

**Press Release**

**Gupta Power Infrastructure Ltd.**

**March 02, 2020**

**Ratings**

<b>Instrument / Facility</b>	<b>Amount (Rs. Crore)</b>	<b>Ratings</b>	<b>Rating Action</b>
Long Term Debt- Term Loan	58.42 (incl. proposed limit of Rs.25 crore)	IVR A/Stable; ISSUER NOT COOPERATING* (IVR Single A with Stable outlook; Issuer Not Cooperating category)	Rating revised from IVR A (IVR Single A) with Stable Outlook and moved to ISSUER NOT COOPERATING Category
Long Term Fund Based Facilities – Cash Credit	1010.00 (incl. proposed limit of Rs.110.00 crore)	IVR A/Stable; ISSUER NOT COOPERATING* (IVR Single A with Stable outlook; Issuer Not Cooperating category)	Rating revised from IVR A (IVR Single A) with Stable Outlook and moved to ISSUER NOT COOPERATING Category
Short Term Non-fund-based facilities – LC/BG	2231.58 (incl. proposed limit of Rs.231.58 crore)	IVR A1; ISSUER NOT COOPERATING* (IVR A One; Issuer Not Cooperating category)	Rating revised from IVR A1 (IVR A One) and moved to ISSUER NOT COOPERATING Category
<b>Total</b>	<b>3300.00</b>		

*\*Issuer did not cooperate; based on best available information*

**Details of Facility are in Annexure 1**

**Detailed Rationale**

The rating is revised because of lack of adequate information regarding Gupta Power Infrastructure Limited’s performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity. However, Infomerics will again have a review of the ratings within March 31, 2020.

**Non-cooperation by Issuer**

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated February 10, 2020, February 22, 2020, February 25, 2020 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company’s management has not submitted all the essential details. However, Infomerics has received some of information.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long- term rating for the bank loan facilities of Gupta Power Infrastructure Limited aggregating to Rs.3300.00 crore shall be moved to the ‘ISSUER NOT COOPERATING’ category by Infomerics and the rating be noted as IVR A/Stable; Issuer Not Co-operating; Based on best available information (IVR Single A /Stable: Issuer Not Co-operating; Based on best available information) and IVR A1: Issuer Not Co-operating; Based on best available information. (IVR A one: Issuer Not Co-operating; Based on best available information). Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

## **Analytical Approach & Applicable Criteria**

Standalone

Financial Ratios & Interpretation – (Non-financial Sector)

Guidelines on what constitutes Non-Cooperation by clients

## **About the Company**

Gupta Power Infrastructure Ltd (GPIL) was set up in 1961 and was taken over by the family of Late Shri Jagdish Rai Gupta of Odisha in 1970. The company commenced operation with manufacture of Alloy Conductors in Odisha, in which it was the pioneer. Thereafter, the company also ventured into manufacturing of Cables and Alloy Cables. The product portfolio of the company consists of aluminum, aluminum-alloy, and aluminum-steel reinforced conductors, high tension and low-tension power cables, control cables, instrumentation and signal cables, ariel bunched cables, and industrial cables. These products find application mainly in power generation, transmission and distribution utilities. In 2008, the Company also ventured into EPC segment where it started with setting up of sub-stations and distribution lines under the Rajiv Gandhi Grameen Vidyutikaran Yojana Scheme for electrification of villages. The company has also been exploring to enhance its focus in the retail wires segment (house wires). It has established its distribution network of retailers for selling cables under the brand name of ‘Rhino’ under the franchisee model.

## **Financials (Standalone)**

**(Rs. Crore)**

<b>For the year ended* / As On</b>	<b>31-03-2018</b>	<b>31-03-2019</b>
	<b>Audited</b>	<b>Audited</b>

# Infomerics Valuation And Rating Pvt. Ltd.



For the year ended* / As On	31-03-2018	31-03-2019
Total Operating Income	3285.11	3515.76
EBITDA	174.33	194.03
PAT	55.46	63.15
Total Debt	708.32	753.86
Tangible Net worth	492.68	544.05
EBITDA Margin (%)	5.31	5.52
PAT Margin (%)	1.69	1.80
Overall Gearing Ratio (x)	1.44	1.39

\*Based on Infomerics classification

**Status of non-cooperation with previous CRA: Nil**

**Any other information: Nil**

**Rating History for last three years:**

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2019-20)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18	Date(s) & Rating(s) assigned in 2016-17
1.	Long Term Debt-Term Loan	Long Term	58.42 (incl. proposed limit of Rs.25 crore)	IVR A/Stable; ISSUER NOT COOPERATING	IVR A / Stable Outlook (December 03, 2018)	-	-
2.	Fund based Limits	Long Term	1010.00 (incl. proposed limit of Rs.110.00 crore)	IVR A/Stable; ISSUER NOT COOPERATING	IVR A / Stable Outlook (December 03, 2018)	-	-
3.	Non Fund based Limits	Short Term	2231.58 (incl. proposed limit of Rs.231.58 crore)	IVR A1; ISSUER NOT COOPERATING	IVR A1 (December 03, 2018)	-	-

\* Issuer did not cooperate; based on best available information

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

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**About Infomerics:**

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

## Annexure 1: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	NA	NA	December, 2020	33.42	IVR A/ Stable Outlook; ISSUER NOT COOPERATING
Proposed Term Loan	NA	NA	NA	25.00	IVR A/ Stable Outlook; ISSUER NOT COOPERATING
Fund Based Facilities	NA	NA	NA	1010.00 (incl. proposed limit of Rs.110.00 crore)	IVR A/ Stable Outlook; ISSUER NOT COOPERATING
Non Fund based Limits	NA	NA	NA	2231.58 (incl. proposed limit of Rs.231.58 crore)	IVR A1; ISSUER NOT COOPERATING

\* Issuer did not cooperate; based on best available information