



Press Release

GMR Power and Urban Infra Limited (GPUIL)

May 30, 2024

Ratings

Instrument Facility /	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator (Simple/ Complex/ Highly complex)
Non-convertible debentures*	150.26 (Reduced from Rs. 181 Cr.^)	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	Final rating	Simple
Long Term Bank Facilities – Term loan	43.30	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	Reaffirmed	Simple
Short Term Bank Facilities – Bank guarantees	404.91	IVR A3 (IVR A Three)	Reaffirmed	Simple
Total	598.47 (Rupees Five hundred and ninety-eight crores and forty-seven lakhs only)			

*Redeemable, rated, listed, secured non-convertible debentures; NCDs issued on private placement.

^The proposed NCD of Rs. 181 Cr. has been finalised and raised upto Rs. 150.26 Cr. and as per the client request the balance amount of proposed NCD totalling Rs. 30.74 Cr. shall not be raised and accordingly the same has been reduced to Rs. 150.26 Cr. The rating has been finalised based on the receipt of final, signed term sheet for the non-convertible debentures.

Details of Facilities are in Annexure 1

Detailed Rationale

The rating reaffirmation of the bank facilities takes into account the overall improvement in the FY23 financial performance along with 9MFY24 results, asset divestments and monetization of land parcels, arbitration claims received in favour of the company, which has resulted in prepayment of corporate debt. Further, the revenue is expected to improve with the receipt of Letter of Award (LOA) from two UP Discoms, to implement Advanced Metering Infrastructure (AMI) Projects in 10 years with 8 years of Annuity income. The rating reaffirmation continues to derive strength from experienced promoters & management, strengthening of revenue from power segment, 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. The rating is however constrained due to



Press Release

moderate financial risk profile, tender based nature of business with intense competition in the industry and susceptibility of operating margin to volatile input prices.

Key Rating Sensitivities:

Upward Factors

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

Increasing share of revenue from energy business segment

GPUIL's Energy business has a diversified portfolio of around 4.8 GW, of which ~1.9 GWs of power plants are operational and around ~1.8 GWs of power projects are under various stages of development. The PLF at thermal power plant Warora Power project improved y-o-y in H1FY24 to 82% from that of 74% in H1FY23 and Kamalanga Power Project improved y-o-y in H1FY24 to 79% from that of 72% in H1FY23. Post successful commissioning of the Bajoli Holi Hydro plant, the PLF improved y-o-y in H1FY24 to 75% from that of 56% in H1FY23.



Press Release

Further, GMR Power and Urban Infra Limited has acquired equity shares of GMR Energy Limited (GEL) from Power and Energy International (Mauritius) Limited, a company incorporated in Mauritius (hereinafter referred to as Tenaga) and a subsidiary of Tenaga Nasional Berhad a company incorporated in Malaysia, for a negotiated consideration of USD 28.50 Million. The current acquisition consolidates the existing stake of the Company in GEL from about 57.76%, held by itself and its subsidiaries, to about 86.90% thereby shall be consolidated in GPUIL financials. This shall further strengthen the revenue stream for GPUIL as currently 63% of the revenue is derived from power segment.

Additional revenue stream from AMI projects

GMR Smart Electricity Distribution Private Limited (GSEDPL), a 100% subsidiary of GPUIL, has received Letter of Award (LOA) from two UP Discoms, to implement Advanced Metering Infrastructure (AMI) Projects in 22 districts of Uttar Pradesh (UP). The said contract is for 10 years with 8 years of Annuity income which would further improve GPUIL's consolidated revenue and EBITDA.

Asset monetization leading to deleverage the balance sheet

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. The ratings factor expected improvement in financial risk profile, as the management has strong intent to deleverage by using proceeds from various fund-raising initiatives including divestment of non-core assets and monetization of land parcels.

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



Press Release

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 utilised towards reduction in corporate debt obligations.

