	1.52

A: Audited

Status of non-cooperation with previous CRA:
Not Applicable

Any other information:
Not Applicable

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

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

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	-	-	June 2023	400.47	CARE D
Fund-based - LT-Term Loan	-	-	June 2023	429.46	CARE D
Fund-based - LT-Cash Credit	-	-	-	900.00	CARE D
Non-fund-based - LT/ ST-BG/LC	-	-	-	4594.03	CARE D/ CARE D
Fund-based - LT-External Commercial Borrowings	-	-	June 2023	131.10	CARE D
Fund-based - LT-Funded Interest term Loan	-	-	June 2023	119.05	CARE D
Fund-based - LT-Working capital Term Loan	-	-	June 2023	157.95	CARE D

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 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015
1.	Fund-based - LT-Term Loan	LT	400.47	CARE D	1)CARE BBB-; Stable (11-Apr-17) 2)CARE BB-; Negative (31-Oct-17)	1)CARE BB- (10-Oct-16) 2)CARE BB- (11-May-16)	1)CARE B (27-Nov-15) 2)CARE D (05-Nov-15) 3)CARE B+ (05-May-15)	1)CARE B+ (19-Feb-15)
2.	Fund-based - LT-Term Loan	LT	429.46	CARE D	1)CARE BBB-; Stable (11-Apr-17) 2)CARE BB-; Negative (31-Oct-17)	1)CARE BB- (10-Oct-16) 2)CARE BB- (11-May-16)	1)CARE B (27-Nov-15) 2)CARE D (05-Nov-15) 3)CARE B+ (05-May-15)	1)CARE A4 (19-Feb-15)
3.	Fund-based - LT-Cash Credit	LT	900.00	CARE D	1)CARE BBB-; Stable (11-Apr-17) 2)CARE BB-; Negative (31-Oct-17)	1)CARE BB- (10-Oct-16) 2)CARE BB- (11-May-16)	1)CARE B (27-Nov-15) 2)CARE D (05-Nov-15) 3)CARE B+ (05-May-15)	1)CARE B+ (19-Feb-15)
4.	Non-fund-based - LT/ ST-BG/LC	LT/ST	4594.03	CARE D/CARE D	1)CARE BBB-; Stable / CARE A3 (11-Apr-17) 2)CARE BB-; Negative/ CARE A4 (31-Oct-17)	1)CARE BB- / CARE A4 (10-Oct-16) 2)CARE BB- / CARE A4 (11-May-16)	1)CARE B / CARE A4 (27-Nov-15) 2)CARE D / CARE D (05-Nov-15) 3)CARE B+ / CARE A4 (05-May-15)	1)CARE B+ / CARE A4 (19-Feb-15)
5.	Fund-based - LT-External Commercial Borrowings	LT	131.10	CARE D	1)CARE BBB-; Stable (11-Apr-17) 2)CARE BB-; Negative (31-Oct-17)	1)CARE BB- (10-Oct-16) 2)CARE BB- (11-May-16)	1)CARE B (27-Nov-15) 2)CARE D (05-Nov-15) 3)CARE B+ (05-May-15)	1)CARE B+ (19-Feb-15)
6.	Fund-based - ST-Bills discounting/ Bills purchasing	ST	-	-	-	-	1)Withdrawn (05-May-15)	1)CARE A4 (19-Feb-15)
7.	Fund-based - LT-Funded Interest term Loan	LT	119.05	CARE D	1)CARE BBB-; Stable (11-Apr-17) 2)CARE BB-; Negative (31-Oct-17)	1)CARE BB- (10-Oct-16) 2)CARE BB- (11-May-16)	1)CARE B (27-Nov-15) 2)CARE D (05-Nov-15) 3)CARE B+ (05-May-15)	-
8.	Fund-based - LT-Working capital Term Loan	LT	157.95	CARE D	1)CARE BBB-; Stable (11-Apr-17) 2)CARE BB-; Negative (31-Oct-17)	1)CARE BB- (10-Oct-16) 2)CARE BB- (11-May-16)	1)CARE B (27-Nov-15) 2)CARE D (05-Nov-15) 3)CARE B+ (05-May-15)	-

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