



Rating Rationale

Aarkee Extrusion Pvt Ltd.

22nd March, 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs. 7.00 Crores of Aarkee Extrusion Pvt Ltd.

Particulars

Facility	Tenure	Limit (Rs. In Crs)	Rating
Cash Credit cum ODBD	Long Term	4.00	BWR B+ (Pronounced as BWR B Plus) Outlook (Stable)
Letter of Credit - Inland	Short Term	3.00	BWR A4 (Pronounced as BWR A Four)
Total		7.00	(INR Seven Crores)

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the Audited Financial results up to FY16, Provisional Financials for 9MFY17, Projected Financials for FY17 & FY18 and information/ clarification provided by the Company's management.

The rating factors in the vast experience of the promoters in this business, increasing revenue trend, and improved liquidity. However, the rating is constrained by high gearing levels, low scale of operations, thin margins, and a high inventory.



Rating Outlook: Stable

BWR believes that Aarkee Extrusion Pvt 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:

Aarkee Extrusion Pvt Ltd was incorporated in the year 2007 for manufacturing and supplying an extensive range of architectural profiles such as window frames and sections, handrails, expandable grills, gazing clips, bars etc. The company's manufacturing unit is located at Vadodara, Gujarat, with a total installed capacity of 700 Metric Tonnes per Month (MTPM). Mr. Piyush Shah & Mr. Harish Kagrana are the key personnel of the Company.

Company Financial Performance:

As per audited financials of FY16, the Firm has reported net sales of Rs. 18.07 Crs with a net profit of Rs. 0.14 Crs compared to sales of Rs. 16.64 Crs and a PAT of Rs.0.13 Crs in FY15.

As per the unaudited and provisional data, the unit is reported to have achieved an operating income of Rs. 14.59 crs for 9MFY17.

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/ Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs. In Crs)	Rating	2016	2015	2014
1	Cash Credit cum ODBD	Long Term	4.00	BWR B+ (Pronounced as BWR B Plus) Outlook (Stable)	NA	NA	NA
2	Letter of Credit - Inland	Short Term	3.00	BWR A4 (Pronounced as BWR A Four)	NA	NA	NA
	Total		7.00	INR Seven Crores Only			



Hyperlink/Reference to Applicable Criteria

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

For any other criteria obtain hyperlinks from website

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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 ₹ 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.

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.