



## Press Release

### GMR Power and Urban Infra Limited (GPUIL)

August 07, 2023

**Ratings:**

Instrument / Facility	Amount (Rs. crore)	Ratings	Previous Rating	Rating Action	Complexity Indicator (Simple/ Complex/ Highly complex)
Long Term Bank Facilities	434.51	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	IVR BBB-/Credit Watch with Developing Implications (IVR Triple B Minus; Credit Watch with Developing Implications)	Rating Reaffirmed and removed from Credit Watch with Developing Implications; Stable Outlook assigned	<a href="#">Simple</a>
Short Term Bank Facilities	501.08	IVR A3 (IVR A Three)	IVR A3/ Credit Watch with Developing Implications (IVR A Three; Credit Watch with Developing Implications)	Rating Reaffirmed and removed from Credit Watch with Developing Implications	<a href="#">Simple</a>
Proposed Long Term Bank Facilities	50.00	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	IVR BBB-/Credit Watch with Developing Implications (IVR Triple B Minus; Credit Watch with Developing Implications)	Rating Reaffirmed and removed from Credit Watch with Developing Implications; Stable Outlook assigned	<a href="#">Simple</a>
<b>Total</b>	<b>985.59</b>				

Infomerics has taken consolidated approach of evaluation by combining the financial results of GMR Power and Urban Infra Limited (GPUIL) and its subsidiaries as they are in the same line of businesses (infrastructure), under a common management. GPUIL operates by way of separate subsidiaries for its various projects. List of the subsidiaries consolidated is provided in Annexure 3.

**Details of Facilities are in Annexure 1**

**Detailed Rationale**



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The rating has been reaffirmed and Stable outlook has been assigned. The rating takes into account the asset divestments and monetization of land parcels, arbitration claims received in favour of the company, which has resulted in prepayment of corporate debt and overall improvement in the FY23 financial performance. Further, the FCCB conversion of USD 300 million into equity shares (split into both GIL (USD 25 Mn) and GPUIL (USD 275 Mn).) is likely to happen in this fiscal and thus shall result in enhanced tangible network.

The rating reaffirmation to the bank facilities of GMR Power and Urban Infra Limited (GPUIL) derives strengths from experienced promoters & management, asset monetization, significant majority of consolidated debt in entities that are self-sustaining with better credit profile and diversified (to some extent interlinked) business portfolio.

### **Key Rating Sensitivities:**

#### **Upward Factors**

- Substantial & sustained improvement in the revenue & EBITDA margin while improving the debt protection metrics.
- Significant asset monetisation resulting in corporate debt reduction.

#### **Downward Factors**

- Any further decline in revenue and/or EBITDA margin leading to decline in debt protection metrics.
- Large debt funded capex, resulting in deterioration in financial risk profile.

### **List of Key Rating Drivers with Detailed Description**

#### **Key Rating Strengths**

##### ***Experienced Promoters & Management***

The company was promoted by Mr. G.M. Rao in 1978. It has grown from being a small firm to a conglomerate having presence in businesses such as energy, transportation, urban infrastructure, and EPC. The company is managed by Mr. Rao and other members of the family – his sons and son in law. They are assisted by professionals having appropriate qualification and professional experience.

##### ***Asset monetization leading to deleverage the balance sheet***



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The company has been able to undertake sale of Krishnagiri land parcel and utilized proceeds from the GSPHL and CORR arbitration claims towards reduction of the corporate debt in FY23. The company has in September 2022 divested its entire 30% equity stake in PTGEMS Indonesia for a total consideration of USD 420 million which has been used towards reduction of standalone and project debt.

### ***Significant majority of consolidated debt in entities that are self-sustaining with better credit profile***

The majority of the consolidated debt are in entities that are self-funded by their individual Projects. The proceeds from asset monetization have been majorly utilized towards reduction in corporate debt obligations.

### ***Diversified (to some extent interlinked) business portfolio***

The company is a conglomerate engaged in different businesses. This enables the company to diversify its risk. The company is engaged in the EPC, energy, highways and SIRs businesses. The company's businesses are somewhat interlinked, providing the advantage of backward and forward integration. For instance, the company is engaged in the EPC business, experience of which can be leveraged in asset construction for the energy, and highway businesses. This can be a source of synergy for the company, unlocking significant value in terms of efficiency and cost rationalization.

