

## Rating Rationale

### Aakash Universal Ltd

8 Mar 2017

#### Brickwork Ratings assigns ratings for the Bank Loan Facilities of Aakash Universal Ltd

##### Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
<b>Fund Based</b>			
Cash Credit(Sanctioned)	8.00	Long Term	BWR BB+(Pronounced BWR Double B Plus) (Outlook: Stable)
Cash Credit(Proposed)	4.50		
<b>PC/FBP/FBD (Sublimit of CC)</b>	(2.50)	Short Term	BWR A4+ (Pronounced BWR A Four Plus)
<b>Non-Fund Based</b>			
LC(Sublimit of CC)	(2.50)		
Inland/Foreign Bank Guarantee	1.50		
<b>Total</b>	<b>14.00</b>	<b>Rs. 14.00Crores (Rupees Fourteen Crores Only.)</b>	

\* Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

##### Rationale/Description of Key Rating Drivers/Rating sensitivities:

The Rating Factors inter-alia promoter's experience in the field, moderate networth and comfortable debt coverage indicators. The Ratings are constrained by foreign exchange fluctuation risk ,high TOL/TNW(Total Outsider's Liabilities To Tangible Networth) ratio and intense competition in this sector

### Rating Outlook: Stable

BWR believes the **Aakash Universal Ltd's** 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

Aakash Universal Ltd is mainly involved in manufacturing of marble. Manufacturing constitutes about 95% of its activity. The remaining 5% involves manufacture of CCTV and surveillance equipments and manufacture of steel components. The company was formed in 1995 by Mr Ram B Jajodiya and Mrs Santosh R Jajodiya. The plant is located in Silvassa. The production capacity of plant is 96,87,600 sq ft per annum and utilization capacity is 72,65,700 sq ft per annum. The company imports from countries like Italy, Tukey, Spain, Portugal, China, Oman, Brazil etc.

### Company Financial Performance

The Net Sales have decreased marginally from Rs 95.79 Cr in FY 15 to Rs 94.69 Cr in FY 16. The Profits after tax have decreased from Rs 1.79 Cr in FY 15 to Rs 1.78 Cr in FY 16

### Rating History for the last three years:

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
1)	Cash Credit(Sanctioned)	Long Term	8.00	BWR BB+ (Outlook:Stable )	NA	NA	NA
2)	Cash Credit(Proposed)	Long Term	4.50				
3)	PC/FBP/FBD (Sublimit of CC)	Short Term	(2.50)	BWR A4+			
4)	LC (Sublimit of CC)	Short Term	(2.50)				
5)	Inland /Foreign Bank Guarantee	Short Term	1.50				

NA-Not Applicable

## Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)

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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](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto: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 ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

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