

Aksh Optifibre Limited
May 27, 2019

Ratings

Facilities	Amount (Rs. Cr)	Rating ¹	Rating Action
Long Term Bank Facilities (Term Loan)	112.41	CARE D (Single D)	Revised from CARE BBB; Stable (Triple B; Outlook: Stable)
Long Term Bank Facilities (Fund Based)	70.80	CARE D (Single D)	Revised from CARE BBB; Stable (Triple B; Outlook: Stable)
Short Term Bank Facilities (Non-Fund Based)	183.79	CARE D (Single D)	Revised from CARE A3+ (A Three Plus)
Total facilities	367.00 (Rs. Three hundred Sixty Seven crores only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The revision in the ratings assigned to the bank facilities of Aksh Optibre Limited (AOL) takes into account the ongoing delays in debt servicing along with ongoing devolvement of LC (letter of credit). The delays are on account of stressed liquidity position resulting from delayed realizations from customers leading to cash flow mismatches. The average receivable days increased to 135 days in FY19 (refers to period from April 01 to March 31) from 114 days in FY18.

Analytical approach: Standalone. However, the support extended by AOL to the subsidiaries has been factored in.

Applicable criteria:

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Rating Methodology-Manufacturing Companies](#)

[Criteria for Short Term Instruments](#)

[Financial ratios – Non-Financial Sector](#)

[Rating Methodology: Factoring Linkages in 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)	FY18 (A)	FY19(A)
Total operating income	587.79	536.16
PBILDT	74.42	95.77
PAT	22.81	28.14
Overall gearing (times)	0.47	0.35
Interest coverage (times)	4.15	3.37

A: Audited

Status of non-cooperation with previous CRA: NA

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	2025	112.41	CARE D
Fund-based - LT-Cash Credit	-	-	-	70.80	CARE D
Non-fund-based - ST-BG/LC	-	-	-	183.79	CARE D

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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Term Loan	LT	112.41	CARE D	-	1)CARE BBB; Stable (07-Mar-19)	-	-
2.	Fund-based - LT-Cash Credit	LT	70.80	CARE D	-	1)CARE BBB; Stable (07-Mar-19)	-	-
3.	Non-fund-based - ST-BG/LC	ST	183.79	CARE D	-	1)CARE A3+ (07-Mar-19)	-	-

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

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In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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