

IL&FS Engineering and Construction Company Limited

October 23, 2023

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	902.81	CARE 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*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

IL&FS Engineering and Construction Company Limited (IECCL) has not serviced its debt obligations since September 2018. The same remains according to the annual report of the company ending March 31, 2023.

CARE Ratings 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 October 13, 2023. 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 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 rating(s).

Analytical approach: Consolidated

Outlook: Not Applicable

Detailed description of the key rating drivers:

At the time of last rating on August 01, 2022, the following were the rating strengths and weaknesses (updated for the information available from stock exchange).

Key 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.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

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

[Policy on curing period](#)

[Policy on default recognition](#)

[Consolidation](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

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

[Rating Outlook and Credit Watch](#)
[Construction](#)
[Policy on Withdrawal of Ratings](#)

About the company and industry

Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Industrials	Construction	Construction	Civil Construction

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, 2022 (A)	March 31, 2023 (A)
Total operating income	307.64	177.10
PBILDT	-215.56	-124.17
PAT	-386.35	-124.00
Overall gearing (times)	-0.90	-0.86
Interest coverage (times)	-4.69	-5.38

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'

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: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	31-03-2023	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*

*Issuer did not cooperate; based on best available information.

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 2023-2024	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
1	Fund-based - LT-Term Loan	LT	352.81	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (01-Aug-22)	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* (01-Aug-22)	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* (01-Aug-22)	1)CARE D; ISSUER NOT COOPERATING* (13-Aug-21)	1)CARE D; ISSUER NOT COOPERATING* (23-Jun-20)

*Issuer did not cooperate; based on best available information.

*Long term/Short term.

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the 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: Lender details

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

Note on the 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.

Contact Us

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About us:

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