



Press Release

Airoil Flaregas Private Limited

December 29, 2022

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities (Cash credit)	25.00	IVR BB+; ISSUER NOT COOPERATING* (IVR Double B Plus; ISSUER NOT COOPERATING*)	Revised from BBB-/ Stable (IVR Triple B Minus with Stable Outlook) and moved in ISSUER NOT COOPERATING category	Simple
Long Term Bank Facilities (GECL)	2.50	IVR BB+; ISSUER NOT COOPERATING* (IVR Double B Plus; ISSUER NOT COOPERATING*)	Revised from BBB-/ Stable (IVR Triple B Minus with Stable Outlook) and moved in ISSUER NOT COOPERATING category	Simple
Long Term Bank Facilities (Bank Guarantee)	64.50	IVR BB+; ISSUER NOT COOPERATING* (IVR Double B Plus; ISSUER NOT COOPERATING*)	Revised from BBB-/ Stable (IVR Triple B Minus with Stable Outlook) and moved in ISSUER NOT COOPERATING category	Simple
Short Term Bank Facilities (Inland Letter of Credit/ Foreign Letter of Credit)	11.00	IVR A4+; ISSUER NOT COOPERATING* (IVR A Four Plus; ISSUER NOT COOPERATING*)	Revised from A3 (IVR A Three) and moved in ISSUER NOT COOPERATING category	Simple
Total	103.00 (Rupees One Hundred and Three crore only)			

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

Details of Facilities are in Annexure 1

Detailed Rationale



Press Release

The revision in the rating assigned to the bank facilities of Airoil Flaregas Private Limited (AFPL) reflects lack of adequate information available and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity 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 this rating may not adequately reflect the credit risk profile of the entity.

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 mail communications dated December 12, 2022, December 15, 2022, December 22, 2022 and December 26, 2022, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the requested information for monitoring the rating.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to review the rating based on the best available information. Accordingly, the rating for the bank facilities of AFPL aggregating Rs.103.00 crore has been moved to the 'ISSUER NOT COOPERATING' category by Infomerics.

Analytical Approach: Standalone

Applicable Criteria:

[Guidelines on what constitutes Non-Cooperation by Clients](#)

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria of assigning rating outlook](#)

About the Company

AFPL is engaged in manufacturing, designing and site installation of combustion equipment like flare system and flare components, industrial burner and burner components and spares and accessories. It also supplies spares and accessories for these systems and undertakes flare system installation on turnkey basis. The company manufactures flare system which is



Press Release

used to burn the unwanted gases and prevent those gases from entering in the environment. The flare system is a mandatory requirement as a pollution control measure. It is used in refineries, fertilisers industry, power plants, steel companies, petro-chemical units etc. The company's manufacturing facility is at Indira Gujarat. The product is tailor made and is made as per the customer's requirement.

Financials (Standalone):

(Rs. crore)

For the year ended / As On*	31-03-2020 (Audited)	31-03-2021 (Provisional)
Total Operating Income	91.26	102.14
EBITDA	8.67	12.01
PAT	3.25	4.33
Total Debt	26.21	30.14
Tangible Network	44.83	51.32
Ratios		
EBITDA Margin (%)	9.50	11.76
PAT Margin (%)	3.46	4.24
Overall Gearing Ratio (x)	0.33	0.43

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-22 (November 1, 2021)	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1.	Cash credit	Long Term	25.00	IVR BB+; ISSUER NOT COOPERATING*	IVR BBB-/ Stable	-	-
2.	GECL	Long Term	2.50	IVR BB+; ISSUER NOT	IVR BBB-/ Stable	-	-



Press Release

Sr. No.	Name of Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-22 (November 1, 2021)	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
				COOPERATING*			
3.	Bank Guarantee	Long Term	64.50	IVR BB+; ISSUER NOT COOPERATING*	IVR BBB-/ Stable		
4.	Inland Letter of Credit/ Foreign Letter of Credit	Short term	11.00	IVR A4+; ISSUER NOT COOPERATING*	IVR A3	-	-

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

Name and Contact Details of the Rating Analyst:

Name: Siddhesh Moitra Tel: (022) 62396023 Email: sbmoitra@infomerics.com	Name: Niriksha Gupta Tel: (022) 62396023 Email: niriksha.gupta@infomerics.com
---	--

About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.



Press Release

For more information visit www.infomerics.com

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 Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash credit	-	-	-	25.00	IVR BB+; ISSUER NOT COOPERATING*
GECL	-	-	October 2025	2.50	IVR BB+; ISSUER NOT COOPERATING*
Bank Guarantee	-	-	-	64.50	IVR BB+; ISSUER NOT COOPERATING*
Inland Letter of Credit/ Foreign Letter of Credit	-	-	-	11.00	IVR A4+; ISSUER NOT COOPERATING*

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

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details: Not applicable

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

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.