

July 17, 2019

GSCO Infrastructure Pvt. Ltd: Ratings downgraded to [ICRA]D; continues to remain in 'Issuer Not Cooperating' category

Summary of Rated Instrument

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund based-Cash Credit	6.4	6.4	[ICRA]D ISSUER NOT COOPERATING* from [ICRA]BB+ (Stable); Rating continues to remain in the 'Issuer Not Cooperating' category
Non-Fund based-Bank Guarantee	40.0	40.0	[ICRA]D ISSUER NOT COOPERATING* from [ICRA]BB+ (Stable); Rating continues to remain in the 'Issuer Not Cooperating' category
Total	46.4	46.4	

*Issuer did not co-operate; based on best available information.

Rating action

ICRA has downgraded the rating of Rs. 46.4 crore bank facilities of GSCO Infrastructure Pvt Ltd (GSCO) to [ICRA] D (pronounced ICRA D) from [ICRA]BB+(Stable) (pronounced ICRA double B plus). The rating continues to remain in the 'Issuer Not Cooperating' category.

Rationale

The rating downgrade follows the delays in debt servicing by GSCO Infrastructure Pvt Ltd (GSCO) to the lender(s), as confirmed by them to ICRA. ICRA has limited information on the entity's performance since the time it was last rated in July 2016.

As part of its process and in accordance with its rating agreement with GSCO Infrastructure Pvt Ltd (GSCO), ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated 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, ICRA's Rating Committee has taken a rating view based on the best available information. Accordingly, the lenders, investors and other market participants are 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.

Key rating drivers

Credit challenges

Delays in debt servicing - The company has delays in servicing of debt obligations in the last six months.

Liquidity Position: Not applicable

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology
Parent/Group Support	Not Applicable
Consolidation / Standalone	Standalone financial statements

Links to applicable criteria:

[Policy in respect of non-cooperation by the rated entity](#)

About the company:

Incorporated in 2004, GSCO is promoted by Mr Gurmeet Singh who has been in the construction business since the last three decades. The promoters were earlier running the business through a proprietary concern M/s. Gurmeet Singh & Co which was taken over by GSCO in 2008. GSCO undertakes projects in irrigation, mining and road sectors.

Key financial indicators: Not applicable

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years

Current Rating (FY2020)					Chronology of Rating History for the past 3 years			
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding as on March 31, 2018 (Rs. crore)	Date & Rating July 2019	Date & Rating in FY2018	Date & Rating in FY2017	Date & Rating in FY2016	
					January 2018	July 2016	October 2015	
1	Cash Credit	Long Term	6.4	NA	[ICRA] D; ISSUER NOT COOPERATING	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING*	[ICRA]BB+ (Stable)	[ICRA]BB (Stable)
2	Bank Guarantee	Long Term	40.0	NA	[ICRA] D; ISSUER NOT COOPERATING	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING*	[ICRA]BB+ (Stable)	[ICRA]BB (Stable)

*Rating was moved to Non-Cooperation under NDS in November 2017

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction		Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund based-Cash Credit	NA	NA	NA	NA	6.4	[ICRA]D; ISSUER NOT COOPERATING
NA	Non-Fund based- Bank Guarantee	NA	NA	NA	NA	40.0	[ICRA]D; ISSUER NOT COOPERATING

Source: GSCO

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
NA	NA	NA

ANALYST CONTACTS

K. Ravichandran

+91-044-45964301

ravichandran@icraindia.com

Manish Ballabh

+91-124-4545812

manish.ballabh@icraindia.com

Gaurav Singla

+91-124-4545366

gaurav.singla@icraindia.com

Geetika Mamtani

+91-124-4545832

geetika.mamtani@icraindia.com

RELATIONSHIP CONTACT

Jayanta Chatterjee

+91 80 4332 6401

jayantac@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

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ICRA Limited

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: info@icraindia.com

Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87

Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,

Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,

Bangalore + (91 80) 2559 7401/4049

Ahmedabad+ (91 79) 2658 4924/5049/2008

Hyderabad + (91 40) 2373 5061/7251

Pune + (91 20) 2556 0194/ 6606 9999

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