



Press Release

GKC Projects Limited.

December 22, 2021

Ratings

Facilities	Amount (Rs. crore)	Current Ratings*	Previous Ratings*	Rating Action
Long Term Bank Facility	1981.06	IVR D; ISSUER NOT COOPERATING* (IVR D; Issuer Not Co-operating Category)	IVR D; ISSUER NOT COOPERATING* (IVR D; Issuer Not Co-operating Category))	Reaffirmed and continued in ISSUER NOT COOPERATING category
Optionally Convertible Debentures	183.93	IVR D; ISSUER NOT COOPERATING* (IVR D; Issuer Not Co-operating Category)	IVR D; ISSUER NOT COOPERATING* (IVR D; Issuer Not Co-operating Category)	Reaffirmed and continued in ISSUER NOT COOPERATING category
Total	2164.99 (Two thousand one hundred and sixty four crore and ninety nine lakh rupees only)			

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

Details of Facility are in Annexure 1

Detailed Rationale

Infomerics, vide press release dated December 22, 2020, had continued the rating of GKC Projects Limited (GKCPL) under the "ISSUER NOT COOPERATING" category as the company had failed to provide information for monitoring of its assigned rating to the bank facilities.



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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, despite the downgrade.

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 Nov 01st, 2021, Dec 7th, 2021 and Dec 20th, 2021, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted surveillance fees and all the essential details required for detailed review of the assigned ratings.

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 ratings for the bank loan facilities and optionally convertible debentures aggregating to INR 2164.99 Crore of GKC Projects Limited was kept in the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as 'IVR D; Issuer Not Co-operating (IVR D; ISSUER NOT COOPERATING), based on best available information.

Analytical Approach & Applicable Criteria:

Standalone

Guidelines on what constitutes Non-Cooperation by clients

Rating Methodology for Manufacturing companies

Financial Ratios & Interpretation (Non-Financial Sector)

Criteria on Default Recognition and Post-Default Curing Period

About the company

Incorporated as Gokul Krishna Constructions (a sole proprietary concern) in 1996 by Mr. K.V. Rajasekhar at Hyderabad, GKCPL was earlier engaged into a business of execution of subcontract works on behalf of various reputed infrastructure companies.



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As the scale of its operations increased, the entity was reconstituted as a private limited company under the name, Gokul Krishna Constructions Private Limited in 2004. Later in March 2008, the company was converted to a public limited company and renamed as GKC Projects Limited (GKCPL). The company is currently in the business of execution of EPC (Engineering, Procurement and Construction) and BOT (Build, Operate and Transfer) contracts for highways, irrigation, water pipelines, power and other sectors.

Financials (Standalone)

(Rs. Crore)

For the year ended / As on	31-03-17	31-03-18	31-03-19
	Audited	Audited	Audited
Total Operating Income	789.6	672.70	335.85
EBITDA	86.9	-83.33	-195.92
PAT	-51.2	-193.45	-337.87
Total Debt	856.8	642.30	914.00
Tangible Net Worth	38.3	6.23	-353.15
Ratios			
EBITDA Margin	11.04	-12.39	-58.33
PAT Margin	-6.38	-28.76	-100.60
Overall Gearing Ratio	22.35	NM	NM

* As per Infomerics Standard

NM – Not Meaningful

Status of non-cooperation with previous CRA: Nil

Any other information: Nil



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Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Rating (Year 2021-22)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2020-21 December 22, 2020	Date(s) & Rating(s) assigned in 2019-20 Jan 01, 2020	Date(s) & Rating(s) assigned in 2018-19 July 10, 2018
1.	Long Tern Bank Facilities	Long Term	1981.06	IVR D; ISSUER NOT COOPERATING*	IVR D; ISSUER NOT COOPERATING*	IVR D; ISSUER NOT COOPERATING*	IVR D
2.	Optionally Convertible Debentures	Long Term	183.93	IVR D; ISSUER NOT COOPERATING*	IVR D; ISSUER NOT COOPERATING*	IVR D; ISSUER NOT COOPERATING*	IVR D

* 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.

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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. Firm'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



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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
Long Term Bank Facility	-	-	October 2023	1981.06	IVR D; ISSUER NOT COOPERATING* (IVR D; Issuer Not Cooperating Category) *
Optionally Convertible Debentures	April 2017	0.1%	March 2027	183.93	IVR D; ISSUER NOT COOPERATING* (IVR D; Issuer Not Cooperating Category) *

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

Annexure 2: Facility wise lender details: Not Applicable

Annexure 3: List of companies considered for consolidated analysis: Not Applicable

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 5: Complexity level of the rated Instruments/Facilities

Sr No.	Instrument	Complexity Indicator
1.	Long Term Bank Facility	Simple
2.	Optionally convertible Debentures	Simple

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.