Diversified (somewhat 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 airports businesses. The company's businesses are somewhat interlinked, providing advantage of backward and forward integration. For instance, energy generated by the power business is and can be used by the airports business. The company is engaged in the EPC business, experience of which can be leveraged in asset construction for the energy, highways and airports 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. 1139.45 Cr. and GCA (Gross cash accruals) stood at Rs. 800.41 Cr. mainly due to one-time exceptional income. 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. In 9MFY24, the company's revenue stood at Rs. 1,102.79 Cr. as against Rs. 1,442.97 Cr. in 9MFY23. The decline was mainly due to a decrease in international coal trading revenue from GISPL due to lower demand in the market and decrease in EPC revenue as DFCC project is nearing completion. Also, during the current period, the revenue share increased from consolidation of GEL entities [GMR Kamalanga Energy Ltd. and GMR Warora Energy Limited (subsidiaries of GEL)] as a result of acquisition of shares of GMR Energy Limited (GEL) and increase in electrical energy revenues (i.e., GETL). The EBITDA in absolute terms has improved owing to better realizations from other business segments thereby improving margins to ~21% as against ~9% in the corresponding period.



Press Release

Susceptibility of operating margin 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.

Analytical Approach: [Consolidated Approach](#)

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. As on March 31, 2023, the Company had 72 subsidiary companies apart from 3 associate companies and joint ventures. During the year under review, GMR Green Energy Limited (Formerly known as GMR Green Energy Private Limited) became a subsidiary of the company.

List of the subsidiaries consolidated is provided in Annexure 3.

Applicable Criteria:

[Rating Methodology for Infrastructure Companies](#)

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

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

[Consolidation of Companies](#)

[Policy on default recognition](#)

[Criteria on complexity](#)

Liquidity – Stretched

The liquidity is stretched as reflected in its Gross Cash Accruals (GCA) of Rs. 800.4 cr in FY23 as against maturing debt obligations of Rs. 974.3 cr. The cash and cash equivalents stood at Rs.1103.91 Cr. The company has been making repayment of its term loans by way



Press Release

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) 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.

Financials (Consolidated):

(Amt. in Rs. Cr.)

For the year ended / As on	31-Mar-2022 (Audited)	31-Mar-2023 (Audited)
Total Operating Income	4281.70	5892.31
EBITDA	675.38	760.42
PAT	-651.57	1139.24
Total Debt	10401.78	8200.98
Tangible Net worth	-2236.93	-2745.60
EBITDA Margin (%)	15.77	12.91
PAT Margin (%)	-15.22	19.33
Overall Gearing Ratio (times)	-4.65	-2.99

**Classification as per Infomerics standards*

Status of non-cooperation with previous CRA: None

Any other information: None

Rating History for last three years:



Press Release

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					PR: Feb. 02, 2024	PR: Aug. 07, 2023	PR: Nov 04, 2022
1	Term Loan	Long-term	0.00 (Reduced from Rs. 30.01 Cr.)	--	--	IVR BBB-/Stable	IVR BBB-/CWDI
2	Term Loan	Long-term	43.30	IVR BBB-/Stable Outlook	IVR BBB-/Stable Outlook	IVR BBB-/Stable	IVR BBB-/CWDI
3	Cash Credit	Long-term	0.00 (Reduced from Rs. 121 Cr.)	--	--	IVR BBB-/Stable	IVR BBB-/CWDI
4	Proposed	Long-term	0.00 (Reduced from Rs. 50 Cr.)	--	--	IVR BBB-/Stable	IVR BBB-/CWDI
5	Cash Credit	Long-term	0.00 (Reduced from Rs. 153.50 Cr.)	--	--	IVR BBB-/Stable	IVR BBB-/CWDI
6	Bank Guarantee	Short-term	0.00 (Reduced from Rs. 48.29 Cr.)	--	--	IVR A3	IVR A3/CWDI
7	Bank Guarantee	Short-term	380.00	IVR A3	IVR A3	IVR A3	IVR A3/CWDI
8	Bank Guarantee	Short-term	24.91	IVR A3	IVR A3	IVR A3	IVR A3/CWDI
9	NCD*	Long-term	150.26 (Reduced from Rs. 181 Cr.)	IVR BBB-/Stable	IVR BBB-/Stable	--	--

