

## Punj Lloyd Limited

March 29, 2018

### Ratings

Facilities	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Long-term Bank Facilities	4,995.40 (reduced from 5,144.67)	CARE D (Single D)	Reaffirmed
Long-term/Short-term Bank Facilities	7,914.76 (reduced from 7,937.19)	CARE D/CARE D (Single D)	Reaffirmed
<b>Total Facilities</b>	<b>12,910.16</b> <b>(Rs. Twelve Thousand Nine Hundred Ten Crore and Sixteen Lakh only)</b>		
Non-Convertible Debenture I	135.00 (Rs. One hundred and thirty five crore only)	CARE D (Single D)	Reaffirmed
Non-Convertible Debenture II	300.00 (Rs. Three hundred crore only)	CARE D (Single D)	Reaffirmed

*Details of instruments/facilities in Anneuxre-1*

### Detailed Rationale & Key Rating Drivers

The ratings assigned to the bank facilities and instruments of Punj Lloyd Limited (PLL) continue to factor in delays in debt servicing by the company.

### Detailed description of the key rating drivers

### Key Rating Weaknesses

#### Delay in Debt servicing obligation:

The company's order back log as on December 31, 2017 stood at Rs. 8,901 crore. Total operating income for FY17 increased to Rs.4059.75 crore from Rs.3527.71 crore in FY16. The company reported net loss of Rs.850.58 crore in FY17 as compared to loss of Rs.1513.71 crore in FY16. For the 9MFY18, the company reported the total operating income of Rs.3279 crore as against Rs.3036 crore in 9MFY17. The net loss for 9MFY18 stood at Rs.627 crore. On account of weak financial performance, the liquidity position of the company has been impacted, leading to ongoing delays in debt servicing.

#### Analytical approach:

Standalone

#### Applicable Criteria

[Criteria on assigning Outlook to Credit Ratings](#)  
[CARE's Policy on Default Recognition](#)  
[Rating Methodology - Infrastructure Sector Ratings](#)  
[Financial ratios – Non-Financial Sector](#)

#### About the Company

Punj Lloyd Ltd (PLL), promoted by Mr Atul Punj in 1988, is an engineering & construction company in India, providing integrated design, engineering, procurement, construction (EPC) and project management services for oil & gas, process industry and infrastructure sector projects. PLL has various subsidiaries operating in multiple geographies and engaged in EPC in the field of oil and gas and infrastructure sector.

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	3458.32	4015.56
PBILDT	-439.05	63.44
PAT	-1513.71	-850.58
Overall gearing (times)	3.14	31.88
Interest coverage (times)	-0.49	0.07

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

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

**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.

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

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. 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. 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.

**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	-	-	June 2021	1637.75	CARE D
Fund Based/Non Fund Based-LT/ST	-	-	-	3357.66	CARE D
Fund Based - LT-Cash Credit	-	-	-	7914.76	CARE D
Non-Convertible Debentures	January 02, 2009	12.00%	January 02, 2014	135.00	CARE D
Non-Convertible Debentures	October 15, 2010	10.50%	October 15, 2015	300.00	CARE D

## Annexure-2 Rating History (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 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015
1.	Term Loan-Long Term	LT	1637.75	CARE D	-	1)CARE D (January 11, 2017)	1)CARE D (February 03, 2016) 2)CARE D (October 13, 2015)	1)CARE D (August 13, 2014)
2.	Fund Based/Non Fund Based-LT/ST	LT/ST	7914.76	CARE D	-	1)CARE D/ CARE D (January 11, 2017)	1)CARE D / CARE D (February 03, 2016) 2)CARE D / CARE D (October 13, 2015)	1)CARE D / CARE D (August 13, 2014)
3.	Fund Based - LT-Cash Credit	LT	3357.66	CARE D	-	1)CARE D (January 11, 2017)	1)CARE D (February 03, 2016) 2)CARE D (October 13, 2015)	1)CARE D (August 13, 2014)
4.	Non-Convertible Debentures	LT	300.00	CARE D	-	1)CARE D (January 11, 2017)	1)CARE D (February 03, 2016) 2)CARE D (October 13, 2015) 3)CARE D (July 09, 2015)	1)CARE BB (August 13, 2014)
5.	Non-Convertible Debentures	LT	135.00	CARE D	-	1)CARE D (January 11, 2017)	1)CARE D (February 03, 2016) 2)CARE D (October 13, 2015) 3)CARE D (July 09, 2015)	1)CARE BB (August 13, 2014)

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