

Fedders Electric and Engineering Limited

July 13, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities	460.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	762.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	1,222.00 (Rs. One Thousand Two Hundred Twenty- Two Crore Only)		

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated May 06, 2020, continues to place the ratings of Fedders Electric & Engineering Limited under the 'issuer non-cooperating' category as the company had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. FEEL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter dated April 11, 2021, April 01, 2021 and March 22, 2021. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

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

The ratings on bank facilities of Fedders Electric and Engineering Limited will be denoted as **CARE D; Issuer not cooperating**

Detailed description of the key rating drivers

Please refer PR dated [May 06, 2020](#)

Analytical approach: Standalone

Applicable Criteria

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

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

About the Company

FEEL, a public limited company, was incorporated by the Punj group in 1957. The company provides customized solutions on a turnkey basis in the areas of infrastructure, involving manufacturing, engineering, designing of Steel Structures, Engineering, Procurement & Construction (EPC) for transmission of power, manufacture and supply of towers for wind turbines, and environment control systems for industrial and customized applications. Further, the Company has concluded the transaction with respect to the sale of the brand name, logo, trademark or any other intellectual property rights associated with "LLOYD" and/or "Lloyd" to Havells India Limited for a consideration of Rs 50.00 Crores on 8th May, 2017. Subsequently, after approval from the Registrar of Companies, the name of the Company has been changed from Fedders Lloyd Corporation Limited to Fedders Electric and Engineering Limited.

Covenants of rated instrument/facility: Details explanation of covenants of the rated instruments/facilities is given in Annexure-3

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	1354.11	1237.95
PBILDT	106.72	-450.03
PAT	20.57	-495.72
Overall gearing (times)	1.04	-8.48
Interest coverage (times)	1.65	-6.18

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

Covenants of rated instrument/facility: Annexure 3

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

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Term Loan-Long Term	-	-	Sept 2018	20.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based-Short Term	-	-	-	762.00	CARE D; ISSUER NOT COOPERATING*
Fund-based-Long Term	-	-	-	440.00	CARE D; ISSUER NOT COOPERATING*

*Issuer not cooperating; Based on best available information

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.	Term Loan-Long Term	LT	20.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (06-May-20)	-	1)CARE D; ISSUER NOT COOPERATING* (14-Dec-18) 2)CARE D (22-Jun-18) 3)CARE BB; Stable (14-May-18)
2.	Non-fund-based-Short Term	ST	762.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (06-May-20)	-	1)CARE D; ISSUER NOT COOPERATING* (14-Dec-18) 2)CARE D (22-Jun-18) 3)CARE A4 (14-May-18)
3.	Fund-based-Long Term	LT	440.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (06-May-20)	-	1)CARE D; ISSUER NOT COOPERATING* (14-Dec-18) 2)CARE D (22-Jun-18) 3)CARE BB; Stable (14-May-18)

*Issuer not cooperating; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: NA

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

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based-Long Term	Simple
2.	Non-fund-based-Short Term	Simple
3.	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

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is 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 CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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