*Redeemable, rated, listed, secured non-convertible debentures; NCDs to be issued on private placement

Annexure 1: Details of Facilities



Press Release

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
NCD*		10.9277% p.a.	370 days from the Deemed Date of Allotment.	150.26	IVR BBB-/ Stable
Term loan	-	-	Nov - 2024	43.30	IVR BBB-/ Stable
Bank guarantee	-	-	Revolving	380.00	IVR A3
Bank guarantee	-	-	Revolving	24.91	IVR A3

*Redeemable, rated, listed, secured non-convertible debentures; NCDs issued on private placement.

Name and Contact Details of the Rating Analyst:

Name: Jyotsna Gadgil
Tel: (022) 62396023
Email: jyotsna.gadgil@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) 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.



Press Release

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.

Synopsis of the Term Sheet - Amount: INR 150.26 crores

Issuer	GMR Power and Urban Infra Limited
ISIN number	INE0CU607015
Seniority	Redeemable, Rated, Listed, Secured Non-Convertible Debentures (“NCDs”)
Issue Size	Rs. 150.26 Cr.

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 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.

As on March 31, 2023, the Company had 72 subsidiary companies apart from 3 associate companies and joint ventures. During the year under review, GMR Green Energy Limited (Formerly known as GMR Green Energy Private Limited) had become subsidiary of the company.

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

The extent of consolidation is Full.



Press Release

Sl. No.	Name*	Holding/Subsidiary/ *Associate
1.	GMR Enterprises Private Limited	Holding Company
2.	GMR Energy Trading Limited (GETL)	Subsidiary
3.	GMR Londa Hydropower Private Limited (GLHPPL)	Subsidiary
4.	GMR Generation Assets Limited (GGAL)	Subsidiary
5.	GMR Highways Limited (GMRHL)	Subsidiary
6.	GMR Ambala Chandigarh Expressways Private Limited (GACEPL)	Subsidiary
7.	GMR Pochanpalli Expressways Limited (GPEL)	Subsidiary
8.	GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)	Subsidiary
9.	GMR Chennai Outer Ring Road Private Limited (GOCORRPL)	Subsidiary
10.	Gateways for India Airports Private Limited (GFIAL)	Subsidiary
11.	GMR Corporate Services Limited (GASL) (formerly GMR Aerostructure Services Limited)	Subsidiary
12.	GMR Aviation Private Limited (GAPL)	Subsidiary
13.	GMR Krishnagiri SIR Limited (GKSIR)	Subsidiary
14.	Advika Properties Private Limited (APPL)	Subsidiary
15.	Aklima Properties Private Limited (AKPPL)	Subsidiary
16.	Amartya Properties Private Limited (AMPPL)	Subsidiary
17.	Baruni Properties Private Limited (BPPL)	Subsidiary
18.	Bougainvillea Properties Private Limited (BOPPL)	Subsidiary
19.	Camelia Properties Private Limited (CPPL)	Subsidiary
20.	Deepesh Properties Private Limited (DPPL)	Subsidiary
21.	Eila Properties Private Limited (EPPL)	Subsidiary
22.	Gerbera Properties Private Limited (GPL)	Subsidiary
23.	Lakshmi Priya Properties Private Limited (LPPPL)	Subsidiary
24.	Honeysuckle Properties Private Limited (HPPL)	Subsidiary
25.	Idika Properties Private Limited (IPPL)	Subsidiary
26.	Krishnapriya Properties Private Limited (KPPL)	Subsidiary
27.	Larkspur Properties Private Limited (LAPPL)	Subsidiary
28.	Nadira Properties Private Limited (NPPL)	Subsidiary
29.	Padmapriya Properties Private Limited (PAPPL)	Subsidiary
30.	Prakalpa Properties Private Limited (PPPL)	Subsidiary
31.	Purnachandra Properties Private Limited (PUPPL)	Subsidiary
32.	Shreyadita Properties Private Limited (SPPL)	Subsidiary
33.	Pranesh Properties Private Limited (PRPPL)	Subsidiary
34.	Sreepa Properties Private Limited (SRPPL)	Subsidiary
35.	Radhapriya Properties Private Limited (RPPL)	Subsidiary
36.	Asteria Real Estates Private Limited (AREPL)	Subsidiary
37.	Lantana Properties Private Limited (LPPL)	Subsidiary
38.	Namitha Real Estates Private Limited (NREPL)	Subsidiary
39.	HoneyFlower Estates Private Limited (HFEPL)	Subsidiary
40.	GMR SEZ & Port Holdings Limited (GSPHL)	Subsidiary



