

Fedders Electric & Engineering Limited

May 06, 2020

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Remarks
Long-term Bank Facilities	460.00	CARE D: Issuer not cooperating* (Single D; Issuer not cooperating)	Issuer not cooperating; Based on best available information
Short-term Bank Facilities	762.00		
Total	1222.00 (Rupees One Thousand Two Hundred and Twenty Two crore only)		

Details of instruments/facilities in Annexure-1
Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated December 14, 2018, continues to place the ratings of Fedders Electric & Engineering Limited under the 'Issuer Not Cooperating' category as the company had failed to provide the requisite information required for monitoring of the ratings as agreed to in its rating agreement. Fedders Electric & Engineering Limited continues to be non-cooperative despite repeated requests for submission of information through phone calls and a letter/email dated April 02, 2020. 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. The rating of bank facilities of Fedders Electric & Engineering Limited will now 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

CARE has not received any information. However, as per the lender the account was classified as NPA and now it is under 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](#)

[CARE's methodology for Short-term Instruments](#)

[Rating Methodology-Manufacturing Companies](#)

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

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

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

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

(Rs Crores)

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

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* Issuer not cooperating; Based on best available information
Non-fund-based-Short Term	-	-	-	762.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Term Loan-Long Term	LT	20.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (14-Dec-18) 2)CARE D (22-Jun-18) 3)CARE BB; Stable (14-May-18)	1)CARE BBB; Stable (09-Feb-18)
2.	Non-fund-based-	ST	762.00	CARE D; ISSUER	-	-	1)CARE D; ISSUER	1)CARE A3

	Short Term			NOT COOPERATING* Issuer not cooperating; Based on best available information			NOT COOPERATING* (14-Dec-18) 2)CARE D (22-Jun-18) 3)CARE A4 (14-May-18)	(09-Feb-18)
3.	Fund-based-Long Term	LT	440.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (14-Dec-18) 2)CARE D (22-Jun-18) 3)CARE BB; Stable (14-May-18)	1)CARE BBB; Stable (09-Feb-18)

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

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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