

## Press Release Expressions

April 25, 2023



### Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	35.00	ACUITE D   Assigned	-
Total Outstanding Quantum (Rs. Cr)	35.00	-	-

### Rating Rationale

Acuite has assigned the long-term rating of '**ACUITE D**' (read as **ACUITE D**) on the Rs.35.00 crore bank facilities of Expressions.

#### Rationale for rating assigned

The rating assigned on the bank facilities is primarily on account of written declaration specifying details of defaults in No Default Statement submitted by client to Acuite. Furthermore, the lenders of the company also mentioned verbally about delays in repayment of term loan. There have been delays in servicing of debt obligations of term loans availed during the last three months (for the month of December 22 to March 23 which was paid in April-23) and the account is currently classified as SMA-0 as per banking sources.

#### About the Company

Gujrat based Expressions is a partnership firm established in the year 2010 and is a part of Aakash group which is involved in real estate activity. The current partners of the firm include Mr. Manishbhai K Patel along with Ms. Naynaben Patel and Mr. Kishan Patel. There are two projects under M/s Expressions viz; "Esppace" a commercial project and "Expressions" a residential project. Esppace is a commercial project and was completed in 2017 and consists of ground plus four structure with 180 shops. Expressions is a project of 5 bhk flats consisting of two towers (named "Emotions" & "Feelings") of 19 floors with 3 flats on each floor.

#### Analytical Approach

Acuite has considered the standalone business and financial risk profile to arrive at the rating of Expressions.

#### Key Rating Drivers

##### Strengths

##### Experienced management

Expressions is a part of Aakash group. Aakash group has been into existence since 35 years and based out of Gujarat. The group has completed over 20 projects within Gujarat till date. Expressions is a Partnership firm and was formed in the year 2010 in order to undertake two projects viz; Esppace & Expressions. Esppace is a commercial project while Expressions is a project consisting 5 bhk residential houses. The firm is promoted by Mr. Manishbhai K Patel who has experience in the real estate and construction activity for more than 18 years. The

operations are managed by the promoters as well as well experienced senior management team in the industry.

Acuité believes that the company may benefit from the experienced promoters and management in the medium term.

### **Weaknesses**

#### **Delays in servicing of bank facilities availed**

Expressions avails bank facilities from Union Bank of India. There have been delays in servicing of debt obligations of term loans availed during the last three months (for the month of December 22 to March 23 which was paid in April-23) and the firm is currently classified as SMA-0 as per banking sources. Further, previously intermittent delays in the interest and principal servicing have been reported with account being classified at at SMA-1 & SMA-2 respectively, confirmed by the banking sources.

### **Rating Sensitivities**

- Regularization of debt servicing track record

### **Material covenants**

None

### **Liquidity Position**

#### **Poor**

Liquidity of the company is poor marked by delays in servicing of debt obligations of term loans availed during the last three months.

### **Outlook:**

Not Applicable

### **Other Factors affecting Rating**

Not Applicable

### **Key Financials**

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	39.60	36.60
PAT	Rs. Cr.	0.19	0.21
PAT Margin	(%)	0.47	0.58
Total Debt/Tangible Net Worth	Times	2.34	6.34
PBDIT/Interest	Times	1.03	1.02

### **Status of non-cooperation with previous CRA (if applicable)**

BWR, vide its press release dated November 02, 2022 had denoted the rating of Expressions as 'BWR B; ISSUER NOT CO-OPERATING' on account of lack of adequate information required for monitoring the ratings.

### **Any other information**

None

### **Applicable Criteria**

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Entities In Manufacturing Sector:- <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### **Note on complexity levels of the rated instrument**

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to

the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

#### Rating History:

Not Applicable

#### Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Union Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	35.00	ACUITE D   Assigned

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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