Press Release

Sl. No.	Name*	Holding/Subsidiary/ †Associate
41.	Suzone Properties Private Limited (SUPPL)	Subsidiary
42.	Lilliam Properties Private Limited (LPPL)	Subsidiary
43.	Dhruvi Securities Limited (DSL)	Subsidiary
44.	GMR Energy Projects (Mauritius) Limited (GEPML)	Subsidiary
45.	GMR Infrastructure (Singapore) Pte Limited (GISPL)	Subsidiary
46.	GMR Coal Resources Pte Limited (GCRPL)	Subsidiary
47.	GMR Power and Urban Infra (Mauritius) Limited (GPUIML)	Subsidiary
48.	GMR Infrastructure (Cyprus) Limited (GICL)	Subsidiary
49.	GMR Infrastructure Overseas Limited, Malta (GIOL)	Subsidiary
50.	GMR Infrastructure (UK) Limited (GIUL)	Subsidiary
51.	GMR Infrastructure (Global) Limited (GIGL)	Subsidiary
52.	Indo Tausch Trading DMCC (ITTD)*	Subsidiary
53.	GMR Infrastructure (Overseas) Limited (GI(O)L)	Subsidiary
54.	GMR Smart Electricity Distribution Private Limited (GSEDPL) (Formerly GMR Mining & Energy Private Limited) (GMEPL)	Subsidiary
55.	GMR Male International Airport Private Limited (GMIAL)	Subsidiary
56.	PT GMR Infrastructure Indonesia (PT GMR Infra)	Subsidiary
57.	GMR Energy Limited (GEL)*	Subsidiary
58.	GMR Energy (Mauritius) Limited (GEML)*	Subsidiary
59.	GMR Lion Energy Limited (GLEL)*	Subsidiary
60.	Karnali Transmission Company Private Limited (KTCPL)*	Subsidiary
61.	GMR Kamalanga Energy Limited (GKEL)*	Subsidiary
62.	GMR Vemagiri Power Generation Limited (GVPGL)*	Subsidiary
63.	GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)*	Subsidiary
64.	GMR Consulting Services Limited (GCSL)*	Subsidiary
65.	GMR Bajoli Holi Hydropower Private Limited (GBHHPL)*	Subsidiary
66.	GMR Warora Energy Limited (GWEL)*	Subsidiary
67.	GMR Bundelkhand Energy Private Limited (GBEPL)*	Subsidiary
68.	GMR Rajam Solar Power Private Limited (GRSPPL)*	Subsidiary
69.	GMR Maharashtra Energy Limited (GMAEL)*	Subsidiary
70.	GMR Gujarat Solar Power Limited (GGSPL)*	Subsidiary
71.	GMR Indo-Nepal Power Corridors Limited (GINPCL)*	Subsidiary
72.	GMR Upper Karnali Hydropower Limited (GUKPL)*	Subsidiary
73.	GMR Green Energy Limited (GGEL) (formerly GMR Green Energy Private Limited) (GGEPL)	Subsidiary
74.	GMR Tenaga Operations and Maintenance Private Limited (GTOM)	Associate
75.	Megawide GISPL Construction Joint Venture (MGCJV)	Associate
76.	GMR Rajahmundry Energy Limited (GREL)	Associate

£ Associate includes Joint Ventures.

