

## Aksh Optifibre Limited

April 21, 2022

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	136.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	114.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>250.00 (Rs. Two Hundred Fifty Crore Only)</b>		

Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Aksh Optifibre Limited (AOL) to monitor the rating(s) vide e-mail communications/letters dated January 04, 2022, December 25, 2021, December 15, 2021 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).***

### Detailed description of the key rating drivers

*At the time of last rating on January 29, 2021, the following were the rating strengths and weaknesses.*

### Key Rating 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 has deteriorated to 0.65 (PY:0.83). However, the operating cycle stood at 100 days in FY21 improved from 117 days in FY20. The inventory and debtors stood at Rs 36.39 crore (PY: Rs 41.71 crore) and Rs 102.16 crore (PY: Rs 124.04 crore) respectively.

### Key Rating 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.

<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

**Analytical approach:** Standalone

**Applicable Criteria**

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

[Policy on default recognition](#)

[Financial Ratios - Financial Sector](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Manufacturing Companies](#)

[Policy on Withdrawal of Ratings](#)

**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 (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	9MFY22 (U/A)
Total operating income	257.81	250.77	220.84
PBILDT	29.53	39.10	43.24
PAT	-247.73	2.23	12.08
Overall gearing (times)	0.59	0.56	NA
Interest coverage (times)	1.12	1.81	2.84

A: Audited, UA: Un-Audited

**Status of non-cooperation with previous CRA:** NA

**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 for this company:** Annexure 4

**Annexure-1: Details of Instruments / Facilities**

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

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2022-2023	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	66.00	CARE D; ISSUER NOT COOPERATING *	-	-	1)CARE D; ISSUER NOT COOPERATING * (29-Jan-21) 2)CARE D (01-Apr-20)	1)CARE D (27-May-19)
2	Fund-based - LT-Cash Credit	LT	70.00	CARE D; ISSUER NOT COOPERATING *	-	-	1)CARE D; ISSUER NOT COOPERATING * (29-Jan-21) 2)CARE D (01-Apr-20)	1)CARE D (27-May-19)
3	Non-fund-based - ST-BG/LC	ST	114.00	CARE D; ISSUER NOT COOPERATING *	-	-	1)CARE D; ISSUER NOT COOPERATING * (29-Jan-21) 2)CARE D (01-Apr-20)	1)CARE D (27-May-19)

\* Long Term / Short Term

**Annexure-3: Detailed explanation of covenants of the rated instrument / facilities-** Not applicable**Annexure 4: Complexity level of various instruments rated for this company**

Sr. No	Name of 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: Bank Lender Details for this Company**To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instrument:** CARE Ratings Ltd. 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.

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### About CARE Ratings Limited:

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careedge.in](http://www.careedge.in)**