

A2Z Infra Engineering Limited

February 16, 2023

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	240.97 (Reduced from 271.25)	CARE D	Reaffirmed
Short Term Bank Facilities	377.30 (Reduced from 528.77)	CARE D	Reaffirmed

Details of instruments/facilities in Annexure-1.

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.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Timely repayment of debt obligations for more than three months along with improvement in liquidity position of the company.

Analytical approach: Standalone

Key weaknesses

Ongoing delays in debt servicing

As per the audited annual report for the FY22 and provisional report for 9MFY23, there are on-going delays in debt servicing by the company.

Liquidity: Poor

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

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](#)

[Construction](#)

About the company and industry

Industry Classification

Macro-Economic Indicator	Sector	Industry	Basic Industry
Industrials	Construction	Construction	Civil Construction

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.

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

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	9M FY23 (UA)
Total operating income	187.85	136.36	54.79
PBILDT	-47.89	-149.19	-27.41
PAT	-83.14	-172.24	-7.59
Overall gearing (times)	1.58	3.06	NA
Interest coverage (times)	-0.99	-7.37	NA

A: Audited, UA: Unaudited, NA: Not Available

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for the last three years: Please refer Annexure-2

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

Complexity level of the various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	31-12-2021	108.98	CARE D
Fund-based-Working capital facilities		-	-	-	131.99	CARE D
Non-fund-based-Short Term		-	-	-	377.30	CARE D

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	108.98	CARE D	-	1)CARE D (03-Mar-22)	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)
2	Fund-based-Working capital facilities	LT	131.99	CARE D	-	1)CARE D (03-Mar-22)	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)
3	Non-fund-based-	ST	377.30	CARE D	-	1)CARE D	1)CARE D	1)CARE D;

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
	Short Term					(03-Mar-22)	(09-Mar-21) 2)CARE D (28-Apr-20)	ISSUER NOT COOPERATING* (27-Jan-20) 2)CARE D (04-Apr-19)

*Long term/Short term.

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

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the 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: Lender details

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

Note on the complexity levels of the rated instruments: 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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