

April 08, 2024

GSM Mega Infrastructures Private Limited: Rating continues to remain Issuer Non Cooperating category

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based LRD loan	110.00	110.00	[ICRA]BB (Stable) ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long-term – Unallocated	10.00	10.00	[ICRA]BB (Stable) ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	120.00	120.00	

*Issuer did not cooperate; based on best available information

*Instrument details are provided in Annexure-I

Rationale

The ratings for the bank facilities of GSM Mega Infrastructures Private Limited remain under the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]BB (Stable); ISSUER NOT COOPERATING".

As a part of its process and in accordance with its rating agreement with GSM Mega Infrastructures Private Limited, ICRA has been trying to seek information from the entity to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with SEBI's circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, the rating has remained under "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position, rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy in respect of Non-cooperation by a rated entity Realty- Lease Rental Discounting
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the company's standalone financial statements

About the company

Incorporated in 2011, GMIPL is involved in developing and operating commercial real estate projects at Miyapur, Hyderabad. The mall-cum-multiplex has a total chargeable area of 4.46 lakh square feet and operates under the name GSM Mall. Spread across 3.23-acre area, the mall has seven floors (G+6) and three basement levels of parking (for up to 800 cars). The mall

became operational on June 8, 2019. The company is promoted by Mr. Murali Mohan Reddy, Mr. M V S Seshagiri Rao and Mr. Siva Shankar Reddy.

Key financial indicators (audited)

GMIPL	FY2022	FY2023
Operating income	16.8	27.1
PAT	-6.5	-0.51
OPBDIT/OI	52.3%	53.97%
PAT/OI	-38.9%	-1.89%
Total outside liabilities/Tangible net worth (times)	-43.0	-57.1
Total debt/OPBDIT (times)	16.0	9.5
Interest coverage (times)	0.8	1.4

Source: Company data; ICRA Research; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore

Status of non-cooperation with previous CRA: CRISIL has outstanding ratings of CRISIL D, ISSUER NOT COOPERATING according to its rationale dated March 21, 2024.

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2025)			Chronology of rating history for the past 3 years				
		Amount rated (Rs. crore)	Amount outstanding as on Mar 31, 2023 (Rs. crore)	Date & rating in FY2025	Date & rating in FY2024			Date & Rating in FY2023	Date & rating in FY2022
					Apr 08, 2024	Nov 17, 2023	Apr 21, 2023		
1	LRD loan	Long term	110.0	113.9*	[ICRA]BB (Stable); ISSUER NOT COOPERATING	[ICRA]BB(Stable); ISSUER NOT COOPERATING	[ICRA]BB (Stable)	[ICRA]BB-(Stable)	[ICRA]D
2	Unallocated limits	Long term	10.0	-	[ICRA]BB (Stable); ISSUER NOT COOPERATING	[ICRA]BB(Stable); ISSUER NOT COOPERATING	[ICRA]BB (Stable)	[ICRA]BB-(Stable)	[ICRA]D

*Includes interest accrued during moratorium period during April 2020 to August 2020 availed as a part of the Covid-19 Regulatory Package announced by the Reserve Bank of India (RBI); @ placed under Watch with Negative Implications

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term Fund-based – LRD loan	Simple
Long-term – Unallocated limits	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#).

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	LRD loan	Jan 2020	NA	Mar 2035	110.00	[ICRA]BB(Stable); ISSUER NOT COOPERATING
NA	Unallocated limits	NA	NA	NA	10.00	[ICRA]BB(Stable); ISSUER NOT COOPERATING

Source: Company

Annexure II: List of entities considered for consolidated analysis – Not applicable

ANALYST CONTACTS

Rajeshwar Burla

+91 40 6939 6443

rajeshwar.burla@icraindia.com

Anupama Reddy

+91 40 6939 6427

anupama.reddy@icraindia.com

Abhishek Lahoti

+91 40 6939 6433

abhishek.lahoti@icraindia.com

Prateek Agarwal

+91 80137 03303

prateek.agarwal@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar

+91 22 6169 3304

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2024 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.