



## Rating Rationale

31 Mar 2020

### Avyaktt Oils Private Limited

Brickwork Ratings has reviewed the rating assigned to the bank loan facilities of Rs.6.46 crore of the Avyaktt Oils Private Limited , based on best available information, as the company did not cooperate.

### Particulars

Facilities <sup>#</sup>	Previous Rated Amount Rs. Crs	Present Rating Amount Rs. Crs	Tenure	Rating <sup>1</sup>	
				Previous Ratings <sup>^</sup>	Present Rating <sup>*</sup>
<b>Fund based</b>					
Cash Credit	2.75	2.75	Long Term	<b>BWR B Stable Assigned</b>	<b>BWR D Issuer Not Cooperating* Downgrade</b>
Term Loan	1.46	1.46			
Proposed Cash Credit	2.25	2.25			
<b>Total</b>	<b>6.46</b>	<b>Rs. 6.46 Crore (Rupees Six Crores and Forty Six Lakhs Only)</b>			

*\*Issuer Not Cooperating: Based on best available information*

*^Reaffirmed and Not Reviewed the outstanding rating of BWR B (Stable) on 3<sup>rd</sup> December 2018 ^ An initial rating was assigned on 30<sup>th</sup> August 2017.*

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

*#Note: Details of Bank facilities are provided in Annexure I*

### Rating downgraded and migrated to ISSUER NOT COOPERATING\* category

#### Nature of Non-Cooperation:

The rating was due for a review in August 2018. Brickwork Ratings (BWR) took up with the company to provide required information over emails and through telephone communication. Despite the best efforts of Brickwork Ratings to get at least the minimum required information for a review, the entity has not provided the same. Hence, the rating was migrated to the 'Not Reviewed' category. In the absence of adequate information from the issuer and continued lack of management cooperation, Brickwork Ratings is unable to assess the issuer's financial performance and its ability to service its debt and maintain valid rating. The entity has not been submitting NDS to BWR. Based on inadequate information and continued lack of management



cooperation, Brickwork Ratings has downgraded the long term rating to 'BWR D from BWR B/Stable and simultaneously migrated to the Issuer Not Cooperating\* category.

## **LIMITATIONS OF THE RATING**

Information availability risk is a key factor in the assessment of credit risk as generally, non cooperation 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 ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency withholding of information required for a review of the rating.

### **About company**

Avyaktt Oils Private Limited was established in the year 2014 as a private limited company, located at West Godavari Dist, Andhra Pradesh. The company is engaged in manufacturing of edible oils( crude cottonseed oil, crude Palm oil and crude rice bran oil) and animal feed. Promoters of the Company are Mr.D.Satish Kumar, Ms. D. Hima Bindu and Mr. Chandra Sekhar.

**No financial information has been submitted to BWR over the last two years**

**Key Covenants of the facility rated:** The terms of sanction include standard covenants normally stipulated for such facilities.

**Status of non-cooperation with previous CRA – NA**

### Rating History for the last three years

Sl. No.	Facilities	Current Rating (2020)			Rating History		
		Type	Amount (Rs. Cr)	Rating <sup>^</sup>	(2019)	(2018)	(30.08.2017)
1	<b>Fund Based</b> Cash Credit	Long Term	2.75	<b>BWR D Issuer Not Cooperating* Downgrade</b>	-	-	<b>BWR B Stable Assigned</b>
2	Term Loan		1.46				
3	Proposed Cash Credit		2.25				
<b>Total</b>		<b>Rs. 6.46 Crore (Rupees. Six Crores and Forty Six Lakhs Only)</b>					

<sup>^</sup>Reaffirmed and Not Reviewed the outstanding rating of BWR B (Stable) on 3<sup>rd</sup> December 2018;

\* 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](#)
- [Manufacturing Companies](#)
- [What Constitutes Non-Cooperation](#)

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**Avyaktt Oils Private Limited**  
**Annexure I: Details of Bank Facilities rated**

Sl. No.	Name of the Bank	Type of Facilities	Long Term (Rs. Cr)	Short Term (Rs. Cr)	Total (Rs. Cr)
1.	Bank of India	<b>Fund Based</b>			
		Cash Credit	2.75	-	2.75
		Term Loan	1.46	-	1.46
		Proposed Cash Credit	2.25	-	2.25
<b>TOTAL - Rupees Six Crores and Forty Six Lakhs Only</b>					<b>6.46</b>

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**About Brickwork Ratings** :Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, 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 leading public sector 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, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

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