

## IL&FS Energy Development Company Limited

June 17, 2020

### Ratings

Facilities	Amount (Rs. crore)	Rating1	Rating Action
Long Term Facilities	1137.85	<b>CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING)</b>	Issuer Not Cooperating, Based on best available information
<b>Total Facilities</b>	<b>1137.85</b> <b>(Rupees one thousand one hundred thirty seven crore and eighty five lakh only)</b>		
Non-Convertible Debentures	900.00	<b>CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING)</b>	Issuer Not Cooperating, Based on best available information
Proposed Non-Convertible Debentures	100.00	<b>CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING)</b>	Issuer Not Cooperating, Based on best available information
Long Term-Inter- Corporate Deposit (ICD) Issue	100.00	<b>CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING)</b>	Issuer Not Cooperating, Based on best available information
<b>Total Instruments</b>	<b>1,100.00</b> <b>(Rupees one thousand one hundred crore only)</b>		

\*Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated March 27, 2019, placed the rating(s) of IL&FS Energy Development Company Limited (IEDCL) under the 'issuer non-cooperating' category as IEDCL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. IEDCL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated June 01, 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.

**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

At the time of last rating on March 27, 2019 the following were the rating strengths and weaknesses

#### Key Rating Weaknesses

##### Delay in debt-servicing obligations

Delays and defaults on IEDCL's principle and interest payment continue. The same has been confirmed by lender to CARE, as part of its due diligence exercise. CARE has also not received NDS since September 2018.

**Analytical approach:** Consolidated

### Applicable Criteria

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

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

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

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

### About the Company

IEDCL is a subsidiary of Infrastructure Leasing & Financial Services Limited (IL&FS, rated CARE D; holds 91.42% stake) is into power generation business through conventional and non-conventional energy sources. At consolidated level, as on June 30, 2018 the operational capacity of the company is around 2,803.50 MW.

Brief Financials (Rs. crore)-Consolidated	FY17 (A)	FY18 (A)
Total operating income	3398.44	4543.58
PBILDT	1769.05	1716.68
PAT	-50.20	-629.58
Overall gearing (times)	1.22	0.88
Interest coverage (times)	3.37	4.20

A: Audited

### Status of non-cooperation with previous CRA:

Brickwork Ratings (PR dated November 08, 2019) - The reaffirmation of rating has factored in continued delays and defaults in servicing of debt obligations by IEDCL due to its tight liquidity position.

**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	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	50.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - LT-BG/LC	-	-	-	-	50.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Term Loan-Long Term	-	-	-	NA	1037.85	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Debentures-Non Convertible Debentures	INE938L08064	June 07, 2016	11%	16-04-2021	300.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Debentures-Non Convertible Debentures	INE938L08049 INE938L08056	June 28, 2016	Zero coupon	28-Jun-2019	200.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Debentures-Non Convertible Debentures	INE938L08080 INE938L08098	May 28, 2018	9.50%	28-05-2025	205.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Debentures-Non Convertible	INE938L08072	May 14, 2018	9.50%	28-05-2025	195.00	CARE D; ISSUER NOT COOPERATING*

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Debentures						Issuer not cooperating; Based on best available information
Debentures-Non Convertible Debentures	NA	NA	NA	NA	100.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Debt	NA	NA	NA	NA	100.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

NA= Not Available

#### 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.	Fund-based - LT-Cash Credit	LT	50.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (27-Mar-19) 2)CARE D (05-Oct-18) 3)CARE BB- (Under Credit watch with Negative Implications) (06-Sep-18) 4)CARE A+ (Under Credit watch with Negative Implications) (31-Aug-18) 5)CARE A+; Stable (18-May-18)	1)CARE A+; Stable (09-Oct-17)
2.	Non-fund-based - LT-BG/LC	LT	50.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (27-Mar-19) 2)CARE D (05-Oct-18) 3)CARE BB- (Under Credit watch with Negative Implications) (06-Sep-18) 4)CARE A+ (Under Credit watch with	1)CARE A+; Stable (09-Oct-17)