### **Key Rating Weaknesses**

#### ***Moderate financial risk profile***

The financial risk profile continues to remain modest as reflected by the negative TNW on account of accumulated past losses and resultant impact on the debt protection ratios in FY23. However, during FY23 the company has reported a PAT of Rs. 1139.24 Cr. and GCA stood at Rs. 800.1 Cr. Though, the financial risk profile of the company is moderate, it has a proven track record of raising funds & divesting assets to meet its commitments.

**Analytical Approach:** [Consolidated Approach](#)



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Consolidated (For arriving at the rating, INFOMERICS has considered consolidated financials of GPUIL. GPUIL ('the Holding Company') and its subsidiaries are together referred to as 'the Group.' The Holding Company conducts its operations along with its subsidiaries. The Consolidation approach is because all these companies, collectively referred to as GPUIL Group, are in allied businesses and under common management.

The list of Subsidiaries & Associate considered for consolidation are given below.

The extent of consolidation is Full.

### **Applicable Criteria:**

[Rating Methodology for Infrastructure Companies](#)

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

[Criteria of Rating Outlook | Infomerics Ratings](#)

### **Liquidity – Stressed**

The Company has positive GCA in FY23 of Rs. 800.16 Cr. as due to significant improvement in PAT. The current and quick ratio stood modest at 0.65x in FY23 though gradually improving since past year. However, the utilization of working capital limits remained at approximately 90% during the 12 months ended March 31, 2022 indicating limited liquidity buffer.

### **About the Company:**

GMR Power and Urban Infra Limited (GPUIL), is a diversified infrastructure player and a subsidiary of GMR Enterprises Private Limited (GEPL) holds expertise in the sectors of Energy, Urban Infrastructure and Transportation. The EPC Business and Urban Infrastructure Business of GMR Infrastructure Limited (GIL); (now; GMR Airports Infrastructure Ltd.) has been demerged and stands transferred and vested in GPUIL, on a going concern basis w.e.f. April 1, 2021, being the Appointed Date, as per the scheme sanctioned by National Company Law Tribunal (NCLT), Mumbai (Bench).

The Company and its subsidiaries, associates, joint ventures and jointly controlled operations (hereinafter collectively referred to as 'the Group') are mainly engaged in generation of power, coal mining and exploration activities, development of highways, development, maintenance and operation of special economic zones, and construction business including Engineering, Procurement and Construction ('EPC') contracting activities.



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### Financials (Consolidated):

(Amount in Rs. Cr.)

For the year ended/ As on*	31-03-2022 (Audited)	31-03-2023 (Audited)
Total Income	4281.70	5892.31
PAT	-651.57	1139.24
Total Debt	8359.78	6158.98
Tangible Net Worth	-194.93	-703.60
PAT margin (%)	-15.22	19.33
Overall Gearing Ratio (x)	-42.89	-8.75

\* Classification as per Infomerics' standards

**Status of non-cooperation with previous CRA: None**

**Any other information: None**

**Rating History for last three years:**

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1.	Term Loan	Long-term	30.01	IVR BBB-/ Stable	IVR BBB-/CWDI	-	-
2.	Term Loan	Long-term	130.00	IVR BBB-/ Stable	IVR BBB-/CWDI	-	-
3.	Cash Credit	Long-term	121.00	IVR BBB-/ Stable	IVR BBB-/CWDI	-	-
4.	Proposed	Long-term	50.00	IVR BBB-/ Stable	IVR BBB-/CWDI	-	-
5.	Cash Credit	Long-term	153.50	IVR BBB-/ Stable	IVR BBB-/CWDI	-	-
6.	Bank Guarantee	Short-term	48.29	IVR A3	IVR A3/CWDI	-	-
7.	Bank Guarantee	Short-term	380.00	IVR A3	IVR A3/CWDI	-	-
8.	Bank Guarantee	Short-term	72.79	IVR A3	IVR A3/CWDI	-	-

### Name and Contact Details of the Rating Analyst:

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### About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India





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registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations. or more information visit [www.infomerics.com](http://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, 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 Facilities:

