

December 31, 2015

CARE ASSIGNS 'CARE D' RATING TO THE BANK FACILITIES OF A2Z INFRA ENGINEERING LTD

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	1,018.54	CARE D (Single D)	Assigned
Short-term Bank Facilities	1,251.46	CARE D (Single D)	Assigned
Total	2,270.00 (Rupees Two Thousand Two Hundred Seventy crore only)		

Rating Rationale

The rating assigned to the bank facilities of A2Z Infra Engineering Ltd (A2Z) takes into account the ongoing delays in debt servicing by the company.

Background

Incorporated in January 2002 as A2Z Maintenance Services Private Ltd, the company was renamed 'A2Z Maintenance & Engineering Services Private Ltd' in May 2005. Subsequently, the company became a public limited company in March 2010. A2Z came up with an IPO in December 2010 and raised Rs.776.2 crore. The company is primarily engaged in providing Engineering, Procurement and Construction (EPC) services in power transmission and distribution sector with focus on distribution. It also forayed in the renewable energy generation business through by setting up three biomass-based power plants (15 MW each) in Punjab in collaboration with sugar mills on Built Own Operate and transfer (BOOT) basis.

In FY15 (refers to the period April 1 to March 31), the company reported operating loss (PBILDT) of Rs.84.24 crore and net loss of Rs.123.88 crore on a total operating income of Rs.226.28 crore. Furthermore, in H1FY16 (refers to the period April 1 to September 30), the company reported PBILDT of Rs.10.43 crore and net loss of Rs.45.05 crore on a total operating income of Rs.342.41 crore.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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

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