

IL&FS Energy Development Company Limited

May 04, 2021

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Facilities	1137.85	CARE D; ISSUER NOT COOPERATING (Single D; ISSUER NOT COOPERATING)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Facilities	1137.85 (Rupees one thousand one hundred thirty seven crore and eighty five lakh only)		
Non-Convertible Debentures	900.00	CARE D; ISSUER NOT COOPERATING (Single D; ISSUER NOT COOPERATING)	Rating continues to remain under ISSUER NOT COOPERATING category
Proposed Non- Convertible Debentures	100.00	CARE D; ISSUER NOT COOPERATING (Single D; ISSUER NOT COOPERATING)	Rating continues to remain under ISSUER NOT COOPERATING category
Long Term-Inter- Corporate Deposit (ICD) Issue	100.00	CARE D; ISSUER NOT COOPERATING (Single D; ISSUER NOT COOPERATING)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Instruments	1,100.00 (Rupees one thousand one hundred crore only)		

*Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

IL&FS Energy Development Company Limited (IEDCL) has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. In line with the extant SEBI guidelines, CARE's ratings on IEDCL's Long-Term and Short-Term bank facilities, Non-Convertible Debentures and ICDs 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 rating(s).

Detailed description of the key rating drivers

At the time of last rating on June 17, 2020 the following were the rating strengths and weaknesses

Key Rating Weaknesses
Delay in debt-servicing obligations

Ongoing delays and defaults in servicing debt obligations. The same has been confirmed by lender to CARE, as part of the due diligence exercise. CARE has also not received NDS since September 2018.

Analytical approach: Consolidated

Applicable Criteria

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

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

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

[Rating Methodology- Infrastructure Sector](#)

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

About the Company

IEDCL is a subsidiary of Infrastructure Leasing & Financial Services Limited (IL&FS, rated CARE D; holds 91.42% stake) is into power generation business through conventional and non-conventional energy sources. At consolidated level, as on June 30, 2018 the operational capacity of the company is around 2,803.50 MW.

IL&FS has received a binding offer for acquisition of the energy advisory business undertaking of IEDCL, along with all the assets and liabilities, as a going concern on a slump-sale basis, which will be subject to a bid process akin to the 'Swiss challenge method'

Brief Financials (Rs. crore)-Consolidated	FY17 (A)	FY18 (A)
Total operating income	3398.44	4543.58
PBILDT	1769.05	1716.68
PAT	-50.20	-629.58
Overall gearing (times)	1.22	0.88
Interest coverage (times)	3.37	4.20

A: Audited; CARE has adjusted financials of IEDCL for analytical purposes.

Status of non-cooperation with previous CRA:

Brickwork Ratings (PR dated November 04, 2020) - The reaffirmation of rating has factored in continued delays and defaults in servicing of debt obligations by IEDCL due to its tight liquidity position.

Any other information: Not Applicable

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

Complexity level of various instruments: Please refer Annexure-3

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	50.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - LT-BG/LC	-	-	-	-	50.00	CARE D; ISSUER NOT COOPERATING*
Term Loan-Long Term	-	-	-	NA	1037.85	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE938L08064	June 07, 2016	11%	16-04-2021	300.00	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE938L08049 INE938L08056	June 28, 2016	Zero coupon	28-Jun-2019	200.00	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE938L08080 INE938L08098	May 28, 2018	9.50%	28-05-2025	205.00	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE938L08072	May 14, 2018	9.50%	28-05-2025	195.00	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	NA	NA	NA	NA	100.00	CARE D; ISSUER NOT COOPERATING*
Debt	NA	NA	NA	NA	100.00	CARE D; ISSUER NOT COOPERATING*

