Aruna K

From: Ruchi Shah <ruchi.shah@infomerics.com>
Sent: 20 January 2022 15:27
To: Nishith Bhandari; Vishalkumar Sinha
Cc: Prakash Kabra; Sarnambar Roy
Subject: Rating Letter - GMR Enterprises Private Limited

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Dear Sir/Mam,

Greetings from **Infomerics Valuation & Rating Pvt Ltd!**

Please find below rating letter for bank facilities of **GMR Enterprises Private Limited.**

January 20, 2022

Mr. Vishal Kumar Sinha
Chief Financial Officer,
GMR Enterprises Private Limited
Ground Floor, New Udaan Bhavan,
Opp. Terminal 3, IGI Airport,
New Delhi – 110 037.

Dear Sir,

Assignment of rating to Non-Convertible Debentures of GMR Enterprises Private Limited (GEPL)

Please refer to the Mandate contract dated **December 10, 2021** on the captioned subject and your letter/ mail dated **December 20, 2021** accepting our rating & use thereof.

1. Our Rating Committee has assigned the following rating:

Instrument / Facility	Amount (INR Crore)	Rating	Rating Action
Long Term Fund based facilities Non-Convertible Debentures*	500.00	IVR BB+ (CE)/ Credit Watch with Developing Implications [IVR Double B Plus (Credit Enhancement) under Credit Watch with Developing Implications]#	Assigned

 # The NCDs of GEPL are Listed, Rated, Secured, Redeemable Non-Convertible Debentures of Up to Rs. 500 Cr to be issued in 4 series & Tranches of Series 1: Rs 42.4cr, Series 2: Rs 176.5cr, Series 3: Rs. 148.8cr and Series 4: Rs. 132.4cr and each series shall be issued in 2 Tranches of equal amount. Tranche I will be issued at a discount of 1% to its face value (i.e., at an issue price of 99% of the face value) and Tranche II shall be issued at par to the face value.

** CE Rating based on the security provided by pledge over listed equity shares of GMR Infrastructure Limited (GIL) held by the Pledgor. The stipulated asset cover for this instrument is 2.75 times of the outstanding investment amount through listed shares of the Security Company (lock-in of free fully paid up listed dematerialized equity shares carrying voting rights of GMR Infrastructure Limited ("Pledged Securities")). On the completion of demerger of GIL and the subsequent listing of the demerged entities, the Pledged Securities shall comprise of the lock-in free fully paid up listed dematerialized shares of the listed entity that owns the airport business ("New GIL") and the 2.75x cover requirement shall apply to such shares.*

Unsupported Rating: IVR B+/ Stable [IVR Single B Plus with Stable Outlook]

2. Details of the credit facilities are attached in Annexure I. Our rating symbols for long-term and explanatory notes thereon are attached in Annexure II.
3. The press release for the rating(s) will be communicated to you shortly.
4. If the proposed long term / short term facility (if any) is not availed within a period of six months / three months respectively from the date of this letter, then the rating may please be revalidated from us before availing the facility.
5. The above rating is normally valid for a period of one year from the date of our **initial communication** of rating to you (that is **January 20, 2023**).
6. A formal surveillance/review of the rating is normally conducted within 12 months from the date of initial rating/last review of the rating. However, INFOMERICS reserves the right to undertake a surveillance/review of the rating more than once a year if in the opinion of INFOMERICS, circumstances warrant such surveillance/review.
7. Further in terms of the mandate executed with us, you have undertaken to comply with the following:-
   a) Inform INFOMERICS before availing any new bank facility/ies and/or of any changes in the terms, conditions and/or size of the facilities rated.
   b) Furnish all material information and any other information in a timely manner as may be required by INFOMERICS, for monitoring the Rating assigned during the tenure of the bank facilities rated by INFOMERICS.
   c) Co-operate with and enable INFOMERICS to arrive at and maintain a true and fair rating and in particular, provide INFOMERICS with true, adequate, accurate, fair, and timely information for the purpose.
   d) Inform INFOMERICS, in writing and in a timely manner, of any other developments which may have a direct or indirect impact on the CLIENT's debt servicing capability including any proposal for re-schedulement or postponement of the repayment programs of the dues/ debts of the CLIENT with any lender (s)/ investor (s) within seven days from the date of such developments/ proposal.

