

Press Release

Ashok Kumar Mittal

October 25, 2022



Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	3.00	ACUITE BB Downgraded Issuer not co-operating*	-
Bank Loan Ratings	9.00	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	12.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) and reaffirmed the short-term rating to '**ACUITE A4+**' (read as **ACUITE A Four Plus**) on the Rs.12.00 crore bank facilities of Ashok Kumar Mittal (AKM). This rating is now an indicative rating and is based on best available information.

The rating has been downgraded on account of information risk.

About the Company

Ashok Kumar Mittal (AKM) was established in the year of 1985 as a proprietorship concern by Mr. Ashok Kr. Mittal; in the year of 2002, proprietorship has been changed to Mr. Deepak Kumar Mittal. The firm is engaged in providing civil construction service for PWD and Irrigation Dept. to the Chhattisgarh Govt. The registered office is located in Korba, district of Chhattisgarh.

Non-cooperation by the issuer/borrower

The team had sent repeated reminders to the Company for latest information; however, despite multiple requests; the Company's management has not sent the required documents and are yet to submit the final latest documents for assigning the rating. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuite endeavored to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon.

Material Covenants

None.

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon

Outlook

Not Applicable

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	128.84	103.37
PAT	Rs. Cr.	4.37	3.04
PAT Margin	(%)	3.39	2.94
Total Debt/Tangible Net Worth	Times	0.91	0.82
PBDIT/Interest	Times	5.50	6.42

Status of non-cooperation with previous CRA

Not Available.

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Insurance Companies: <https://www.acuite.in/view-rating-criteria-66.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
05 Aug 2021	Cash Credit	Long Term	2.50	ACUITE BB+ Stable (Reaffirmed)
	Bank Guarantee	Short Term	9.00	ACUITE A4+ (Reaffirmed)
	Proposed Bank Facility	Long Term	0.50	ACUITE BB+ Stable (Reaffirmed)
28 Feb 2020	Bank Guarantee	Short Term	5.75	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	2.50	ACUITE BB+ Stable (Upgraded from ACUITE BB Stable)
	Proposed Bank Facility	Long Term	3.75	ACUITE BB+ Stable (Assigned)
25 Mar	Bank Guarantee	Short Term	5.00	ACUITE A4+ (Reaffirmed)

2019	Cash Credit	Long Term	2.00	ACUITE BB Stable (Reaffirmed)
24 Feb 2018	Cash Credit	Long Term	2.00	ACUITE BB Stable (Assigned)
	Bank Guarantee	Short Term	5.00	ACUITE A4+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
UCO Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	9.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
UCO Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.50	ACUITE BB Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE BB Downgraded Issuer not co-operating*

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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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