*Issuer not cooperating; Based on best available information; NA= Not Available

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based - LT-Cash Credit	LT	50.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (17-Jun-20)	-	1)CARE D; ISSUER NOT COOPERATING* (27-Mar-19) 2)CARE D (05-Oct-18) 3)CARE BB-(CWN) (06-Sep-18) 4)CARE A+ (CWN) (31-Aug-18) 5)CARE A+; Stable (18-May-18)
2.	Non-fund-based - LT-BG/LC	LT	50.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (17-Jun-20)	-	1)CARE D; ISSUER NOT COOPERATING* (27-Mar-19) 2)CARE D (05-Oct-18) 3)CARE BB-(CWN) (06-Sep-18) 4)CARE A+ (CWN) (31-Aug-18) 5)CARE A+; Stable (18-May-18)
3.	Term Loan-Long Term	LT	1037.85	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (17-Jun-20)	-	1)CARE D; ISSUER NOT COOPERATING* (27-Mar-19) 2)CARE D (05-Oct-18) 3)CARE BB-(CWN) (06-Sep-18) 4)CARE A+ (CWN) (31-Aug-18) 5)CARE A+; Stable (18-May-18)

4.	Debentures-Non Convertible Debentures	LT	300.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (17-Jun-20)	-	1)CARE D; ISSUER NOT COOPERATING* (27-Mar-19) 2)CARE D (05-Oct-18) 3)CARE BB-(CWN) (06-Sep-18) 4)CARE A+ (CWN) (31-Aug-18)
5.	Debentures-Non Convertible Debentures	LT	200.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (17-Jun-20)	-	1)CARE D; ISSUER NOT COOPERATING* (27-Mar-19) 2)CARE D (05-Oct-18) 3)CARE BB-(CWN) (06-Sep-18) 4)CARE A+ (CWN) (31-Aug-18)
6.	Debt	LT	100.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (17-Jun-20)	-	1)CARE D; ISSUER NOT COOPERATING* (27-Mar-19) 2)CARE D (05-Oct-18) 3)Provisional CARE BB-(CWN) (25-Sep-18) 4)Provisional CARE BB (SO) (CWN) (10-Sep-18) 5)Provisional CARE AA+ (SO) (CWN) (31-Aug-18)
7.	Debentures-Non Convertible Debentures	LT	205.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (17-Jun-20)	-	1)CARE D; ISSUER NOT COOPERATING* (27-Mar-19) 2)CARE D (05-Oct-18) 3)CARE BB-(CWN) (25-Sep-18) 4)CARE BB-(SO) (CWN) (10-Sep-18)

								<p>5)CARE AA (SO) (CWN) (16-Aug-18)</p> <p>6)CARE AA+ (SO); Stable (08-Jun-18)</p> <p>7)Provisional CARE AA+ (SO); Stable (30-May-18)</p> <p>8)Provisional CARE AA+ (SO); Stable (25-May-18)</p> <p>9)Provisional CARE AA+ (SO); Stable (18-May-18)</p>
8.	Debentures-Non Convertible Debentures	LT	195.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (17-Jun-20)	-	<p>1)CARE D; ISSUER NOT COOPERATING* (27-Mar-19)</p> <p>2)CARE D (05-Oct-18)</p> <p>3)CARE BB-(CWN) (25-Sep-18)</p> <p>4)CARE BB-(SO) (CWN) (10-Sep-18)</p> <p>5)CARE AA (SO) (CWN) (16-Aug-18)</p> <p>6)CARE AA+ (SO); Stable (08-Jun-18)</p> <p>7)CARE AA+ (SO); Stable (30-May-18)</p> <p>8)Provisional CARE AA+ (SO); Stable (25-May-18)</p> <p>9)Provisional CARE AA+ (SO); Stable (18-May-18)</p>
9.	Debentures-Non Convertible Debentures	LT	100.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (17-Jun-20)	-	<p>1)CARE D; ISSUER NOT COOPERATING* (27-Mar-19)</p> <p>2)CARE D (05-Oct-18)</p>

								3)Provisional CARE BB- (CWN) (25-Sep-18) 4)Provisional CARE BB- (SO) (CWN) (10-Sep-18) 5)Provisional CARE AA (SO) (CWN) (16-Aug-18) 6)Provisional CARE AA+ (SO); Stable (08-Jun-18)
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Annexure-3: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Non Convertible Debentures	Simple
2	Debt	Simple
3	Fund-based - LT-Cash Credit	Simple
4	Non-fund-based - LT-BG/LC	Simple
5	Term Loan-Long Term	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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