

LEEL Electricals Limited

September 23, 2021

Ratings

| Facilities/Instruments | Amount (Rs. crore) | Ratings | Rating Action |
|---|---|---|--|
| Long Term Bank Facilities | 455.00 | CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*) | Rating continues to remain under ISSUER NOT COOPERATING category |
| Long Term / Short Term Bank Facilities | 595.00 | CARE D / CARE D; ISSUER NOT COOPERATING* (Single D / Single D ISSUER NOT COOPERATING*) | Rating continues to remain under ISSUER NOT COOPERATING category |
| Total Bank Facilities | 1,050.00 (Rs. One Thousand Fifty Crore Only) | | |

Details of facilities in Annexure-1
Detailed Rationale and Key Rating Drivers

CARE had, vide its press release dated May 30, 2019, placed the ratings of LEEL Electricals Limited under the 'issuer non-cooperating' category as the company had failed to provide requisite information for monitoring of the rating. LEEL Electricals Limited continues to be non-cooperative despite repeated request for submission of information through emails dated June 09, 2021, June 19, 2021 and June 29, 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 rating(s).

Detailed description of the key rating drivers

CARE has not received any information from the company. However, the company is under corporate insolvency resolution process in NCLT.

Analytical approach: Standalone

Applicable Criteria
[Policy in respect of Non-cooperation by issuer](#)
[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)
[CARE's Policy on Default Recognition](#)
[Criteria for Short Term Instruments](#)
[Rating Methodology - Manufacturing Companies](#)
[Financial ratios - Non-Financial Sector](#)
About the company

LEEL was incorporated in 1987 and operates in HVAC segment. It is engaged in the manufacturing of condenser and evaporator coils and contract manufacturing for Air Conditioners (ACs) for various brands. LEEL was also into retailing of ACs and consumer durable products like LCD/ LED TVs, washing machines, freezers, etc. The Company, however had sold its Consumer Durable Business comprising of business of importing, trading, marketing, exporting, distribution, sale of air conditioners, televisions, washing machines and other household appliances and assembling of televisions under the brand "LLOYD" and all of the rights, title, interest, licensees, contracts, assets, continuing employees, intellectual property including the brand, logo, trade mark "LLOYD" as a going concern on slump sale basis to Havells India Ltd. Pursuant to the transaction, the Company has also changed its name to 'LEEL Electricals Ltd.' LEEL has six manufacturing/ assembly units located at Rajasthan, Himachal Pradesh, Tamil Nadu, Haryana and Uttarakhand. On a consolidated basis, LEEL operates two subsidiaries, namely, Lloyd Coils Europe s.r.o (LCE) engaged in manufacturing of coils and finned pack heat exchangers and Noske Kaeser Company (NKC) which is engaged in engineering, manufacturing and providing system solutions and components for the transport industry in the fields of air conditioning, refrigeration, piping, fire-fighting, CBRN protection and related services.

| Brief Financials (Rs. crore) | FY17 (A) | FY18 (A) |
|------------------------------|----------|----------|
| Total Operating Income | 2978.80 | 1991.17 |
| PBILDT | 273.36 | 145.80 |
| PAT | 85.49 | 522.23 |
| Overall Gearing (times) | 1.20 | 0.36 |
| Interest coverage (times) | 2.30 | 2.19 |

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: Detailed explanation of covenants of the rated instruments/facilities is given in 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 |
|------------------------|------------------|-------------|---------------|-------------------------------|---|
| Fund-based-Long Term | - | - | - | 455.00 | CARE D; ISSUER NOT COOPERATING* |
| Non-fund-based-LT/ST | - | - | - | 595.00 | CARE D / CARE D; ISSUER NOT COOPERATING* |

*Issuer did not cooperate; 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. | Fund-based-Long Term | LT | 455.00 | CARE D; ISSUER NOT COOPERATING* | - | 1)CARE D; ISSUER NOT COOPERATING* (24-Jul-20) | 1)CARE D; ISSUER NOT COOPERATING* (30-May-19) | 1)CARE D (30-Oct-18) 2)CARE BB; Negative (12-Oct-18) 3)CARE BBB; Negative (08-Jun-18) |
| 2. | Non-fund-based-LT/ST | LT/ST | 595.00 | CARE D / CARE D; ISSUER NOT COOPERATING* | - | 1)CARE D / CARE D; ISSUER NOT COOPERATING* (24-Jul-20) | 1)CARE D; ISSUER NOT COOPERATING* (30-May-19) | 1)CARE D (30-Oct-18) 2)CARE BB; Negative / CARE A4 (12-Oct-18) 3)CARE BBB; Negative / CARE A3 (08-Jun-18) |

*Issuer did not cooperate; 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

| Sr. No. | Name of the Instrument | Complexity Level |
|---------|------------------------|------------------|
| 1. | Fund-based-Long Term | Simple |
| 2. | Non-fund-based-LT/ST | Simple |

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. 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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