

Rating Rationale

Brickwork Ratings has assigned 'BWR B+' & 'BWR A4' for Bank Loan Facilities aggregating to ₹ 11.25 Cr of 'Aries Corporate Services Private Limited'.

Brickwork Ratings has assigned the following **Rating¹** for Bank Credit facilities sanctioned/availed from Dena Bank amounting to ₹ 11.25 Cr by Aries Corporate Services Private Limited. (ACSPL or the 'Company') :-

Facilities	Sanctioned Limit (₹ Cr)	Tenure	Rating
Fund Based		Long Term	BWR B+ (Pronounced BWR B Plus) Outlook : Stable
Cash Credit	6.25		
Non Fund Based		Short Term	BWR A4 (Pronounced BWR A Four)
Guarantee (Performance)	5.00		
Total	11.25	INR Eleven Crores and Twenty Five Lakhs only	

BWR has principally relied upon the audited financial results up to FY 14, projected financial of FY 15, and publicly available information and information/clarification provided by the company's management.

The rating has factored the extensive experience of the key management of more than a decade in the manpower services and transportation services business, consistent relationship with reputed customer base such as Delhi Metro Corporation Limited (DMRC), Brakes India Limited (TVS Group), etc., Diversified customer base which include both government bodies as well as private entities, adequate debt servicing capability of the company and high growth prospect of the manpower services industry.

The Ratings are, however, constrained by tender based nature of business which may lead to volatility in revenue, highly labour intensive nature of business; a critical resource and which is an inherent risk of this industry hence fluctuations in the resources could be a challenge, low tangible net worth of the company and low entry barrier of new entrants in the business that may lead to a stiff competition in the market.

Background:

The company Aries Corporate Services Private Limited was established in the year 2003 by Mr. Manoj Bharadwaj and Mrs. Alka Bharadwaj. The company has also appointed Mr. Mukesh Sharma as a new director in August 2014 for this company. The company is involved into services rendered in the form of human resource, equipment and transportation, and other related services under one roof.

The registered office is at Delhi and the corporate office is based in Gurgaon, Haryana.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Management Profile:

Mr. Manoj Bharadwaj has more than a decade of experience in the manpower services and transportation services business in his sole proprietorship firm namely “M/s S. K. Gaur & Co.” Mrs. Alka Bharadwaj is having an experience for more than 10 years in “Aries Corporate Services Limited” in the administration. Mr. Mukesh Sharma is a Post Graduate in the field of Human Resource and having more than 15 years in the operations of different firms and he is also a proprietor of a firm “Sanga Enterprises” since 2005 which is engaged in Manpower supply services and erection work.

Financial Performance:

The Company has reported total operating income of Rs. 10.65 Cr in FY14 and Rs. 5.38 Cr in FY13 compared to Rs. 4.55 Cr in FY12 . The reported PAT in FY14 is Rs. 1.23 Cr and in FY13 is Rs. 0.24 Cr as against Rs. 0.23 Cr in FY12. Tangible net worth of the company stood at Rs. 1.83 Cr in FY 14 but it decreased to Rs. 0.89 Cr in FY13 as against Rs. 1.18 Cr in FY12 due to write off in the form of recoverable.

Rating Outlook:

The rating outlook is expected to be stable over the current year. Going forward, the company's ability of substantial growth in revenue with sustainability in the profit margins and significant improvement in the company's Net Worth will be the key rating sensitivities.

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