

IL&FS Engineering and Construction Company Limited (Revised)

August 01, 2022

Ratings

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	902.81	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	2,188.52	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	3,091.33 (₹ Three Thousand Ninety-One Crore and Thirty-Three Lakhs Only)		

Details of instruments/facilities in Annexure-1.

Detailed Rationale & Key Rating Drivers

IL&FS Engineering and Construction Company Limited (IECCL) has not serviced its debt obligations since September 2018. The same continues according to the annual report of the company ending March 31, 2022.

CARE Ratings Ltd. had, vide its press release dated March 27, 2019, placed the ratings of IL&FS Engineering and Construction Company Limited (IECCL) under the 'issuer non-cooperating' category as IECCL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. IECCL continues to be non-cooperative despite repeated requests for submission of information through e-mails, and a letter dated July 22, 2022. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. CARE's ratings on IECCL's Long-Term and Short-Term bank facilities continue to be denoted as **CARE D; ISSUER NOT COOPERATING**

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.

Detailed description of the key rating drivers

At the time of last rating on August 13, 2021, the following were the key rating factors (updated for the information available from stock exchange)

Key Rating Weaknesses

Default in Debt Servicing Obligations:

There are continued delays and defaults on IECCL's principal and interest payments. IECCL has been classified as an NPA since 2019.

Liquidity: Poor

The liquidity profile of the company is poor as reflected by the ongoing delays in the debt servicing.

Analytical approach: Consolidated

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[CARE's Policy on Default Recognition](#)

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

[Criteria for Short term instruments](#)

[Rating Methodology: Consolidation](#)

[Financial Ratios – Non-Financial Sector](#)

[Rating Methodology – Infrastructure Sector](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

[Policy on Curing Period](#)

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

About the Company

IL&FS Engineering and Construction Company Limited (IECCL) promoted by Infrastructure Leasing & Financial Services Limited group (IL&FS, rated CARE D, holds 42.25%) rest is held by public (57.75%). As on March 31, 2021, IL&FS group had exposure of Rs.2047.07 crore in IECCL in form of equity and loans and advances.

IECCL is engaged in infrastructure development which includes construction and project management services operating across different countries. The company also undertakes construction of roads, buildings and industrial structures, irrigation canals projects.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	Q1FY23
Total operating income	332.74	378.68	NA
PBILDT	-221.40	-147.37	NA
PAT	-285.02	-386.13	NA
Overall gearing (times)	NM	NM	NA
Interest coverage (times)	-5.19	-3.20	NA

A: Audited; NM: Not Meaningful; NA: Not Available

Note: Financials are classified as per CARE internal standards

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	March 2023	352.81	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Working Capital Limits		-	-	-	550.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Working Capital Limits		-	-	-	2188.52	CARE D; ISSUER NOT COOPERATING*

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	352.81	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (13-Aug-21)	1)CARE D; ISSUER NOT COOPERATING* (23-Jun-20)	-
2	Fund-based - LT-Working Capital Limits	LT	550.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (13-Aug-21)	1)CARE D; ISSUER NOT COOPERATING* (23-Jun-20)	-
3	Non-fund-based - ST-Working Capital Limits	ST	2188.52	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (13-Aug-21)	1)CARE D; ISSUER NOT COOPERATING* (23-Jun-20)	-

*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities- Not Available

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT-Working Capital Limits	Simple
3	Non-fund-based - ST-Working Capital Limits	Simple

Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

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