



## Press Release

### Airoil Flaregas Private Limited

**December 30, 2024**

#### **Ratings**

<b>Instrument / Facility</b>	<b>Amount (Rs. crore)</b>	<b>Current Ratings</b>	<b>Previous Ratings</b>	<b>Rating Action</b>	<b>Complexity Indicator</b>
Long Term Bank Facilities (Cash Credit)	25.00	IVR BB-/Negative; ISSUER NOT COOPERATING* (IVR Double B Minus with Negative Outlook; ISSUER NOT COOPERATING*)	IVR BB/Negative; ISSUER NOT COOPERATING* (IVR Double B with Negative Outlook; ISSUER NOT COOPERATING*)	Rating downgraded and continued at Issuer Not Cooperating category	<a href="#">Simple</a>
Long Term Bank Facilities (GECL)	2.50	IVR BB-/Negative; ISSUER NOT COOPERATING* (IVR Double B Minus with Negative Outlook; ISSUER NOT COOPERATING*)	IVR BB/Negative; ISSUER NOT COOPERATING* (IVR Double B with Negative Outlook; ISSUER NOT COOPERATING*)	Rating downgraded and continued at Issuer Not Cooperating category	<a href="#">Simple</a>
Long Term Bank Facilities (Bank Guarantee)	64.50	IVR BB-/Negative; ISSUER NOT COOPERATING* (IVR Double B Minus with Negative Outlook; ISSUER NOT COOPERATING*)	IVR BB/Negative; ISSUER NOT COOPERATING* (IVR Double B with Negative Outlook; ISSUER NOT COOPERATING*)	Rating downgraded and continued at Issuer Not Cooperating category	<a href="#">Simple</a>
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*)	IVR A4; ISSUER NOT COOPERATING* (IVR A Four; ISSUER NOT COOPERATING*)	Rating upgraded and continued at Issuer Not Cooperating category	<a href="#">Simple</a>
Total	103.00(Rupees One Hundred and Three)				



## Press Release

	Crore Only)				
--	----------------	--	--	--	--

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

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

### **Detailed Rationale**

Infomerics Ratings has downgraded its rating assigned to the Bank facilities of Airoil Flaregas Private Limited because of lack of adequate information available about the performance of the company 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 the rating may not adequately reflect the credit risk profile of the entity, despite the rating revision.

### **Note on non-cooperation**

Infomerics has repeatedly followed up with the company to provide information to monitor the rating(s) vide e-mail dated, October 03, 2024, November 22, 2024, November 26, 2024, December 04, 2024, along with telephonic conversations. However, despite repeated requests, the company has failed to submit the essential details required for monitoring the ratings. Availability of information is very critical in rating exercise. In the absence of the relevant information, in consonance with SEBI guidelines, the bank loan facilities aggregating to Rs. 103.00 Crore of Airoil Flaregas Private Limited shall be moved to 'ISSUER NOT COOPERATING' category by Infomerics. The rating is now denoted as IVR BB-/Negative Outlook; ISSUER NOT COOPERATING and IVR A4+; ISSUER NOT COOPERATING [pronounced IVR Double B Minus with Negative Outlook; ISSUER NOT COOPERATING and IVR A Four Plus; ISSUER NOT COOPERATING]. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

**Analytical Approach:** Standalone.



## Press Release

### Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

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

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

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

### About the Firm

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 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 industries, power plant, steel companies, petro-chemical units etc. The company's manufacturing facility is at Indrad, Gujarat. The product is tailor-made and is made as per the customer's requirements.

### Financials Standalone:

For the year ended/ As on*	(Rs. crore)	
	31-03-2020	31-03-2021
	Audited	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 Net Worth	44.83	51.32
EBITDA Margin (%)	9.50	11.76
PAT Margin (%)	3.46	4.24
Overall Gearing Ratio (x)	0.33	0.43
Interest Coverage (x)	1.70	2.60

\* Classification as per Infomerics' standards.



## Press Release

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-2024	Date(s) & Rating(s) assigned in 2022-2023	Date(s) & Rating(s) assigned in 2021-2022
						Date (December 01, 2023)	Date (December 29, 2022)
1.	Cash credit	Long Term	25.00	IVR BB-/Negative; ISSUER NOT COOPERATING*	-	IVR BB/Negative; ISSUER NOT COOPERATING*	IVR BB+/Negative; ISSUER NOT COOPERATING*
2.	GECL	Long Term	2.50	IVR BB-/Negative; ISSUER NOT COOPERATING	-	IVR BB/Negative; ISSUER NOT COOPERATING*	IVR BB+/Negative; ISSUER NOT COOPERATING*
3.	Bank Guarantee	Long Term	64.50	IVR BB-/Negative; ISSUER NOT COOPERATING	-	IVR BB/Negative; ISSUER NOT COOPERATING*	IVR BB+/Negative; ISSUER NOT COOPERATING*
4.	Inland Letter of Credit/ Foreign Letter of Credit	Short term	11.00	IVR A4+; ISSUER NOT COOPERATING*	-	IVR A4; ISSUER NOT COOPERATING*	IVR A4+; ISSUER NOT COOPERATING*
Total			103.00				

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



## Press Release

### Analytical Contacts:

Name Gaurav Jain

Tel: (020) 29913006

Email: [gaurav.jain@infomerics.com](mailto:gaurav.jain@infomerics.com)

### About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

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

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://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 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.



## Press Release

### Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash credit	-	-	-	-	25.00	IVR BB- /Negative; ISSUER NOT COOPERATING
GECL	-	-	-	October 2025	2.50	IVR BB- /Negative; ISSUER NOT COOPERATING
Bank Guarantee	-	-	-	-	64.50	IVR BB- /Negative; 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: Facility wise lender details (Hyperlink to be added):** Not Applicable

**Annexure 3: Detailed explanation of covenants of the rated Security/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](http://www.infomerics.com).