

Punj Lloyd Limited
June 23, 2020

Ratings

Facilities	Amount (Rs. crore)	Rating ⁸	Rating Action
Long-term Bank Facilities	4995.41	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information
Long-term/Short-term Bank Facilities	7914.76	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information
Total	12,910.17 (Rs. Twelve Thousand Nine Hundred Ten Crore and Seventeen Lakh only)		
Non-Convertible Debenture issue - I	135.00 (Rs. One Hundred and Thirty Five crore only)	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information
Non-Convertible Debenture issue - II	300.00 (Rs. Three Hundred crore only)	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated April 01, 2019 placed the ratings of Punj Lloyd Limited (PLL) under the 'issuer non-cooperating' category as PLL had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. PLL continues to be non-cooperative as the company has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. 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 April 01, 2019 the following were the rating strengths and weaknesses

Key Rating Weaknesses:

Delay in Debt servicing obligation: The Company's financial performance continues to remain weak. Total operating income for FY18 increased to Rs.4412.90 crore from Rs. 4059.75 crore in FY17. The company reported net profit of Rs.317.37 in FY18 as compared to loss of Rs.850.58 crore in FY17. For the 9MFY19, PLL reported the total operating income of Rs.2401.37 crore as against Rs.3279 crore in 9MFY18 and net loss of Rs.4476.27 crore in 9MFY19 as against net loss of Rs.626.70 crore in 9MFY18. On account of weak financial performance, the liquidity position of the company remains stretch, leading to delays in debt servicing.

Analytical approach: Standalone

Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)
[Criteria on assigning Outlook to Credit Ratings](#)
[CARE's Policy on Default Recognition](#)

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

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

*Issuer did not cooperate; Based on best available information

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 - Standalone(Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	4015.56	4397.00
PBILDT	63.44	199.47
PAT	-850.58	317.37
Overall gearing (times)	31.88	41.94
Interest coverage (times)	0.07	0.08

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	ISIN	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Term Loan-Long Term	-	-	-	-	1637.75	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based/Non-fund-based-LT/ST	-	-	-	-	7914.76	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - LT-Cash Credit	-	-	-	-	3357.66	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Debentures-Non Convertible Debentures	January 02, 2009	INE701B07010	12%	January 2, 2019	135.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Debentures-Non Convertible Debentures	October 14, 2011	INE701B07077	10.50%	October 15, 2015	300.00	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.	Debentures-Non Convertible Debentures	LT	135.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (01-Apr-19)	-	1)CARE D (29-Mar-18)
2.	Term Loan-Long Term	LT	1637.75	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (01-Apr-19)	-	1)CARE D (29-Mar-18)
3.	Fund-based/Non-fund-based-LT/ST	LT/ST	7914.76	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (01-Apr-19)	-	1)CARE D (29-Mar-18)
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* (01-Apr-19)	-	1)CARE D (29-Mar-18)
5.	Fund-based - LT-Cash Credit	LT	3357.66	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (01-Apr-19)	-	1)CARE D (29-Mar-18)

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

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