



Press Release

GKC Projects Limited

December 08, 2023

Ratings

Facilities	Amount (INR crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facility	1981.06	IVR D ISSUER NOT COOPERATING* (IVR D Issuer Not Cooperating)	Reaffirmed and continues in the 'Issuer Not Cooperating' category	Simple
Optionally Convertible Debenture	183.93	IVR D ISSUER NOT COOPERATING* (IVR D Issuer Not Cooperating)	Reaffirmed and continues in the 'Issuer Not Cooperating' category	Complex
Total	2164.99 (INR Two thousand one hundred sixty- four crore and ninety-nine lakh only)			

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

Details of Facilities are in Annexure 1

Detailed Rationale

The rating reaffirmation is because of lack of adequate information regarding GKC Projects Limited (GKCPL)'s performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the company 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 company.



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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 and optionally convertible debenture vide E-mail communications dated October 4, 2023, October 13, 2023, October 25, 2023, November 3, 2023, November 15, 2023, November 28, 2023, and November 29, 2023, November 30, 2023, December 01, 2023, 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 rating for the bank loan facility aggregating to INR 1981.06 crore shall continue in the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR D ISSUER NOT COOPERATING based on best available information (IVR D Issuer Not Cooperating) and Optionally Convertible Debenture aggregating to 183.93 crore shall continue in the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR D ISSUER NOT COOPERATING based on best available information (IVR D Issuer Not Cooperating) of GKC Projects Limited.

Analytical Approach & Applicable Criteria: Standalone

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Rating Methodology for infrastructure companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Default Recognition Policy](#)

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. 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).



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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)

(INR Crore)

For the year ended* / As On	31-03-2018	31-03-2019
	Audited	Audited
Total Operating Income	672.70	335.85
EBITDA	-83.33	-195.92
PAT	-193.45	-337.87
Total Debt	642.30	914.00
Tangible Net worth	6.23	-353.15
EBITDA Margin (%)	-12.39	-58.33
PAT Margin (%)	-28.76	-100.60
Overall Gearing Ratio (x)	-	-

* As per Infomerics Standard

Status of non-cooperation with previous CRA:

The rating continues to remain under Issuer Not Cooperating category from ICRA as per press release dated May 29, 2023, on account of non-submission of information.

Any other information: Nil



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Rating History for last three years:

Sr · N o.	Name of Instrument /Facilities	Current Rating (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 December 12, 2022	Date(s) & Rating(s) assigned in 2021-22 December 22, 2021	Date(s) & Rating(s) assigned in 2020-21 December 22, 2020
1.	Long-Term Bank Facility	Long Term	1981.06	IVR D ISSUER NOT COOPER ATING*	IVR D ISSUER NOT COOPERATI NG*	IVR D ISSUER NOT COOPERA TING*	IVR D ISSUER NOT COOPERA TING*
2.	Optionally Convertible Debenture	Long Term	183.93	IVR D ISSUER NOT COOPER ATING*	IVR D ISSUER NOT COOPERATI NG*	IVR D ISSUER NOT COOPERA TING*	IVR D ISSUER NOT COOPERA TING*

* Issuer did not cooperate; based on best available information

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.



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Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com.

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 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 Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Term Loan	-	-	October 2023	1981.06	IVR D ISSUER NOT COOPERATING* (IVR D Issuer Not Cooperating)
Optionally Convertible Debentures	April 2017	0.1%	March 2027	183.93	IVR D ISSUER NOT COOPERATING* (IVR D Issuer Not Cooperating)

**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

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