



Press Release

GMR Power and Urban Infra Limited

March 03, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Rating	Previous Rating	Rating Action	Complexity Indicator
Long Term Bank Facilities	380.00	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	Rating Reaffirmed	Simple
Non-Convertible Debentures	24.65	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	Rating Reaffirmed	Simple
Short Term Bank Facilities	5.30	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	Rating Reaffirmed	Simple
Total	409.95	Rupees Four Hundred Nine Crore and Ninety-Five Lakhs Only			

Details of Facilities/Instrument are in Annexure 1

Facility wise lender details are at Annexure 2

Detailed explanation of covenants is at Annexure 3

Detailed Rationale

Infomerics Valuation and Rating Limited (IVR) has reaffirmed long term rating at IVR BBB- with a Stable outlook and short-term rating at IVR A3 for the bank loan facilities and non-convertible debentures (NCD) of GMR Power and Urban Infra Limited (GPUIL).

The rating continues to draw comfort from the established group with experienced promoters and management, regular asset monetization leading to deleveraging of the balance sheet, majority of consolidated debt being availed by the entities that are self-sustaining with better credit profile and diversified business. However, these strengths are partially offset by moderate financial risk profile with improvement in 9MFY25, tender based nature of business of few business streams with intense competition in the industry, and susceptibility of profitability to volatile input prices.

The 'Stable' outlook is on account of various asset monetisation/ divestment of assets and reduction in overall debt going forward alongwith improvement in financial risk profile in 9MFY25.

IVR has principally relied on the standalone audited financial results of GPUIL upto 31 March 2024 (refers to period April 1st, 2023, to March 31, 2024), 9MFY25 unaudited results and



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projected financials for FY2025, FY2026 and FY2027, and other publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities:

Upward Factors

- Substantial improvement in the TOI and PAT margin above 4%
- Improvement in debt protection metrics
- Significant debt reduction due to asset monetization

Downward Factors

- Significant reduction in the scale of operations and profitability margins,
- Large debt funded capex, resulting in deterioration in debt protection metrics and overall gearing

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Established group with experienced promoters and management:**
The GMR group was founded by Mr. G.M. Rao in 1978. Over the years, the company has demonstrated successful execution capabilities across diverse sectors. 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. They are assisted by team of professionals having appropriate qualification and professional experience.
- **Regular asset monetization leading to deleveraging of the balance sheet:**
The company has been able to conclude sale of some portions of Krishnagiri SIR and SEZ port holdings land parcel and settlement of NHAI arbitration claims in 9MFY25. The company received an amount of Rs. 1387 crore towards settlement with NHAI for GMR Hyderabad-Vijayawada Expressway Project and the project was handed over to NHAI on 1st July 2024. The company used the proceeds to repay its project debt and reduced its corporate debt. The rating factor expected improvement in financial risk profile, as the management has strong intent to further deleverage by using proceeds from various fund-raising initiatives including divestment of non- core assets and monetization of land parcels.
- **Significant portion of consolidated debt is availed in entities that are self-sustaining with better credit profile:**
The majority of the consolidated debt is in operational entities that are self-sustaining by their individual operations. Corporate debt has been significantly reduced though proceeds from asset monetization.



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- **Diversified 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 infrastructure EPC, energy, highways and smart meter businesses. The company is engaged in the EPC business, experience of which can be leveraged in asset construction for other infrastructure business segments. 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 with improvement in 9MFY25:**

The financial risk profile continues to remain moderate due to large size infrastructure company. The negative TNW in FY2024 considers retention of losses and setting off of intangible assets of Rs. 2708.93 crore (Rs. 2077.50 crore in FY2023) which are basically right of use of assets, goodwill, software and carriageway concessionaire rights and power plant concessionaire rights of actual physical assets, classified as intangible assets under IND-AS accounting. However, during FY2024 the company has reported an EBITDA of Rs. 1060.42 crore. Company has a proven track record of raising funds & divesting non-core assets to meet its commitments. In 9MFY25 the TOI and PAT improved to Rs. 4607.47 crore and Rs. 1503.31 crore respectively from Rs. 2854.50 crore and Rs. -281.67 crore in 9MFY24 due to consolidation of energy business. The TNW has turned positive in 9MFY25 on account of profitability and conversion of FCCB's into equity.