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	Jan - 2024	30.01	IVR BBB-/ Stable
Term Loan	-	-	Nov - 2024	130.00	IVR BBB-/ Stable
Cash Credit	-	-	Revolving	121.00	IVR BBB-/ Stable
Proposed	-	-	Revolving	50.00	IVR BBB-/ Stable
Cash Credit	-	-	Revolving	153.50	IVR A3
Bank Guarantee	-	-	Revolving	48.29	IVR A3
Bank Guarantee	-	-	Revolving	380.00	IVR A3
Bank Guarantee	-	-	Revolving	72.79	IVR A3

### Annexure 2: List of companies considered for consolidated analysis:

Consolidated (For arriving at the rating, INFOMERICS has considered consolidated financials of GPUIL. GPUIL ('the Holding Company') and its subsidiaries are together referred to as 'the



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Group.' The Holding Company conducts its operations along with its subsidiaries. The Consolidation approach is because all these companies, collectively referred to as GPUIL Group, are in allied businesses and under a common management.

The list of Subsidiaries & Associate considered for consolidation are given below.

The extent of consolidation is Full.

Sr. No.	Name of the entity	Relation
1	GMR Power and Urban Infra Limited (GPUIL)	Holding Company
2	GMR Mining & Energy Private Limited	Subsidiary
3	GMR Energy Trading Limited	Subsidiary
4	GMR Londa Hydropower Private Limited	Subsidiary
5	GMR Energy (Cyprus) Ltd, Cyprus	Subsidiary
6	GMR Energy (Netherlands) B.V.	Subsidiary
7	GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)	Subsidiary
8	GMR Energy Projects (Mauritius) Limited	Subsidiary
9	GMR Infrastructure Singapore Pte Ltd	Subsidiary
10	GMR Coal Resources Pte. Ltd	Subsidiary
11	GMR Tambaram Tindivana~ Expressways Limited	Subsidiary
12	GMR Tuni Anakapalli Expressways Limited	Subsidiary
13	GMR Ambala Chandigarh Expressways Private Limited	Subsidiary
14	GMR Pochanpalli Expressways Limited	Subsidiary
15	GMR Highways Limited	Subsidiary
16	GMR Hyderabad Vijayawada Expressways Private Limited	Subsidiary
17	GMR Chennai Outer Ring Road Private Limited	Subsidiary
18	Gateways for India Airports Private Limited (GFIAL)	Subsidiary
19	GMR Aerostructure Services Limited (GASL)	Subsidiary
20	GAOL International Limited (formerly GAOL (Isle of	Subsidiary
21	GMR Aviation Private Limited (GAPL)	Subsidiary
22	GMR Krishnagiri SIR Limited (GKSIR)	Subsidiary
23	Advika Properties Private Limited	Subsidiary
24	Aklima Properties Private Limited	Subsidiary
25	Amartya Properties Private Limited	Subsidiary
26	Baruni Properties Private Limited	Subsidiary
27	Bougianvile Properties Private Limited	Subsidiary
28	Camelia Properties Private Limited	Subsidiary
29	Oeepesh Properties Private Limited	Subsidiary
30	Eila Properties Private Limited	Subsidiary
31	Gerbera Properties Private Limited	Subsidiary
32	Lakshmi Priya Properties Private. Limited	Subsidiary



