

CS/CR-Q4 (2023-24)

Date: 23rd March, 2024

To,
The Listing Department
BSE Limited
Department of Corporate Affairs
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

To,
The Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, G Block
Bandra-Kurla Complex,
Bandra (E)
Mumbai - 400 051

Dear Sir/Madam,

Subject : **DISCLOSURE OF CREDIT RATING:** Regulation 30(6) read with sub-para 3 of Para "A" of Part "A" of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No, SEBI/HO/CFD/CFD-PoD-1 /P/CIR/2023/123 dated July 13, 2023.

Reference : **ISIN - INE02IJ01035; Scrip Id-544061; Scrip Code-AZAD**

With reference to the above cited subject, this is to inform you that CARE Ratings Limited (CARE), Credit Rating Agency, has withdrawn the credit ratings assigned to the Bank facilities of the Company. Copy of Withdrawal of rating assigned to the Bank Facilities of Azad Engineering Limited by "CARE" is annexed herewith.

Reason for withdrawal of rating	Azad Engineering Limited has fully repaid and closed the bank facilities.
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You are requested to please take the same in your record.

Thanking you,

Yours truly,

For Azad Engineering Limited

Ful Kumar Gautam
(Company Secretary & Compliance Officer)
Membership No.: A49550

No. CARE/HRO/RL/2023-24/2048

Shri Ronak Jaju
Chief Financial Officer
Azad Engineering Limited
Plot No : 90/C, D, Phase 1, IDA,
Jeedimetla, Hyderabad,
Hyderabad
Telangana 500055



March 21, 2024

Confidential

Dear Sir,

Withdrawal of rating assigned to the Bank Facilities of Azad Engineering Limited

We have noted that Azad Engineering Limited has fully repaid and closed the bank facilities rated by us and there is no outstanding as confirmed by the Bankers through '**No Due Certificate**'. Taking cognizance of this, we hereby withdraw our rating for Azad Engineering Limited's bank facilities with immediate effect.

2. As per our normal procedure, we will be announcing the withdrawal of the rating through a Press Release, a copy of which is enclosed. **Meanwhile, please ensure that the ratings are not used hereafter, for any purpose whatsoever.**

3. In case of any future rating requirements, we will be happy to offer our services.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Sriram Gurujala Goud
Analyst
sriram.goud@careedge.in

Niraj Thorat
Assistant Director
niraj.thorat@careedge.in

Encl.: As above

CARE Ratings Limited

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CIN-L67190MH1993PLC071691

Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a 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. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.



CARE Ratings Limited

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CIN-L67190MH1993PLC071691

Annexure-2
Draft Press Release
Azad Engineering Limited

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: Not applicable

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

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

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

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:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by methodologies congruent with international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

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