

Azad Engineering Limited

March 22, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has withdrawn the outstanding rating of 'CARE BBB+; Stable' (pronounced as Triple B Plus; Outlook: Stable) assigned to the bank facilities of Azad Engineering Limited (AEL) with immediate effect, as the company has surrendered the aforementioned bank facilities rated by us and no amount is outstanding under the facility as on date.

Analytical approach: Standalone

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: The senior management of the company monitors various aspects of the social, environmental, governance and economic responsibilities of the Company continuously. The company has valid TSPCB consent for compliance with pollution norms. The coolant used in the process of manufacturing is recycled and disposed of through approved vendors. The company has instituted a corporate social responsibility policy which encompasses a philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for the welfare and sustainable development of the community at large.

Applicable criteria

[Withdrawal Policy](#)

About the company and industry

Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Industrials	Capital Goods	Industrial Manufacturing	Industrial Products

Azad Engineering Limited (AEL) incorporated by Mr. Rakesh Chopdar in 1983, is engaged in manufacturing of precision forged and machined components for clean energy, aerospace, defence, oil & gas, standalone power supply (SPS) as required by OEMs, with its manufacturing unit in Hyderabad. The company manufactures all types of blades for both radial & axial flow. The company's infrastructure includes a Forge Shop, Heat Treatment Shop, Hi-Tech CNC Machines, state-of-the-art Laboratory, State of the art Inspection Facility, Heavy Machining Shop, Manufacturing software etc. Moreover, the company has obtained various international certifications namely National Aerospace and Defense Contractors Accreditation Program (NADCAP), ISO 9001:2015 (QMS), AS9100 D, ISO 14001: 2015 (EMS), BS 45001: 2018 (OHSAS) and ISO 27001: 2013 (ISMS) for its facilities. It has recently been certified for the supply of components for nuclear turbines from EDF, France.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	9MFY24 (UA)
Total operating income	194.47	257.69	249.70
PBILDT	61.37	77.07	85.65
PAT	28.00	8.51	43.65
Overall gearing (times)	1.32	0.38	NA
Interest coverage (times)	4.82	1.51	20.78

A: Audited UA: Unaudited NA: Not Available; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Please refer to 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: Annexure-4

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

Lender details: Annexure-5**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	0.00	Withdrawn
Fund-based - LT-Proposed fund-based limits		-	-	-	0.00	Withdrawn
Fund-based - LT-Term Loan		-	-	October 2027	0.00	Withdrawn

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 2023-2024	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
1	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (07-Apr-23)	1)CARE BBB+; Stable (03-Mar-23)	-	-
2	Fund-based - LT-Term Loan	LT	-	-	1)CARE BBB+; Stable (07-Apr-23)	-	-	-
3	Fund-based - LT-Cash Credit	LT	-	-	1)CARE BBB+; Stable (07-Apr-23)	-	-	-
4	Fund-based - LT-Proposed fund-based limits	LT	-	-	1)CARE BBB+; Stable (07-Apr-23)	-	-	-

LT: Long term

Annexure-3: Detailed explanation of 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-Cash Credit	Simple
2	Fund-based - LT-Proposed fund-based limits	Simple
3	Fund-based - LT-Term Loan	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 based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

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About us:

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Disclaimer:

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