

2nd January, 2020

To,

The Manager (Listing), The BSE Ltd. Mumbai	The Manager (Listing), National Stock Exchange of India Ltd. Mumbai
Company's Scrip Code: 505700	Company's Scrip Code: ELECON

Sub : Credit Rating Update

Ref : Regulations 30 and 55 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

With reference to the subject referred Regulations, we would like to inform you that the credit rating agency viz., Brickwork Ratings India Private Limited (BWR) vide its letters Ref. Nos. BWR/BLR/MUM/ERC/BP/5006/2019-20 and BWR/NCD/MUM/ERC/BP/0625/2019-20 dated 19th December, 2019 received by the Company on 2nd January, 2020, has rated various facilities detailed as under:-

- For Bank Credit Facilities:-

Particular of facility	Ratings
Long Term Loans	From BWR A- (Outlook - Stable) To BWR A- (Outlook - Negative)
Long Term Fund Based Working Capital	
Long Term Non-Fund Based Working Capital	

- For Non-Convertible Debentures:-

The credit rating agency viz., Brickwork Ratings India Private Limited (BWR) has also undertaken rating of 12.25% Senior, Secured, Rated, Redeemable Non-convertible Debentures (NCDs) of ₹ 100.00 Crores issued by the Company on Private Placement Basis and has reaffirmed at BWR A- (Pronounced BWR A Minus) and Outlook has been revised from "Stable" to "Negative".

We hereby inform you that the Ratings Outlook is revised due to continuous fall in share price of the Company in past one year, weak operating performance in 1st half of financial year 2019-20 at standalone as well as consolidated level and continued stressed working capital cycle on account of high receivables. However, the Company has taken adequate measures to recover the business sentiments.

A copies of the letters are enclosed for your reference & record.

Thanking you.

Yours faithfully,

For Elecon Engineering Company Limited,



Bharti Isarani

Company Secretary & Compliance Officer



Encl.: As above



Cranes



Rubber Industry



Marine Industry



Plastic Industry



Power Industry



Steel Industry



Sugar Industry

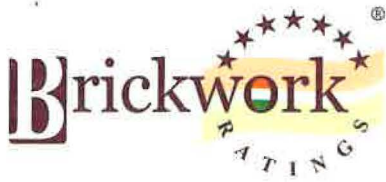


Mining



Cement Industry

Gearing industries. Gearing economies.

**Brickwork Ratings India Pvt. Ltd.**

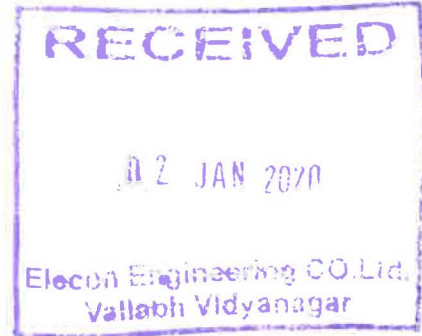
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BWR/BLR/MUM/ERC/BP/5006/2019-20

December 19, 2019

Mr. Kamlesh Shah
Chief Financial Officer
Elecon Engineering Company Ltd.
P.O Box No. 06,
Anand Sojitra Road
Vallabh Vidya Nagar – 388120
Gujarat

Dear Sir,



Sub: Review of Ratings for the bank loan facilities aggregating Rs. 1043.14 crores (Rs. One Thousand Forty Three Crore and Forteen Lakhs only) of Elecon Engineering Company Ltd.

Based on a review of the information and clarifications provided by you, Brickworks would like to inform you that the Ratings for the bank loan facilities of Elecon Engineering Company Ltd., aggregating Rs.1043.14 crores are revised as under:

Facility	Amt Rated (Rs. Cr)				
	Previous	Present	Tenure	Previous Rating (Dec 218)	Current Rating
Term Loans	144.43	78.64	Long Term	BWR A- (Outlook –Stable)	BWR A- (Outlook - Negative)
Fund Based Working Capital	318.00	279.00			
Non-Fund Based Working Capital	795.00	685.50			
Total Amt	1257.43	1043.14 (Rs. One Thousand Forty Three Crore and Fourteen Lakhs only)			

* Annexure I gives details of bank-wise facilities

Note: ¹ Please refer to BWR website www.brickworkratings.com for definition of the rating assigned

The Ratings are valid for one year subject to terms and conditions as per your mandate letter and other correspondence, if any, and Brickwork Ratings' standard disclaimer appended at the end of this letter. You are required to submit information periodically as per annexure for the purpose of surveillance/review. You are also required to keep us





Brickwork Ratings India Pvt. Ltd.

