



Press Release

Arisinfra Solutions Pvt Ltd (ASPL)

March 23, 2023

Ratings

Instrument / Facility	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities – Cash Credit	60.00	IVR BBB-/ Stable (IVR Triple B minus With Stable Outlook)	Assigned	Simple
Proposed long Term Bank Facilities	165.00	IVR BBB-/ Stable (IVR Triple B minus With Stable Outlook)	Assigned	Simple
Total	225.00 (Rupees Two hundred twenty-five crore only)			

Details of Facilities are in Annexure 1

Detailed Rationale

The ratings assigned to the bank facilities of Arisinfra Solutions Pvt Ltd. derive strength from the extensive experienced promoters and management, established relationships with strong institutional clients and strong debt protection parameters. The ratings are, however, constrained by nascent stage of operations and susceptibility of profitability to volatile input prices.

Key Rating Sensitivities:

Upward Factors

Significant & sustained increase in scale of operations and debt protection metrics while maintaining the profitability.

Downward Factors

Substantial decline in the revenue and/or profitability leading to sustained decline in the debt protection metrics and/or liquidity profile.



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List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced Promoters and management**

Promoters' family is in this line of business for the past 50 years, the present promoters Mr Ronak Morbia, Mr Bhavik Khara & Mr Prashant Singh have good business acumen and experience to run the company. The company is ably supported by marquee investors like Mr. Siddharth Shah of PharmEasy and Hedge fund based out of United states of America, 'Think Investments PCC'.

- **Established relationships with strong institutional clients.**

Due to the established presence and long track record of operations in the domestic market, ASPL enjoys a large institutional client base including Tata projects, Larsen & Toubro, Dmart, Piramal Realty, the Wadhwa group, Shapoorji Pallonji, Capacite, JSW, Godrej etc. The company has a tech enabled platform under which it provides one stop solution for projects providing products and services.

- **Strong Debt protection parameters**

The overall gearing ratio of the company was comfortable at 0.91x as on March 31, 2022, and other indicators like long term debt to equity ratio of the company was comfortable at 0.29x as on March 31, 2022. Interest coverage ratio is also comfortable at 2.81x as on March 31, 2022.

Key Rating Weaknesses

- **Nascent stage of operations**

With operations commencing in April 2021, the company is in its nascent stage of operations. However, the company benefits from the longstanding entrepreneurial experience of the promoters having diversified businesses.

- **Susceptibility of profitability to volatile input prices**

Major raw materials used in construction activities are steel and cement which are usually the products sold by ASPL. The input prices are generally volatile and consequently the profitability remains susceptible to fluctuation in input prices. However, the company is into the business of trading and is able to pass on any fluctuation in raw material prices to its end customers.



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Analytical Approach: Consolidated Approach

The company together with its subsidiaries namely Buildmex-Infra Private Limited, ArisUniterm Private Limited, Arisintra Trading Private Limited and Arisintra Realty Private Limited are considered in this consolidated financial statement for the period ended March 31, 2022. These companies became subsidiaries of ASPL with effect from July 26, 2021, November 17, 2021, October 22, 2021 and January 05, 2022 respectively. The company owns 80%, 80%, 99.99% and 76% respectively in these companies. These companies are part of the same promoters and in similar line of business and have operational and financial linkages.

Applicable Criteria:

[Rating Methodology for Trading Companies](#)

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

[Criteria of assigning Rating outlook](#)

Liquidity – Strong

The liquidity of the company remains strong marked by the sufficient cash accruals as against nil long-term debt repayment obligations. Its average fund based working capital utilization for the 9 months ended January 2023 stood around 70.49%. The current ratio stands at 2.51x as on March 31, 2022. With the capex and repayment obligations likely to be nil as against the envisaged cash accruals, the liquidity is expected to remain strong in the medium term. Cash and Cash equivalent amounted to Rs 23.57 Crore as on March 31, 2022.

About the Company

Arisintra Solutions Private Limited, incorporated in the year 2021 is one of the successful pioneers in building India's largest infra-tech platform to simplify construction for every stakeholder in the eco system.

The company is engaged in trading, procuring, supplying, distributing, acting as a marketplace in the supply of all kinds of raw materials in the form of Aggregate, Ready Mix Concrete, Steel, Cement, Construction Chemicals etc. and finished goods e.g., Tile, Marble, Granite,



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Electricals, Sanitaryware, Doors, Windows, etc. necessary for creation of infrastructure, buildings & construction.

Financials Consolidated:

(Rs. crore)

For the year ended / As On*	31-03-2022 (Audited)
Total Operating Income	458.24
EBITDA	13.69
PAT	7.08
Total Debt	146.23
Adjusted Tangible Networth (including quasi equity)	215.06
Ratios	
EBITDA Margin (%)	2.99
PAT Margin (%)	1.54
Overall Gearing ratio (times) on Net Adjusted Tangible Net Worth	0.42

*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 Instrument/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	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1.	Long Term Fund Based Bank Facility – Cash Credit	Long Term	60.00	IVR BBB-/ Stable	-	-	-
2.	Proposed long Term Bank Facilities	Long Term	165.00	IVR BBB-/ Stable	-	-	-

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About Infomerics:

Infomerics Valuation and Rating Private Limited (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.

For more information visit www.infomerics.com

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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	-	-	-	60.00	IVR BBB-/Stable
Proposed Long term	-	-	-	165.00	IVR BBB-/Stable



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Annexure 2: List of companies considered for consolidated analysis:

Name of the Company	Relationship	Shareholding as on March 31, 2022	Consolidated Approach
Buildmex-Infra Private Limited	Subsidiary	80%	Full Consolidation
ArisUniterm Private Limited	Subsidiary	80%	Full Consolidation
Arisinfra Trading Private Limited	Subsidiary	99.99%	Full Consolidation
Arisinfra Realty Private Limited	Subsidiary	76%	Full Consolidation

The company together with its subsidiaries namely Buildmex-Infra Private Limited, ArisUniterm Private Limited, Arisinfra Trading Private Limited and Arisinfra Realty Private Limited are considered in this consolidated financial statement for the period ended March 31, 2022. These companies became subsidiaries of ASPL with effect from July 26, 2021, November 17, 2021, October 22, 2021 and January 05, 2022 respectively. The company owns 80%, 80%, 99.99% and 76% respectively in these companies. These companies are part of the same promoters and in similar line of business and have operational and financial linkages.

Annexure 3: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Arisinfra-mar23.pdf>

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.