- **Tender based nature of business for few business streams with intense competition in the industry:**

The domestic infrastructure sector is highly crowded with presence of many players with varied statures & capabilities. Further, GPUIL receives all its work orders from government departments through tenders floated by the departments and based on its ability to secure these tenders amidst intense price war. Profit margin of the company may come under pressure because of this competitive nature of the industry. However, the promoters' long industry presence imparts comfort.

- **Susceptibility of profitability to volatile input prices:**

Major raw materials used in operating activities are coal, steel, cement, stone, asphalt/bitumen and sand which are usually sourced from large players/dealers at proximate distances. As the raw material prices are volatile in nature, the profitability of the company is subject to fluctuation. Sustenance of margins would remain a key monitorable over the medium term.



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Analytical Approach: For arriving at the ratings, IVR has analysed GPUIL's credit profile by considering the consolidated financial statements of the company. IVR has taken a consolidated view of the business and financial profiles of GPUIL and its subsidiaries, collectively referred to as GMR group because of the commonality of management and business and significant operational and financial linkage between the entities.

Applicable Criteria:

[Rating Methodology for Infrastructure Companies.](#)

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

[Criteria for assigning Rating outlook.](#)

[Consolidation of Companies](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity – Stretched

The liquidity is stretched as reflected in its negative Gross Cash Accruals (GCA) of Rs. 112.21 crore in FY2024 as against maturing debt obligations of Rs. 974.33 core. The cash and cash equivalents stood at Rs. 549.48 crore. The company has been making repayment of its term loans by way of divestment of non-core assets and monetisation of land parcels and various fund-raising initiatives.

About the Company

GMR Power and Urban Infra Limited (GPUIL), is a diversified infrastructure player and a subsidiary of GMR Enterprises Private Limited (GEPL) which holds expertise in the sectors of Energy, Urban Infrastructure and Transportation. GPUIL and its subsidiaries, associates, joint ventures and jointly controlled operations (hereinafter collectively referred to as 'the Group') are mainly engaged in generation of power, development of highways, maintenance and operation of special economic zones, coal trading and construction business including Engineering, Procurement and Construction (EPC') contracting activities.



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Financials (Consolidated):

(Rs. crore)

For the year ended as on	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	5515.74	4488.98
EBITDA	383.85	1060.42
PAT	1139.24	-127.47
Total Debt	8200.98	13854.88
Tangible Networth	-4890.89	-5760.88
EBITDA Margin (%)	6.96	23.62
PAT Margin (%)	19.33	-2.64
Overall Gearing Ratio (x)	-1.69	-2.42
Overall Gearing Ratio (x)*	-2.63	-4.13
Interest Service Coverage Ratio (x)	0.28	0.72

Status of non-cooperation with previous CRA: Nil

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Type of Instrument/Facility	Current Ratings (Year 2024-25)			Rating History for the past 3 years			
		Tenure	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25 30 May 2024	Date(s) & Rating(s) assigned in 2023-24 05 March 2024	Date(s) & Rating(s) assigned in 2023-24 7 August 2023	Date(s) & Rating(s) assigned in 2022-23 4 November 2022
1.	Non-Fund Based	Long Term	380.00	IVR BBB-/Stable	IVR BBB-/Stable	IVR BBB-/Stable	IVR BBB-/Stable	IVR BBB-/RWDI
2.	NCD	Long Term	24.65	IVR BBB-/Stable	IVR BBB-/Stable	IVR BBB-/Stable	-	-
3.	Non-Fund Based	Short Term	5.30	IVR A3	IVR A3	IVR A3	IVR A3	IVR A3

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt Ltd] 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.

