

Taneja Aerospace and Aviation Limited

March 20, 2018

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating action
Long Term Bank Facilities (Fund Based)	9.50	CARE D (Single D)	Reaffirmed
Long Term Bank Facilities (Term Loan)	25.59	CARE D (Single D)	Reaffirmed
Short Term Bank Facilities (Non Fund Based)	29.12	CARE D (Single D)	Reaffirmed
Total Facilities	64.21 (Rupees Sixty Four crore and twenty one lakh only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The rating assigned to the bank facilities of Taneja Aerospace and Aviation Limited (TAAL) takes into account ongoing delays in servicing its debt obligation.

Timely repayment of debt going forward is the key rating sensitivity.

Detailed description of the key rating drivers

Key Rating Weaknesses

Delays in debt servicing

Due to stressed liquidity there have been delays in debt servicing. Timely receipt of rental income and thus timely repayment of debt is key rating monitorable.

Analytical Approach: Standalone

Applicable Criteria:

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

About the Company

TAAL headquartered in Bangalore, was established on July 22, 1988. It is a part of ISMT group with Indian Seamless Enterprises Limited holding 43.98% of the total shareholding of TAAL as on March 31, 2017. TAAL manufactures tailor made aero components, aero structures, aircraft modifications and undertakes aircraft maintenance and upgrades. The company owns an airfield, comprising an airstrip, with night landing and hangar facilities, and earns revenue by leasing out the facility.

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	61.43	37.09
PBILDT	3.69	7.85
PAT	(4.31)	0.58
Overall gearing (times)	1.08	0.95
Interest coverage (times)	0.61	1.41

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. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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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.

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 - LT-Term Loan	-	-	August 2023	25.59	CARE D
Fund-based - LT-Cash Credit	-	-	-	9.50	CARE D
Non-fund-based - ST-BG/LC	-	-	-	29.12	CARE D

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 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.	Fund-based - LT-Term Loan	LT	25.59	CARE D	1)CARE D (08-Dec-17) 2)CARE BB-; Stable (14-Apr-17)	1)CARE BB- (29-Apr-16)	1)CARE BB (09-Apr-15)	-
2.	Fund-based - LT-Cash Credit	LT	9.50	CARE D	1)CARE D (08-Dec-17) 2)CARE BB-; Stable (14-Apr-17)	1)CARE BB- (29-Apr-16)	1)CARE BB (09-Apr-15)	-
3.	Non-fund-based - ST-BG/LC	ST	29.12	CARE D	1)CARE D (08-Dec-17) 2)CARE A4 (14-Apr-17)	1)CARE A4 (29-Apr-16)	1)CARE A4 (09-Apr-15)	-

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