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Sr. No.	Name of the entity	Relation
33	Honeysuckle Properties Private Limited	Subsidiary
34	Idika Properties Private Limited	Subsidiary
35	Krishnapriya Properties Private Limited	Subsidiary
36	Larkspur Properties Private Limited	Subsidiary
37	Nadira Properties Private Limited	Subsidiary
38	Padmapriya Properties Private Limited	Subsidiary
39	Prakalpa Properties Private Limited	Subsidiary
40	Properties Private Limited	Subsidiary
41	Radhapriya Properties Private Limited	Subsidiary
42	Shreyadita Properties Private Limited	Subsidiary
43	Sreepa Properties Private Limited	Subsidiary
44	GMR S~Z & Port Holdings Limited	Subsidiary
45	Dhruvi Securities Private Limited	Subsidiary
46	Asteria Real Estates Private Limited	Subsidiary
47	Pranesh Properties Private Limited	Subsidiary
48	Namitha Real Estates Pvt. Ltd.	Subsidiary
49	Honeyflower Estates Pvt. Ltd	Subsidiary
50	Suzone Properties Private Limited	Subsidiary
51	Lilliam Properties Private Limited	Subsidiary
52	Lantana Properties Private Limited (Formerly GMR Hosur Industrial City Pvt. Ltd.)	Subsidiary
53	GMR Infrastructure (Mauritius) Limited	Subsidiary
54	GMR Infrastructure (Cyprus) Limited	Subsidiary
55	GMR Infrastructure Overseas Limited (Malta)	Subsidiary
56	GMR Infrastructure (UK) Limited	Subsidiary
57	Indo Tausch Trading DMCC	Subsidiary
58	GMR Infrastructure (Global) Limited	Subsidiary
59	GMR Male International Airport Private Limited	Subsidiary
60	GMR Infrastructure (Overseas) Limited	Subsidiary
61	PT GMR Infrastructure Indonesia	Subsidiary
62	Megawide GISPL Construction JV	Joint Operation
63	GMR Rajahmundry Energy Limited	Associate
64	GMR Energy Limited	Joint Venture
65	GMR Vemagiri Power Generation Limited	Joint Venture
66	GMR (Badrinath) Hydro Power Generation Private Limited	Joint Venture
67	PT Golden Energy Mines Tbk (GEMS)	Associate
68	PT Dwikarya Sejati Utama	Associate
69	PT Duta Sarana Internusa	Associate
70	PT Barasentosa Lestari	Associate
71	PTUnsoco	Associate
72	PT Roundhill Capital Indonesia (RCI)	Associate
73	PT Borneo Indobara (BIB)	Associate
74	PT Kuansing Inti Makmur (KIM)	Associate
75	PT Karya Cemerlang Persada (KCP)	Associate





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Sr. No.	Name of the entity	Relation
76	PT Bungo Sara Utama (BBU)	Associate
77	PT Bara Harmonis Satang Asam (BHBA)	Associate
78	PT Berka! Nusantara Permai	Associate
79	PT Tanjung Beful Bara Utama (TBBU)	Associate
80	PT Trisula Kencana Sakti (TKS)	Associate
81	GEMS Trading Resources Pte Ltd. (GEMSCR)	Associate
82	PT Karya Mining Solution (Formerly known as PT Bumi Anugerah Semesta (BAS))	Associate
83	PT GEMS Energy Indonesia	Associate
84	PT Era Mitra Selaras (EMS)	Associate
85	PT Wahana Rimba Leastari (WRL)	Associate
86	PT Berkat Satria Abadi (BSA)	Associate
87	PT Kuansing Inti Sejahtera (KIS)	Associate
88	PT Bun go Bara Makmur (BBM)	Associate
89	GMR Warora Energy Limited	Joint Venture
90	GMR Maharashtra Energy Limited	Joint Venture
91	GMR Bundelkhand Energy Pvt. Limited	Joint Venture
92	GMR Rajam Solar Power Pvt. Limited	Joint Venture
93	GMR Gujarat Solar Power Pvt. Limited	Joint Venture
94	Karnali Transmission Company Private Limited	Joint Venture
95	GMR Kamalanga Energy Limited	Joint Venture
96	GMR Energy (Mauritius) Limited, Mauritius	Joint Venture
97	GMR Lion Energy Limited, Mauritius	Joint Venture
98	GMR Upper Karnali Hydropower Ltd, Nepal	Joint Venture
99	GMR Indo-Nepal Power Corridors Limited	Joint Venture
100	Limak GMR	Joint Venture
101	GMR Consulting Services Limited	Joint Venture
102	GMR Bajoli Holi Hydropower Private Limited	Joint Venture
103	GMR Tenaga Operations and Maintenance Pvt. Ltd.	Joint Venture
104	GIL SILJV	Joint Venture
105	Rampia Coal Mine and Energy Private Limited (RCMEPL) (Dissolved wef 19th April 2021)	Joint Venture
106	GMR Indo-Nepal Energy Links Limited (GINELL) (Strike off filed on 31st December 2021)	Joint Venture

**Annexure 3: Facility wise lender details:**

<https://www.infomerics.com/admin/prfiles/len-GPUIL-aug23.pdf>

**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](http://www.infomerics.com)