

## Gayatri Projects Limited

November 15, 2019

### Ratings

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long term Bank Facilities	1888.57	<b>CARE D (Single D)</b>	<b>Revised from CARE BB+; Stable (Double B Plus; Outlook: Stable)</b>
Long term/Short term Bank Facilities	4735.76	<b>CARE D/CARE D (Single D/Single D)</b>	<b>Revised from CARE BB+; Stable/CARE A4+ (Double B Plus; Outlook: Stable/ A Four)</b>
<b>Total Facilities</b>	<b>6624.33 (Rupees Six Thousand Six Hundred Twenty Four Crore and Thirty Three Lakh Only)</b>		

*Details of instruments/facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

The revision in the ratings assigned to the bank facilities of Gayatri Projects Limited (GPL) is on account of stretched liquidity position of the company due to delays in receipt of receivables leading to cash flow mismatch resulting in delays in debt servicing.

### Rating Sensitivities

#### Positive Factors

Timely servicing of interest and principal repayment obligation coupled with a delay free track record for a continuous period of 12 months.

### Detailed description of the key rating drivers

#### Key Rating Weakness

**Delays in debt servicing:** The lenders have confirmed that there are delays in debt servicing.

#### Key Rating Strengths

**Experienced promoters having established track record:** 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 (BOT) of road, irrigation and industrial projects across India.

### Stretched Liquidity Position

The liquidity position of the company stands stretched on account of delays in receipt of receivables leading to cash flow mismatch resulting in delays in debt servicing.

**Analytical approach:** Standalone

**Applicable criteria**

**Policy on Default Recognition**

**Financial Ratios-Non-Financial Sector**

**Short Term Instruments**

### 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 the 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 (BOT) of road, irrigation and industrial projects across India.

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

Brief Financials (Rs. crore)	FY18 (A)	FY19 (Prov.)
Total operating income	2952.88	3399.59
PBILDT	528.81	590.96
PAT	188.09	204.20
Overall gearing (times)	2.60	2.43
Interest coverage (times)	1.78	1.99

A: Audited; Prov.: Provisional

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	-	-	June 2023	228.09	CARE D
Fund-based - LT-Term Loan	-	-	June 2023	282.35	CARE D
Fund-based - LT-Cash Credit	-	-	-	1050.00	CARE D
Non-fund-based - LT/ ST-BG/LC	-	-	-	4735.76	CARE D
Fund-based - LT-External Commercial Borrowings	-	-	June 2023	112.72	CARE D
Fund-based - LT-Funded Interest term Loan	-	-	June 2023	83.00	CARE D
Fund-based - LT-Working capital Term Loan	-	-	June 2023	132.41	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 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	228.09	CARE D	1)CARE BB+; Stable (04-Jun-19)	1)CARE BB-; Stable (21-Jun-18)	1)CARE D (12-Mar-18) 2)CARE BB-; Negative (31-Oct-17) 3)CARE BBB-; Stable (11-Apr-17)	1)CARE BB- (10-Oct-16) 2)CARE BB- (11-May-16)
2.	Fund-based - LT-Term Loan	LT	282.35	CARE D	1)CARE BB+; Stable (04-Jun-19)	1)CARE BB-; Stable (21-Jun-18)	1)CARE D (12-Mar-18) 2)CARE BB-; Negative (31-Oct-17) 3)CARE BBB-; Stable (11-Apr-17)	1)CARE BB- (10-Oct-16) 2)CARE BB- (11-May-16)
3.	Fund-based - LT-Cash Credit	LT	1050.00	CARE D	1)CARE BB+; Stable (04-Jun-19)	1)CARE BB-; Stable (21-Jun-18)	1)CARE D (12-Mar-18) 2)CARE BB-; Negative (31-Oct-17) 3)CARE BBB-;	1)CARE BB- (10-Oct-16) 2)CARE BB- (11-May-16)

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
							Stable (11-Apr-17)	
4.	Non-fund-based - LT/ ST-BG/LC	LT/ST	4735.76	CARE D	1)CARE BB+; Stable / CARE A4+ (04-Jun-19)	1)CARE BB-; Stable / CARE A4 (21-Jun-18)	1)CARE D / CARE D (12-Mar-18) 2)CARE BB-; Negative / CARE A4 (31-Oct-17) 3)CARE BBB-; Stable / CARE A3 (11-Apr-17)	1)CARE BB- / CARE A4 (10-Oct-16) 2)CARE BB- / CARE A4 (11-May-16)
5.	Fund-based - LT-External Commercial Borrowings	LT	112.72	CARE D	1)CARE BB+; Stable (04-Jun-19)	1)CARE BB-; Stable (21-Jun-18)	1)CARE D (12-Mar-18) 2)CARE BB-; Negative (31-Oct-17) 3)CARE BBB-; Stable (11-Apr-17)	1)CARE BB- (10-Oct-16) 2)CARE BB- (11-May-16)
6.	Fund-based - LT-Funded Interest term Loan	LT	83.00	CARE D	1)CARE BB+; Stable (04-Jun-19)	1)CARE BB-; Stable (21-Jun-18)	1)CARE D (12-Mar-18) 2)CARE BB-; Negative (31-Oct-17) 3)CARE BBB-; Stable (11-Apr-17)	1)CARE BB- (10-Oct-16) 2)CARE BB- (11-May-16)
7.	Fund-based - LT-Working capital Term Loan	LT	132.41	CARE D	1)CARE BB+; Stable (04-Jun-19)	1)CARE BB-; Stable (21-Jun-18)	1)CARE D (12-Mar-18) 2)CARE BB-; Negative (31-Oct-17) 3)CARE BBB-; Stable (11-Apr-17)	1)CARE BB- (10-Oct-16) 2)CARE BB- (11-May-16)

**Annexure-3: Detailed explanation of covenants of the rated instrument / facilities:** Not Applicable

**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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