¥ does not include Company limited by guarantee.

* assessed as Joint Venture for the purpose of Indian Accounting Standards.

ceased to be subsidiary w.e.f. June 30, 2023



Press Release

Annexure 3: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-GMRPower-may24.pdf>

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:

Following are the key Covenants as mentioned in the debenture trust deed dated May 22, 2024:

Notification of Default

(a) The Company shall, and shall ensure that each other Obligor shall, notify the Trustee of any Default or any Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

(b) Promptly upon a request by the Trustee, the Company shall, and shall ensure that each other Obligor shall, supply to the Trustee a certificate signed by one of its directors or authorised signatory on its behalf, certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

Negative Lien

a) The Company shall not, and shall ensure that no Obligor shall, create or permit to subsist any Security Interest over any of the Secured Assets other than pursuant to the Security Documents.

b) Without prejudice to paragraph (a) above:

(i) if an Event of Default has occurred and is continuing, the Company shall not, and shall ensure that no Obligor (other than GEPL) shall, create any Security Interest over any of its assets; and

(ii) if a Critical EOD has occurred and is continuing, the Company shall ensure that GEPL shall not create any Security Interest over any of its assets.

Subordination

(a) If an Event of Default has occurred and is continuing, the Company shall ensure that any Subordinated Indebtedness incurred by it or any other Obligor (other than GEPL) will be subordinated to the Debt in a form and manner satisfactory to the Trustee and no payment of principal, interest, fees or any other costs and expenses in relation to such Subordinated Indebtedness will be paid by the Company or any other Obligor (other than GEPL), as the case may be.



Press Release

(b) If a Critical EOD has occurred and is continuing, the Company shall ensure and procure that any Subordinated Indebtedness incurred by GEPL will be subordinated to the Debt in a form and manner satisfactory to the Trustee and no payment of principal, interest, fees or any other costs and expenses in relation to such Subordinated Indebtedness will be paid by GEPL.

(c) The Company shall ensure that each lender to the Subordinated Indebtedness shall be a 'related party of the corporate debtor' with respect to the Company or the Obligor, as applicable, as construed in terms of IBC.

Restricted payments

a) If an Event of Default has occurred and is continuing, the Company shall not, and shall ensure that no Obligor (other than GEPL) shall, without the prior written consent of the Trustee:

(i) declare, pay or make any dividend or other payment or distribution of any kind (whether in cash, securities, property or other assets) on or in respect of any class of its shares;

(ii) reduce, return, purchase, repay, cancel or redeem any of its share capital or equity linked securities; and/ or

(iii) repay, prepay, or pay any interest or premium on, any Financial Indebtedness which is subordinated to the Debentures.

b) If a Critical EOD has occurred and is continuing or any Event of Default (other than a Critical EOD) in relation to, or in connection with, GEPL has occurred and is continuing, the Company shall ensure and procure that GEPL shall not, without the prior written consent of the Trustee:

(i) declare, pay or make any dividend or other payment or distribution of any kind (whether in cash, securities, property or other assets) on or in respect of any class of its shares;

(ii) reduce, return, purchase, repay, cancel or redeem any of its share capital or equity linked securities; and/ or

(iii) repay, prepay, or pay any interest or premium on, any Financial Indebtedness which is subordinated to the Debentures.

Credit Rating



Press Release

(a) The Company shall provide all information and extend all necessary cooperation to the Rating Agency appointed for the purpose of rating of the Debentures and renewal of the rating for the Debentures and the Company shall comply with all the terms and conditions of the credit rating letter issued by the Rating Agency.

(b) The Company shall ensure that the Debentures are rated by an accredited Rating Agency to the satisfaction of the Trustee at least on an annual basis. Any revision in the credit rating awarded by the relevant Rating Agency shall be forthwith communicated by the Company to the Trustee and the Stock Exchange.

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