



Press Release

Ario Infrastructure Private Limited

September 03, 2020

Rating	Instrument / Facility	Amount (Rs. Crore)	Rating	Rating Action
	Long Term Bank Facilities	10.00	IVR B+; Stable; ISSUER NOT COOPERATING* (IVR Single B Plus with Stable outlook; Issuer Not Cooperating)	Revised from IVR B+/Stable (IVR Single B Plus with Stable outlook)
	Long Term/Short Term Bank Facilities	18.00	IVR B+; Stable/IVR A4; ISSUER NOT COOPERATING* (IVR Single B Plus with Stable outlook/IVR A Four; Issuer Not Cooperating)	Revised from IVR A4 (IVR A Four)
Total		28.00 (Rs. Twenty Eight Crore Only)		

**Issuer did not cooperate; based on best available information*

Details of Facility are in Annexure 1

Detailed Rationale

The rating revision is because of lack of adequate information regarding Ario Infrastructure Private Limited's performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated August 24, 2020, August 29, 2020, September 01, 2020 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted all the essential details.



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Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long- term and short-term ratings for the bank loan facilities of Ario Infrastructure Private Limited aggregating to Rs.28.00 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as "IVR B+;Stable/ IVR A4; Issuer Not Co-operating; Based on best available information (IVR Single B Plus with Stable outlook and IVR A Four: Issuer Not Co-operating; Based on best available information)". Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

Analytical Approach & Applicable Criteria:

Standalone

Guidelines on what constitutes Non-Cooperation by clients

Rating Methodology for Infrastructure companies

Financial Ratios & Interpretation (Non-Financial Sector)

About the Company

Ario Infrastructure Private Limited (AIPL) was initially established as a partnership firm by the name of M/s. Ario Brothers in 1976 by Mr. Ajit Sarkar and his brothers. The constitution of the firm was changed to a private limited company in 2009. AIPL is an onshore construction company involved in the city gas distribution and oil distribution networks. The company carries out major projects of cross country pipeline, city gas distribution network, plant piping and equipment erection. At present, Mr. Ashok Sarkar (son of Mr. Ajit Sarkar) is the Director of the company. His wife, Mrs. Kalpana Sarkar is also a director in the company. The company's office is situated in Vadodara, Gujarat. The company has executed projects in the past for reputed PSU's like ONGC, IOCL, GAIL etc.

Financials (Standalone)	(Rs. Crore)	
For the year ended* / As On	31-03-2017	31-03-2018
	Audited	Audited
Total Operating Income	14.39	17.00
EBITDA	2.47	2.58
PAT	-0.34	0.39



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For the year ended* / As On	31-03-2017	31-03-2018
Total Debt	14.11	10.63
Tangible Net Worth	2.99	3.30
EBITDA Margin %	17.17	15.18
PAT Margin %	NM	2.32
Overall Geating (x)	4.72	3.22

*Based on Infomerics classification

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18
1.	Cash Credit cum LC	Long Term	10.00	IVR B+ /Stable; ISSUER NOT COOPERATING*	IVR B+ /Stable (May 09, 2019)	-	-
2.	BG	Long Term/ Short Term	18.00	IVR B+;Stable /IVR A4; ISSUER NOT COOPERATING*	IVR B+; Stable / IVR A4 (May 09, 2019)	-	-

* Issuer did not cooperate; based on best available information

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities



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and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Firm's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs 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/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund Based Limits- Cash Credit cum LC	-	-	-	10.00	IVR B+/Stable; ISSUER NOT COOPERATING*
Long Term/Short Term Non-Fund Based Limits- BG	-	-	-	18.00	IVR B+;Stable /IVR A4; ISSUER NOT COOPERATING*

* Issuer did not cooperate; based on best available information