

**April 18, 2016**

Facilities	Amount (Rs. Crore)	Rating
OCC	9.00*	SMERA C (Assigned)
Term Loan	2.68	SMERA C (Assigned)
Facility (Proposed)	0.02	SMERA C (Assigned)

\* CCBD and LG of Rs. 5.00 crore and Rs. 0.15 crore  
Respectively – sub limit within OCC

SMERA has assigned rating of '**SMERA C**' (read as **SMERA C**) to the Rs.11.70 crore bank facilities of A A Energy Limited (AAEL). The rating is constrained by delays in repayment of unrated term loans and the stretched liquidity position. However, the rating derives comfort from the extensive industry experience of the promoter.

### Rating Sensitivity Factors

- Timely servicing of term debt obligation
- Substantial or sustainable growth in the revenues or operating margins
- Efficient working capital management
- Future capital expenditure plans and its funding mix thereof

### About the Company

Incorporated in November 2005, A A Energy Limited (AAEL), promoted by Mr Agrawal and family is engaged in the development of renewable energy. The Nagpur-based company set up a 10 MW biomass-based plant in Gadchiroli, Maharashtra at an approximate cost of Rs.50 crore. The plant commenced operations since April, 2010.

Further, AAEL also set up a fly ash bricks manufacturing and cement grinding unit to dispose off the fly ash generated by the 10 MW biomass-based power plant.

For FY2014-15, AAEL reported profit after tax (PAT) of Rs.0.07 crore on operating income (OI) of Rs.32.51 crore as against PAT of Rs.0.09 crore on OI of Rs.37.94 crore a year earlier.

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