3rd Floor, Raj Alkaa Park, Kalena Agrahara
Bannerghatta Road, Bengaluru - 560 076
P: +91 80 4040 9940 | F: +91 80 4040 9941

Elecon Engineering Company Ltd.

December 19, 2019

informed of any information/development that may affect your Company's finances/performance without any delay.

Please acknowledge receipt.

Regards,


Balkrishna Piparaiya
Senior Director – Ratings



Note: In case of all accepted Ratings, respective Rating Rationale is published on Brickwork Ratings website. Interested persons are well advised to refer to our website www.brickworkratings.com, if they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

Elecon Engineering Company Ltd.
December 19, 2019
Annexure – I
Details of Bank credit facilities as per information provided by the Company

Banks / Financial Institution	Term Loans		Working Capital		Total Amount to be rated
Rs. Crore	Sanctioned Amt	Outstanding Amt	Fund - Based	Non-fund based	
IFCI Ltd.	95.00	51.5			51.50
Aditya Birla	60.00	13.89			13.89
Tata Capital Financial Services Ltd.	25.00	13.25			13.25
Bank of Baroda			50.00	273.00	323.00
State Bank of India		0	140.00	310.00	450.00
IDBI Bank			27.00	43.00	70.00
Axis Bank			24.00	59.50	83.50
HDFC Bank			38.00	0.00	38.00
Total	180.00	178.64	279.00	685.50	1143.14

Rupees One Thousand Forty Two Three Crore and Fourteen Lakhs Only


Elecon Engineering Company Ltd.

December 19, 2019

Annexure – II

The following documents/ information should be submitted to BWR periodically:

1. Confirmation that all terms and conditions of the Bank's sanction letter have been complied with by the company.
2. Certified copy of periodical inventories/book debts/bills receivables statements submitted to the bank.
3. Confirmation about payment of term loan installment and interest as and when paid.
4. Certified copy of Quarterly Information Statements (QIS) and Half Yearly Information Statements (HYIS) submitted to the bank.
5. Certified Copy of Banks' Statements of Accounts on a quarterly basis.
6. Quarterly / Half yearly financial statements (unaudited or with limited review) and Annual financial statements (provisional as well as audited).
7. Information on delays/defaults in servicing bank loans, letters of credit, letters of guarantee, NCDs, bonds and other borrowings, if any, by the Company as at the end of every month.
8. Information on delays / defaults in servicing of debt obligations of any subsidiary / other group companies, if any, as at the end of every month.
9. Annual Stock Audit Report
10. Monthly No Default Statement as per specified format
11. Any other statement / information sought by BWR from time to time.



BWR/NCD/MUM/ERC/BP/0625/2019-20

December 19, 2019

Mr. Kamlesh Shah
Chief Financial Officer
Elecon Engineering Company Ltd.
P.O Box No. 06,
Anand Sojitra Road
Vallabh Vidya Nagar – 388120
Gujarat

Dear Sir,

Sub: Review of Rating for Elecon Engineering Company Ltd's NCD issue of ₹100.00 Crores (Rupees One Hundred Crore Only).

Based on the information and clarifications provided by your company, executed term sheet of the transaction shared with us, as well as information available in public sources, Brickwork Ratings is pleased to inform you that rating of Elecon Engineering Company Ltd's NCD Issue of ₹ 100 Crores has been reaffirmed at **BWR A- (Pronounced BWR A Minus)** and outlook has been revised to **"Negative" from "Stable"**.

Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations.

The rating is valid for one year from date of this letter and is subject to terms and conditions as per your mandate date, and other correspondence, if any, and Brickwork Ratings' standard disclaimer appended below. Brickwork would conduct surveillance every year till maturity/redemption of the instruments. Please make available to us relevant information that may affect company's finances/performance without any delay.

Also request you to provide No Dues Certificate on monthly basis in format approved by SEBI.

Best Regards,



Balkrishna Piparayya
Senior Director - Ratings



Note: In case of all accepted Ratings, respective Rating Rationale is published on Brickwork Ratings website. Interested persons are well advised to refer to our website www.brickworkratings.com, if they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com

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