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 (Rs. Crore)	Rating Assigned/ Outlook
Bank Guarantee*	-	-	-	380.00	IVR BBB- /Stable
NCD (ISIN: INE0CU607015)	01.07.2024	10.93	11.06.2025	24.65	IVR BBB- /Stable
Bank Guarantee**	-	-	-	5.30	IVR A3

*BG Tenor is more than one year

** BG Tenor is less than six months



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Annexure 2: Facility wise lender details: <https://www.infomerics.com/admin/prfiles/Len-GMR-PowerUrban-03march25.pdf>

Annexure 3: Detailed explanation of covenants of the rated securities/facilities:

Name of the Security/Instrument		Detailed Explanation
NCD (Non-Convertible Debenture)	Financial Covenant	Security Cove Ratio 1:1
	Non-financial Covenant	
	I.	Nil

Annexure 4: List of companies considered for consolidated analysis:

Name of the Company	Consolidation Approach
GMR Energy Trading Limited	100%
GMR Londa Hydropower Private Limited	100%
GMR Smart Electricity Distribution Private Limited	100%
GMR Generation Assets Limited	100%
GMR Green Energy Limited	100%
GMR Highways Limited	100%
GMR Ambala Chandigarh Expressways Private Limited	100%
GMR Pochanpalli Expressways Limited	100%
GMR Hyderabad Vijayawada Expressways Private Limited	100%
GMR Chennai Outer Ring Road Private Limited	100%
Gateways for India Airports Private Limited	100%
GMR Corporate Services Limited	100%
GMR Aviation Private Limited	100%
GMR Krishnagiri SIR Limited	100%
Advika Properties Private Limited	100%
Aklima Properties Private Limited	100%
Amartya Properties Private Limited	100%
Baruni Properties Private Limited	100%
Bougainvillea Properties Private Limited	100%
Camelia Properties Private Limited	100%
Deepesh Properties Private Limited	100%
Eila Properties Private Limited	100%
Gerbera Properties Private Limited	100%
Lakshmi Priya Properties Private Limited	100%
Honeysuckle Properties Private Limited	100%
Idika Properties Private Limited	100%
Krishnapriya Properties Private Limited	100%
Larkspur Properties Private Limited	100%
Nadira Properties Private Limited	100%
Padmapriya Properties Private Limited	100%
Prakalpa Properties Private Limited	100%
Purnachandra Properties Private Limited	100%



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Shreyadita Properties Private Limited	100%
Pranesh Properties Private Limited	100%
Sreepa Properties Private Limited	100%
Radhapriya Properties Private Limited	100%
Asteria Real Estates Private Limited	100%
Lantana Properties Private Limited	100%
Namitha Real Estates Private Limited	100%
Honey Flower Estates Private Limited	100%
GMR SEZ & Port Holdings Limited	100%
Suzone Properties Private Limited	100%
Lilliam Properties Private Limited	100%
Dhruvi Securities Limited	100%
GMR Kashi Smart Limited	100%
GMR Triveni Smart Meters Ltd	100%
GMR Agra Smart Meters Ltd	100%
GMR Energy Limited	100%
GMR Vemagiri Power Generation Limited	100%
GMR (Badrinath) Hydro Power Generation Private Limited	100%
GMR Kamalanga Energy Limited	100%
GMR Upper Karnali Hydropower Ltd	100%
GMR Consulting Services Limited	100%
GMR Warora Energy Limited	100%
GMR Maharashtra Energy Limited	100%
GMR Bundelkhand Energy Pvt. Limited	100%
GMR Rajam Solar Power Pvt. Limited	100%
GMR Gujarat Solar Power Limited	100%
Karnali Transmission Company Private Limited	100%
GMR Indo-Nepal Power Corridors Limited	100%
GMR Energy (Cyprus) Limited	100%
GMR Energy Projects (Mauritius) Limited	100%
GMR Infrastructure (Singapore) Pte Limited	100%
GMR Coal Resources Pte Limited	100%
GADL International Limited	100%
GMR Male International Airport Private Limited	100%
GMR Power and Urban Infra (Mauritius) Limited	100%
GMR Infrastructure Overseas Limited	100%
GMR Infrastructure (UK) Limited	100%
PT GMR Infrastructure	100%
GMR Energy (Mauritius) Limited	100%
GMR Lion Energy Limited	100%

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.