

## Aksh Optifibre Limited

May 10, 2023

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	136.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	114.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

### Rationale and key rating drivers

CARE has been seeking information from Aksh Optifibre Limited (AOL) to monitor the rating(s) vide e-mail communications/letters dated March 07, 2023, March 17, 2023, March 27, 2023 and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. Further, AOL has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on Aksh Optifibre Limited (AOL) instruments will now be denoted as CARE D; Issuer not Cooperating\*.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

**Analytical approach:** Standalone

### Detailed description of the key rating drivers:

At the time of last rating on April 21, 2022 the following were the rating strength and weaknesses.

#### Key strengths

##### Experienced promoters with established track record in the OFC industry

Incorporated in 1986, the company has over three-decades of long track record of operations in OFC industry. AOL manufactures OFC and is also backward integrated to manufacture OF and FRP rods, which leads to operational efficiencies. The company started with the manufacturing of OF and OFC in 1994. In 1996-97 AOL acquired FRP business which is a key raw material for OFC. AOL went public in 2000 and is listed on NSE and BSE. The company also delivers to e-governance services through its programme 1 Stop Aksh with the government of Rajasthan. The present Chairman and Managing Director, Dr. Kailash S. Choudhari, is a key founding member of AOL. He is MBBS by qualification, gold medallist AIIMS. His father, Mr. Shantilal Choudhari, was the promoter of Choudhari Metal Industry (later on renamed CMI Limited) which specializes mainly in manufacturing of copper cables.

#### Key weaknesses

##### Poor Liquidity and delays in debt servicing

The liquidity continues to remain poor owing to continuous overdrafts and delay in debt repayment obligations. The account continues to be classified as NPA with the lenders. The delays were on account of stressed liquidity position resulting from delayed realizations from customers leading to cash flow mismatches. The current ratio as on March 31, 2022 stood at 0.74 (PY:0.65). However, the operating cycle stood at 76 days in FY22 improved from 100 days in FY21. The inventory and debtors stood at Rs 34.73 crore (PY: Rs 36.39 crore) and Rs 106.43 crore (PY: Rs 102.16 crore) respectively.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

## Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Manufacturing Companies](#)

[Policy on Withdrawal of Ratings](#)

## About the company and industry

### Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Industrials	Capital Goods	Industrial Products	Cables - Electricals

### About the company

Aksh Optifibre Limited (AOL) was incorporated in March 1986 as a manufacturer of Poly Vinyl Chloride (PVC) and Polyethylene (PE) insulated specialty cables. In 1994, the company ventured into manufacturing of Optical Fibre Cables (OFCs) and did backward integration in 1995 by setting up a plant for Optical Fibre (OF) in Bhiwadi, Rajasthan. In 2000, AOL acquired Fibre Reinforced Plastic Rods (FRP rods) business which is a key raw material for OFC (mainly used at the strength membrane in OFC). The company is also undertaking e-governance services, which includes 10,000 plus e-Governance kiosks in the state of Rajasthan and is also providing smart city/ turnkey solutions, which includes installation and managing of OFC turnkey of 350 kms in Jaipur smart city project.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	9MFY23 (UA)
Total operating income	246.46	301.20	200.82
PBILDT	34.80	52.39	36.09
PAT	2.23	17.02	10.22
Overall gearing (times)	0.58	0.40	NA
Interest coverage (times)	1.61	2.65	3.68

A: Audited UA: Unaudited; NA: Not available

Note: 'the above results are latest financial results available'

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information:** Not applicable

**Rating history for last three years:** Please refer Annexure-2

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	70.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	31-03-2027	66.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	114.00	CARE D; ISSUER NOT COOPERATING*

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

**Annexure-2: Rating history for the last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fund-based - LT-Term Loan	LT	66.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (21-Apr-22)	-	1)CARE D; ISSUER NOT COOPERATING* (29-Jan-21)  2)CARE D (01-Apr-20)
2	Fund-based - LT-Cash Credit	LT	70.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (21-Apr-22)	-	1)CARE D; ISSUER NOT COOPERATING* (29-Jan-21)  2)CARE D (01-Apr-20)
3	Non-fund-based - ST-BG/LC	ST	114.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (21-Apr-22)	-	1)CARE D; ISSUER NOT COOPERATING* (29-Jan-21)  2)CARE D (01-Apr-20)

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

\*Long term/Short term.

**Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: NA****Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-BG/LC	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on the complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

## Contact us

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### About us:

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### Disclaimer:

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