



Rating Rationale

AKS Ventures Private Limited

3 Jan 2018

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of ₹15.00 crore of AKS Ventures Private Limited.

Particulars

Bank Facility	Type Of Facility	Tenure	Existing Limit (₹in crore)	Proposed Limit (₹in crore)	Amount To Be Rated (₹ in crore)	Rating
CC	Fund Based	Long Term	0.75	3.00	3.00	BWR BB+ (Pronounced as BWR Double B Plus) Outlook: Stable
BG	Non Fund based	Short Term	8.25	12.00	12.00	BWR A4+ (Pronounced as BWR A Four Plus)
			9.00	15.00	15.00	
Total Amount to be rated			₹15.00 crore (Rupees Fifteen crore only)			

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rationale/Description of Key Rating Drivers/Rating sensitivities:

Description of Key Rating Drivers

BWR has principally relied upon the audited financials of the Company from FY15 to FY17 and projected financials upto FY19, publicly available information and information/ clarifications provided by the management.

The rating assigned to the bank facilities of AKS Ventures Private Limited have factored, inter alia, the long standing experience of the promoters in the Industry, vertical presence of the Company in both EPC and consultancy.

The ratings also take into cognizance the favourable debt-equity position of the Company, moderate liquidity position, favourable net cash accruals position, comfortable ISCR and DSCR metrics.



The ratings also take into consideration the significant amount of orders procured through tenders. The ratings are however constrained by its relatively small scale of operations, working capital intensive nature of business, low net worth of the entity, operating in highly competitive market, inherent risk associated with project execution.

Improving the Net worth of the Company, improving the profitability margin, manage working capital effectively, improving the scale of operations, focussing on steady flow of orders and timely execution of the same are the key rating sensitivities.

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

Rating Outlook: Stable

BWR believes the **AKS Ventures Pvt Ltd** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

Established in 2006, AKS Ventures Pvt. Ltd, an ISO 9001:2008 certified Company is engaged in Electrical installation work, Consultancy services and civil construction works. (Consultant and EPC Contractor). The services provided by the Company are Design, Engineering, Construction, Erection, Project Management, Supervision and Consultancy services in various core sectors - Survey, Soil Investigation & Mapping; Power; Irrigation, Water Supply and Piping, Surface Transport; Housing; Industrial Engineering. The Company provides consultancy services to various Govt. and private departments for their infrastructure projects. It has also prepared DPR for Deen Dayal Upadhyay Gram Jyoti Yojana, RGGVVY, REDB (Rural Electricity Distribution Backbone).

The Registered office is situated at 370/B, Krishna Kutir, Road No.4, Ashok Nagar, Ranchi, Jharkhand.

The Company runs under the directorship of Mr. Shyam Kumar Patel, Mr. Ashutosh Kumar Saurabh and Mr. Roshan Kumar.

The Company has been rated as BWR MSE2 in 2017 by Brickwork Ratings.

Company Financial Performance

As per the Audited Financials of FY17, the net profit of the Entity has been reported at ₹0.66 crore as compared to profit of ₹3.06 crore in FY16. The entity has reported Revenue of ₹24.39 crore in FY17 as compared to ₹36.69 crore in FY16. The Entity's Tangible Networth stands at ₹7.86 crore in FY17.



Rating History for the last three years

S.No	Instrument /Facility	Current Rating (2017)			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	Date, Month, Year	Date, Month, Year	Date, Month, Year
	Fund Based	Long Term	3.00	BWR BB+ (Outlook: Stable)	NA	NA	NA
	Non Fund Based	Short Term	12.00	BWR A4+	NA	NA	NA
	Total		15.00	Rupees Fifteen crore only			

Key Financial Indicators

Key Parameters	Units	FY 2016	FY 2017
Result Type		(Audited)	(Audited)
Operating Revenue	₹ Cr	36.69	24.39
EBITDA	₹ Cr	4.60	1.26
PAT	₹ Cr	3.06	0.66
Tangible Net worth	₹ Cr	7.12	7.86
Total Debt/Tangible Net worth	Times	0.13	0.11
Current Ratio	Times	1.30	1.60

Hyperlink/Reference to applicable Criteria

[General Criteria](#)

[Approach to Financial Ratios](#)

[Infrastructure Sector](#)

[Short Term Debt](#)



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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 Cr have been rated.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.