



## RATING RATIONALE

1 Dec. 2020

### Akshoy Creation

**Brickwork Ratings Downgrades the rating for the Bank Loan Facilities of Rs. 12.00 Crs. of Akshoy Creation (“AC” or the “Firm”) while simultaneously migrating it to the Issuer Not Cooperating category, based on best available information, as the issuer did not cooperate.**

Facilities*	Amount (Rs.Crs)		Tenure	Rating#	
	Previous	Present		Previous (August 2019)^	Present
Fund based	12.00^^	12.00^^	Long Term	BWR BB- (Stable)	BWR B+ (Stable) Downgraded, Issuer Not Cooperating**
<b>Total</b>	<b>12.00</b>	<b>12.00</b>	<b>Rupees Twelve Crores Only</b>		

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

\* Details of Bank facilities are provided in Annexure-I

^^Includes Proposed amount of Rs. 2.72 crs

^Ratings migrated to Not Reviewed category in August 2020.

\*\*Issuer did not cooperate, based on best available information.

### RATING ACTION / OUTLOOK

Brickwork Ratings has **downgraded** the rating for the long term bank loan facilities of Rs. 12.00 crs of Akshoy Creation from BWR BB- (Stable) to **BWR B+ (Stable)**, along with **simultaneous migration** of the ratings to “**Issuer Not Cooperating**” category based on best available information, as the Issuer did not cooperate.

### NATURE OF NON-COOPERATION

The rating was due for a review in August 2020. BWR took up with the firm and their banker over numerous emails and through telephone calls, to provide the required information. However, despite the best efforts of BWR to get at least the minimum required information for a review, neither the entity nor their banker has provided the same, nor have they shared the latest financials. The firm has also not been furnishing the required No Default Statements (NDS).

In the absence of management cooperation on the part of the firm to share adequate information about itself for a review, as well as its non-submission of NDS, BWR is unable to assess the firm’s financial performance, or its ability to service its debt and maintain a valid rating. Accordingly, the rating is placed under the “**Issuer Not Cooperating**” category. The downgrade of the rating is based on the lack of up to date information about the firm - either from the firm itself, or from its banker.

### LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non- transparency and withholding of the information required for a review of the rating.

### KEY FINANCIAL INDICATORS [AS AVAILABLE WITH BWR in August 2019]

Key Financial Indicators	Units	FY 18	FY 17
Result Type		Audited	Audited
Operating Revenue	₹ Crs	15.44	16.10
EBITDA	₹ Crs	1.47	1.43
PAT	₹ Crs	0.47	0.47
Tangible Net Worth	₹ Crs	3.45	3.28
Total Debt/Tangible Net Worth	Times	1.66	1.43
Current Ratio	Times	1.32	1.23

### FIRM'S PROFILE (Information as available in August 2019)

M/s Akshoy Creation was established in 2004. The business started by Shri Akshoy Basak around 100 years ago, is now being managed by the third and fourth generation i.e, Mr. Shyamal Basak and Mr. Samrat Basak as partners of the partnership firm. The firm is engaged in the wholesale and retail trading of Sarees and other dress materials. It operates three retail and one wholesale outlet in Kolkata. All the four outlets are in the name of the Akshoy Creation. The partners had two firms in the name of 'Adi Akshoy and Co'. and 'Akshoy Creation', carrying on the same business, which merged into Akshoy Creation in April 2018.

### NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY (IF ANY) - Nil

**RATING HISTORY FOR THE PREVIOUS THREE YEARS (including withdrawal and suspended)**

S. No	Name of Instrument	Current Rating			Chronology of Rating History for the past 3 years along with outlook/watch, if applicable								
		Type	Amount Outstanding (₹ Crs.)	Rating	Date(s) & rating(s) assigned in year 2019 <sup>^</sup>	Date(s) & rating(s) assigned in year 2018	Date(s) & rating(s) assigned in year 2017						
1.	Bank Loan Facility	Fund Based -Long Term	12.00	BWR B+ (Stable) Downgraded, Issuer Not Cooperating*	14.08.19 <table border="1"> <tr> <td>FB</td> <td>12.00</td> <td>BWR BB- (Stable)</td> </tr> </table> 09.08.19 <table border="1"> <tr> <td>FB</td> <td>9.28</td> <td>BWR BB- (Stable)</td> </tr> </table> Assigned	FB	12.00	BWR BB- (Stable)	FB	9.28	BWR BB- (Stable)	-	-
FB	12.00	BWR BB- (Stable)											
FB	9.28	BWR BB- (Stable)											
<b>Total</b>			<b>12.00</b>	<b>Rupees Twelve Crores Only</b>									

<sup>^</sup>Ratings migrated to Not Reviewed category on 10 August 2020

<sup>^</sup>Ratings migrated to Not Reviewed category on 17 August 2020

\*Issuer did not cooperate, based on best available information

**COMPLEXITY LEVELS OF THE INSTRUMENTS**

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non- Cooperation](#)

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**ANNEXURE I**

**Akshoy Creation**

**Details of Bank Loan Facilities rated by BWR**

<b>Sl.No.</b>	<b>Name of the Bank</b>	<b>Type of Facilities</b>	<b>Long Term [Rs. Crs]</b>	<b>Short Term [Rs. Crs]</b>	<b>Total [Rs. Crs,]</b>
<b>1.</b>	<b>United Bank of India</b>	<b>Cash Credit</b>	<b>9.28</b>	<b>-</b>	<b>9.28</b>
		<b>Cash Credit - Proposed</b>	<b>2.72</b>	<b>-</b>	<b>2.72</b>
<b>TOTAL Rupees Twelve Crores only</b>					<b>12.00</b>

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