

July 03, 2024

Guruvayoor Infrastructure Private Limited: rating downgraded to [ICRA]D

Summary of rating(s) outstanding

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Term loan	212.0	212.0	[ICRA]D; Rating downgraded from [ICRA]B- and Removed from Rating Watch with Negative Implications
Non-convertible debenture	53.0	53.0	[ICRA]D; Rating downgraded from [ICRA]B- and Removed from Rating Watch with Negative Implications
Total	265.0	265.0	

*Instrument details are provided in Annexure-I

Rationale

Material event

On July 01, 2024, ICRA received confirmation from Guruvayoor Infrastructure Private Limited (GIPL) regarding the recent irregularities in debt servicing on the company's borrowing facilities.

Impact of material event

The long-term rating of GIPL have been downgraded to [ICRA]D from [ICRA]B- following the recent delays in debt servicing on bank facilities. Also, the rating has been removed from Watch with Negative Implications. The delay in debt servicing was on account of a stretch in the company's liquidity, which has turned poor due to materialisation of large payments towards National Highways Authority of India (NHAI) in relation to the ongoing litigations. Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, along with the key financial indicators: [Click here.](#)

Liquidity position: Poor

GIPL's liquidity is poor, as reflected in the delays in fulfilling its debt repayment obligations. The company has to pay large regular payments to NHAI as per the interim order from the High Court of Delhi, which has adversely impacted the company's liquidity, which is likely to remain under pressure in the near-to-medium term.

Rating sensitivities

Positive factors – The rating can be upgraded if the company demonstrates a timely debt servicing track record, supported by an improvement in toll collection revenues and liquidity on a sustained basis.

Negative factors – Not applicable.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Roads - BOT Toll Policy on Default Recognition
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

GIPL is a special purpose vehicle (SPV) formed for four-laning of Thrissur-Angamali section of NH-47 (in Kerala) from km 270.00 to km 316.00, and improvement, operation and maintenance from km 316.70 to km 342.00 on a build, operate and transfer (BOT) toll basis. The project was secured by a consortium of KMC Infratech Limited and SREI Equipment Finance Limited with equity interest of 51% and 49%, respectively. However, later Bharat Road Network Limited (BRNL) took over 76% equity interest (49% from SREI and 25% from KMC). At present, the SPV is held by BRNL.

The project achieved PCOD in December 2011, and tolling operations commenced in February 2012. The total project cost was Rs. 726 crore, which was funded by the promoter's contribution of Rs. 226 crore (Rs. 169 crore as equity and Rs. 57 crore as unsecured loans from promoters) and external debt of Rs. 465 crore.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Amount Rated (Rs. crore)	Chronology of Rating History for the Past 3 Years						
			Current Rating (FY2025)		Date & Rating in FY2023			Date & Rating in FY2022	
			Date & Rating in FY2025	Date & Rating in FY2024	Mar 23, 2023	Feb 22, 2023	Aug 26, 2022	Sep 24, 2021	Apr 14, 2021
1 Term loans	Long term	212.00	[ICRA]D	[CRA]B-; Rating Watch with Negative Implications	[ICRA]B+@	[ICRA]BB@	[ICRA]BB@	[ICRA]BBB-@	[ICRA]BBB@
2 Non-convertible debenture	Long term	53.00	[ICRA]D	[ICRA]B-; Rating Watch with Negative Implications	[ICRA]B+@	[ICRA]BB@	[ICRA]BB@	[ICRA]BBB-@	[ICRA]BBB@

@= Under Watch with Negative Implications

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term – Fund-based – Term loan	Simple
Non-convertible debenture	Simple

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 analyzing 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, is available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
-	Term loan	FY2017	10.65%	FY2025	212.0	[ICRA]D
INE647L07022	NCD	Sep 9, 2014	11%	March 31, 2025	26.5	[ICRA]D
INE647L07014	NCD	Sep 9, 2014	11%	March 31, 2025	26.5	[ICRA]D

Source: Company

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

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About ICRA Limited:

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