

Rating Rationale

Akbar International

15th May 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of M/S Akbar International

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Fund Based			
OCC/OBBD	11.00	Long Term	BWR BB (Pronounced as BWR Double B) Outlook: Stable
OBBD (Sublimit of OCC)	(1.50)		
Term Loan	3.80		
Total	Rs. 14.80 Crores (Rupees Fourteen Crores and Eighty Lakhs Only.)		

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

The rating has factored, inter alia, promoters' extensive experience of more than three decades in manufacturing and trading of marble handicraft products, long existence of the firm for 34 years with good business history, sound capital structure and demand for the product as the firm is located in a tourist destination. However the rating is constrained by its proprietorship constitution, modest scale of operations and working capital intensive nature of business. The ability of the firm to scale up its operations, to improve its profit margins while managing the capital structure will remain the key rating sensitivities.

Rating Outlook: Stable

BWR believes that the business risk profile of Akbar International 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 Firm

Akbar International is a proprietary concern established in 1983 and based in Agra, Uttar Pradesh. Mr. Salim Uddin is the promoter and proprietor of the firm. The firm is into manufacturing and trading of marble handicraft products using the art of “Parchinkari”. The firm has two manufacturing units cum offices with 12 showrooms in Agra, Uttar Pradesh. The firm procures the best quality marbles from marble dealers of Makrana, in the Nagaur district of Rajasthan. Most of the customers of the firm are retail customers of foreign nationals who are visiting Agra. The firm is also delivering the products to the customers in their respective countries by sea or air freight on request.

Firm’s Financial Performance

The firm has registered a total operating income of ₹ 36.71 Cr in FY16 as against ₹ 32.28 Cr in FY15. The firm has reported operating profit margin of 18.16% and net profit margin of 9.05% in FY16 as against operating profit margin of 19.72% and net profit margin of 9.61% in FY15. The tangible net worth of the firm stood at ₹ 33.88 Cr as on March 31, 2016.

As per the information provided by the management, the firm has achieved revenue of ₹ 38.32 Cr during April 1, 2016 to March 31, 2017.

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

Sl. No.	Instrument/ Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs. Crs)	Rating	2016	2015	2014
1	OCC/ODBD	Long Term	11.00	BWR BB (Pronounced as BWR Double B) Outlook: Stable	-	-	-
2	ODBD (Sublimit of OCC)	Long Term	(1.50)	BWR BB (Pronounced as BWR Double B) Outlook: Stable	-	-	-
3	Term Loan	Long Term	3.80	BWR BB (Pronounced as BWR Double B) Outlook: Stable	-	-	-

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

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