

August 26, 2010

**CARE REAFFIRMS THE RATING FOR BANK FACILITIES OF  
GPT INFRAPROJECTS LTD.****Rating**

Facility	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Long-term Bank Facilities	279.27 (enhanced from Rs.206.65 crore)	'CARE BBB+' (Triple B plus)	Reaffirmed

**Rating Rationale**

The above rating draws strength from experience of the promoters, satisfactory project execution capability, healthy order book position, satisfactory client portfolio, infusion of equity funds in FY10, improved profitability, comfortable financial position and satisfactory industry outlook on the back of thrust on infrastructure related activities by GoI. The rating is however, constrained by short track record of the company in execution of construction projects, working capital intensive nature of the business leading to low liquidity parameters, volatile input prices, substantial amount of unsecured loan from banks falling due for repayment in the next one year, concentration risk in view of company's engagement mainly in construction of steel girder bridges for railways and fragmentation in the domestic industry intensifying competition. Ability to manage working capital effectively and raise resources to manage growth in operation, steady flow of orders & timely execution of the same, containment of operating costs in the wake of increasing competition and regular & timely receipt of contract proceeds are the key rating sensitivities.

**Company Profile**

GPTIL, incorporated in 1980 is a Kolkata based construction company engaged mainly in construction of steel girder bridges for railways. It is also into execution of infrastructure projects (roads & highways), manufacturing of concrete sleepers and wind power generation. The current promoters of GPTIL are Shri D.P. Tantia and Shri S. G. Tantia belonging to the Tantia family of Kolkata.

During FY10, the company commissioned a new plant at Gangajalghati, Dist. Bankura, West Bengal for manufacturing of concrete sleepers. GPTIL has an impressive client portfolio with a healthy order book position of about Rs.1,022.4 crore as on Jun.30, 2010.

In FY10, GPTIL received Rs.4.1 crore (representing about 25% of the aggregate amount) as part payment under the convertible warrants and Rs.25.1 crore against issue of Compulsorily Convertible Preference Shares.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

On a total operating income of Rs.309.0 crore, GPTIL earned a PAT of Rs.16.1 crore in FY10 and the leverage ratios were satisfactory.

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