

**Leel Electricals Limited**  
**May 30, 2019**

**Ratings**

Facilities/Instruments	Volume (Rs. Cr)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities - Fund Based	455.00	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Issuer not cooperating; based on best available information.
LT/ST Bank Facilities (Non-Fund Based)	595.00	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	
<b>Total</b>	<b>1050.00</b> <b>(One Thousand Fifty crore only)</b>		

*Details of instruments/facilities in Annexure-1*

**Detailed Rationale & Key Rating Drivers**

CARE has been seeking information from LEEL Electricals limited to monitor the ratings vide e-mail communications dated May 17, 2019, May 15, 2019 and May 13, 2019 and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. 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. CARE's rating on Leel Electricals limited's bank facilities 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****Key Rating Weaknesses*****Delays in debt servicing:***

CARE as part of its due diligence exercise interacts with various stakeholders of the company including lenders to the company and as part of this exercise has ascertained that there are devolvement of letter of credit for more than 30 days and the account has turned NPA.

**Analytical approach:** Standalone**Applicable Criteria**

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

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

[Rating Methodology-Manufacturing Companies](#)

[Criteria for Short Term Instruments](#)

[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

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

\*Issuer did not cooperate; Based on best available information

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	2977.31	1950.80
PBILDT	271.86	105.23
PAT*	85.14	522.23
Overall gearing (times)	1.35	0.42
Interest coverage (times)	2.29	1.58

\* in FY18 PAT includes extraordinary income of Rs 663 crore on account of closing adjustments after sale the CDB segment to Havells India Ltd & loss of Rs 18 crore arising from diminution in the value of investments in wholly owned subsidiary Noske Kaesar Rail & vehicle Germany. Further, the total operating Income in FY17 includes Income for the full financial year from the CDB segment as against in FY18 the income from the CDB segment only till May 08, 2017 is forming a part of the total operating income.

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
Fund-based – Long term	-	-	-	455.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based – LT/ST	-	-	-	595.00	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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Commercial Paper	ST	-	-	-	-	-	1)Withdrawn (01-Sep-16)
2.	Term Loan-Long Term	LT	-	-	-	-	1)Withdrawn (09-Feb-18)	1)CARE A- (Under Credit watch with Developing Implications) (24-Feb-17) 2)CARE A-; Stable (16-Feb-17) 3)CARE A- (01-Sep-16)
3.	Fund-based-Long Term	LT	455.00	CARE D	-	1)CARE D (30-Oct-18) 2)CARE BB; Negative (12-Oct-18) 3)CARE BBB; Negative (08-Jun-18)	1)CARE A-; Stable (09-Feb-18)	1)CARE A- (Under Credit watch with Developing Implications) (24-Feb-17) 2)CARE A-; Stable (16-Feb-17) 3)CARE A- (01-Sep-16)
4.	Non-fund-based-LT/ST	LT/ST	595.00	CARE D	-	1)CARE D (30-Oct-18) 2)CARE BB; Negative / CARE A4 (12-Oct-18) 3)CARE BBB; Negative / CARE A3 (08-Jun-18)	1)CARE A-; Stable / CARE A2 (09-Feb-18)	1)CARE A- / CARE A2 (Under Credit watch with Developing Implications) (24-Feb-17) 2)CARE A-; Stable / CARE A2 (16-Feb-17) 3)CARE A- / CARE A2 (01-Sep-16)

**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](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

## Contact us

### Media Contact

Mradul Mishra

Contact no. – +91-22-6837 4424

Email ID – mradul.mishra@careratings.com

### Analyst Contact

Name: Mr Gaurav Dixit

Tel: 011- 45333235

Mobile: +91 9717070079

Email: gaurav.dixit@careratings.com

### Business Development Contact

Name: Swati Agrawal

Contact no. : +91-11-4533 3200

Email ID: swati.agrawal@careratings.com

### 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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In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is 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.

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**