

A2Z Infra Engineering Limited

March 03, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	271.25 (Reduced from 303.40)	CARE D (Single D)	Reaffirmed
Short Term Bank Facilities	528.77	CARE D (Single D)	Reaffirmed
Total Bank Facilities	800.02 (Rs. Eight Hundred Crore and Two Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale and Key Rating Drivers

The rating assigned to the bank facilities of A2Z Infra Engineering Limited continues to factor in delays in debt servicing by the company.

Key rating sensitivities

Positive: Factors that could lead to positive rating action/upgrade

- Timely track record of debt servicing by the company for continuous 3 months
- DSCR improves to >2x on a sustained basis

Key Rating Weakness

Delay in Debt servicing obligation: The liquidity position of the company continues to remain weak on account of weak operational and financial performance leading to delay in debt servicing.

Liquidity: Poor

The liquidity of the company is poor, leading to delays in debt servicing.

Analytical Approach: Standalone

Applicable Criteria:

[Policy on default recognition](#)

[Financial Ratios – Non-financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Policy On Curing Period](#)

[Criteria on rating methodology- Construction Sector](#)

About the Company

Incorporated in January 2002 as A2Z Maintenance Services Private Ltd, the company was renamed 'A2Z Maintenance & Engineering Services Private Ltd' in June 2005. Subsequently, the company became a public limited company in March 2010. A2Z came up with an IPO in October 2010 and raised Rs.776.2 crore. The company got its present name in December 2014 and is primarily engaged in providing Engineering, Procurement and Construction (EPC) services in power transmission and distribution sector.

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	9MFY22 (UA)
Total operating income	401.81	206.10	95.58
PBILDT	-21.28	-29.64	-10.79
PAT	-290.89	-83.14	-52.76
Overall gearing (times)	1.08	1.58	-
Interest coverage (times)	-0.44	-0.61	-0.28

A: Audited; UA: Unaudited

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure 4

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-Term Loan		-	-	December 31, 2021	109.26	CARE D
Fund-based-Working capital facilities		-	-	-	161.99	CARE D
Non-fund-based-Short Term		-	-	-	528.77	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 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	LT	109.26	CARE D	-	1)CARE D (09-Mar-21) 2)CARE D (28-Apr-20)	1)CARE D; ISSUER NOT COOPERATING* (27-Jan-20) 2)CARE D (04-Apr-19)	1)CARE D (05-Apr-18)
2	Fund-based-Working capital facilities	LT	161.99	CARE D	-	1)CARE D (09-Mar-21) 2)CARE D (28-Apr-20)	1)CARE D; ISSUER NOT COOPERATING* (27-Jan-20) 2)CARE D (04-Apr-19)	1)CARE D (05-Apr-18)
3	Non-fund-based-Short Term	ST	528.77	CARE D	-	1)CARE D (09-Mar-21) 2)CARE D (28-Apr-20)	1)CARE D; ISSUER NOT COOPERATING* (27-Jan-20) 2)CARE D (04-Apr-19)	1)CARE D (05-Apr-18)

* Long Term / Short Term

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not Applicable

Annexure 4: Complexity level of various instruments rated for this company

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based-Working capital facilities	Simple
3	Non-fund-based-Short Term	Simple

Annexure 5: Bank Lender Details for this Company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About CARE Ratings:

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