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
							Negative Implications) (31-Aug-18) 5)CARE A+; Stable (18-May-18)	
3.	Term Loan-Long Term	LT	1037.85	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (27-Mar-19) 2)CARE D (05-Oct-18) 3)CARE BB- (Under Credit watch with Negative Implications) (06-Sep-18) 4)CARE A+ (Under Credit watch with Negative Implications) (31-Aug-18) 5)CARE A+; Stable (18-May-18)	1)CARE A+; Stable (09-Oct-17)
4.	Debentures-Non Convertible Debentures	LT	300.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (27-Mar-19) 2)CARE D (05-Oct-18) 3)CARE BB- (Under Credit watch with Negative Implications) (06-Sep-18) 4)CARE A+ (Under Credit watch with Negative Implications) (31-Aug-18)	1)CARE A+; Stable (09-Oct-17)
5.	Debentures-Non Convertible Debentures	LT	200.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (27-Mar-19) 2)CARE D (05-Oct-18) 3)CARE BB- (Under Credit watch with Negative Implications)	1)CARE A+; Stable (09-Oct-17)

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
							(06-Sep-18) 4)CARE A+ (Under Credit watch with Negative Implications) (31-Aug-18)	
6.	Fund-based - ST-Term loan	-	-	-	-	-	-	1)CARE A1 (09-Oct-17)
7.	Debt	LT	100.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (27-Mar-19) 2)CARE D (05-Oct-18) 3)Provisional CARE BB- (Under Credit watch with Negative Implications) (25-Sep-18) 4)Provisional CARE BB (SO) (Under Credit watch with Negative Implications) (10-Sep-18) 5)Provisional CARE AA+ (SO) (Under Credit watch with Negative Implications) (31-Aug-18)	1)Provisional CARE AAA (SO); Stable (22-Dec-17)
8.	Debentures-Non Convertible Debentures	LT	205.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (27-Mar-19) 2)CARE D (05-Oct-18) 3)CARE BB- (Under Credit watch with Negative Implications) (25-Sep-18) 4)CARE BB- (SO) (Under Credit watch with Negative Implications) (10-Sep-18)	1)Provisional CARE AA+ (SO); Stable (27-Mar-18) 2)Provisional CARE AA+ (SO); Stable (05-Feb-18)

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
							5)CARE AA (SO) (Under Credit watch with Negative Implications) (16-Aug-18) 6)CARE AA+ (SO); Stable (08-Jun-18) 7)Provisional CARE AA+ (SO); Stable (30-May-18) 8)Provisional CARE AA+ (SO); Stable (25-May-18) 9)Provisional CARE AA+ (SO); Stable (18-May-18)	
9.	Debentures-Non Convertible Debentures	LT	195.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (27-Mar-19) 2)CARE D (05-Oct-18) 3)CARE BB- (Under Credit watch with Negative Implications) (25-Sep-18) 4)CARE BB- (SO) (Under Credit watch with Negative Implications) (10-Sep-18) 5)CARE AA (SO) (Under Credit watch with Negative Implications) (16-Aug-18) 6)CARE AA+ (SO); Stable (08-Jun-18) 7)CARE AA+ (SO); Stable (30-May-18) 8)Provisional CARE AA+ (SO); Stable (25-May-18) 9)Provisional CARE	-

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
							AA+ (SO); Stable (18-May-18)	
10.	Debentures-Non Convertible Debentures	LT	100.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (27-Mar-19) 2)CARE D (05-Oct-18) 3)Provisional CARE BB- (Under Credit watch with Negative Implications) (25-Sep-18) 4)Provisional CARE BB- (SO) (Under Credit watch with Negative Implications) (10-Sep-18) 5)Provisional CARE AA (SO) (Under Credit watch with Negative Implications) (16-Aug-18) 6)Provisional CARE AA+ (SO); Stable (08-Jun-18)	-

**Annexure-3: Not Applicable**

**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

Group Head Name - Ratnam Raju N

Group Head Contact no.-022- 6837 4472

Group Head Email ID- ratnam.nakka@careratings.com

### Business Development Contact

Name: Ankur Sachdeva

Contact no. : 022- 6754 3495

Email ID: Ankur.sachdeva @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 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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