8. **You shall provide us with a No Default Statement as at the last date of the month on the first date of succeeding month without fail.**The NDS shall be mailed every month to nds@infomerics.com and to the mail id of the undersigned.

9. **You shall provide the quarterly performance results/quarterly operational data (being submitted to Banks) to us within 6 weeks from the close of each calendar quarter for our review/monitoring.**
10. You shall furnish all material information and any other information called for by INFOMERICS in a timely manner, for monitoring the rating assigned by INFOMERICS. In the event of failure on your part in furnishing such information, to carry out continuous monitoring of the rating of the bank facilities, INFOMERICS shall carry out the review/annual surveillance on the basis of best available information throughout the lifetime of such bank facilities as per the policy of INFOMERICS.
11. INFOMERICS reserves the right to withdraw/revise/reaffirm the rating assigned on the basis of new information. INFOMERICS is also entitled to publicise/disseminate such withdrawal/revision in the assigned rating in any manner considered appropriate by it, without reference to you.
12. Please note that INFOMERICS ratings are not recommendations to buy, sell or hold any security or to sanction, renew, disburse or recall the bank facilities. INFOMERICS do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
13. In case you require any clarification, you are welcome to communicate with us in this regard.

Thanking you,

With Regards,

Ruchi Shah
Rating Analyst
ruchi.shah@infomerics.com

Prakash Kabra
Vice President
prakash.kabra@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, suspend 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 - I

1. Long-term facilities

1.A. Long Term Facility – NCDs

Facility Type	Sanction Amount (INR Crore)	Tenure	Repayment
NCD#	500.00	3 years and 3 months	Series 1: At the end of 13 months - Rs. 42.40 Cr Series 2: At the end of 27 months - Rs. 176.50 Cr Series 3: At the end of 33 months – Rs. 148.8 Cr Series 4: At the end of 39 months – Rs. 132.3 Cr
TOTAL	**500.00**		

 # The NCDs of GEPL are Listed, Rated, Secured, Redeemable Non-Convertible Debentures of Up to Rs. 500 Cr to be issued in 4 series & Tranches of Series 1: Rs 42.4cr, Series 2: Rs 176.5cr, Series 3: Rs. 148.8cr and Series 4: Rs. 132.4cr and each series shall be issued in 2 Tranches of equal amount. Tranche I will be issued at a discount of 1% to its face value (i.e., at an issue price of 99% of the face value) and Tranche II shall be issued at par to the face value.

Annexure II

INFOMERICS Rating Scale for Long Term Instruments & Borrowing Programmes

Rating Scale	Definition
IVR AAA	Instruments with this rating are considered to offer the highest degree of safety regarding timely servicing of financial obligations. Such issuers carry lowest credit risk.
IVR AA	Instruments with this rating are considered to offer high degree of safety regarding timely servicing of financial obligations. Such issuers carry very low credit risk.
IVR A	Instruments with this rating are considered to offer adequate degree of safety regarding timely servicing of financial obligations. Such issuers carry low credit risk.
IVR BBB	Instruments with this rating are considered to offer moderate degree of safety regarding timely servicing of financial obligations. Such issuers carry moderate credit risk.
IVR BB	Instruments with this rating are considered to offer moderate risk of default regarding timely servicing of financial obligations.
IVR B	Instruments with this rating are considered to offer high risk of default regarding timely servicing of financial obligations.
IVR C	Instruments with this rating are considered to offer very high risk of default regarding timely servicing of financial obligations.
IVR D	Instruments with this rating are in default or are expected to be in default soon in servicing of debt obligations.

INFOMERICS may apply '+' (plus) or '-' (minus) signs for ratings assigned 'IVR AA' to 'IVR C' to indicate their relative standing within the category.

INFOMERICS may assign rating outlooks for ratings from IVR 'AAA' to IVR 'B'.

INFOMERICS assigns suffix '(CE)' to the rating symbol, to indicate the presence of explicit credit enhancement from a third party in the form of corporate guarantee, pledge of shares, letter of comfort etc.

[Please treat this mail as final rating letter in view of extraordinary circumstances in the country. However, we will issue a duly signed rating letter once the situation normalizes.]

Regards,

Ruchi Shah

Senior Rating Analyst

Infomerics Ratings

Infomerics Valuation and Rating Pvt. Ltd.

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