

Press Release

Alok Buildtech Private Limited

October 18, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.00	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	27.50	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	37.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long term rating to Acuite BB+ (read as ACUITE double B plus) from ACUITE BBB (read as ACUITE triple B) and the short term rating to Acuite A4+ (read as ACUITE A four plus) from ACUITE A3+ (read as ACUITE A three plus) on the Rs 37.50 Crore bank facilities of Alok Buildtech Private Limited. The rating is now flagged as "Issuer Not-Cooperating" and downgraded on account of information risk.

About the Company

Incorporated in 2016, Alok Buildtech Private Limited (ABPL) is a Chhattisgarh based company, promoted, and currently headed by Mr. Alok Shivhare and his son, Mr. Apoorv Shivhare. The company is engaged in civil construction of roads and bridges. The company is registered as 'A5' class contractor and as a Special Class Contractor with the PWDs of Chhattisgarh. ABPL procures work contracts through tender and executes orders mainly for various departments of Public Work Department (PWD), National Highway Authority of India (NHAI) and Chhattisgarh Road Development Corporation Limited (CGRDC) etc.

About the Group

Established in 1997, Alok Shivhare is a proprietorship firm managed by Mr. Alok Shivhare. The firm undertakes civil construction contracts largely road and bridges construction mainly for PWD and NHAI in Chhattisgarh. 'M/s Alok Shivhare has been taken over by Alok Buildtech Private Limited with effective date April 17, 2017. The firm currently does not bid for any new orders but is yet to realise past amounts of security and earnest money deposits. The deposits are expected to be realised in the current financial year, post which the firm will cease to exist.

Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. 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.

Other Factors affecting Rating

None.

Key Financials:

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA

CRISIL, vide its press release dated May 20, 2022 had denoted the rating of Alok Buildtech Private Limited as 'CRISIL B/Stable/A4; ISSUER NOT COOPERATING'.

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	Bank Guarantee	Short Term	27.50	ACUITE A3+ (Assigned)
	Cash Credit	Long Term	10.00	ACUITE BBB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Indian Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	27.50	ACUITE A4+ Downgraded Issuer not co-operating*
Indian Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BB+ Downgraded Issuer not co-operating*

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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