

RATING RATIONALE

14 Mar 2020

Alokik Steel Pvt. Ltd.

Brickwork Ratings Revises the ratings for the Bank Loan Facilities of ₹7.35 Crores of Alokik Steel Pvt. Ltd. based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Jan, 2016)	Present
Fund based					
Cash Credit	3.00	3.00	Long Term	BWR B Stable	BWR C+ (Downgrade) Issuer Not Cooperating*
Term Loan	0.03	0.03			
WCTL	1.07	1.07			
Non Fund Based					
ILC/FLC	3.25	3.25	Short Term	BWR A4	BWR A4 (Reaffirm) Issuer Not Cooperating*
Total	7.35	7.35	INR Seven Crores and Thirty Five Lakhs Only		

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

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

Details of Bank facilities is provided in Annexure-I

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

Downgraded the Long Term rating to BWR C+ and Reaffirmed the Short Term rating to BWR A4 (Issuer not Cooperating) based on best available information as the Issuer did not cooperate.

The initial rating was done on 27th January 2016 with the rating assigned as BWR B/Stable/A4. The rating then moved to Rating Not Reviewed on 13th June 2017. BWR took up with the issuer to provide required information over emails. Despite the best efforts of BWR to get the minimum required information for a review, the entity has not provided the same. The banker of the respective client was also unresponsive due to which feedback from the bank was not received. In the absence of adequate information from the firm as well as the banker, BWR is unable to assess the firm's financial performance and its ability to service its debt and maintain a valid rating.

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.

KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY14	FY15
Result Type		Audited	Audited
Total Operating Income	Crores	43.72	42.85
PAT	Crores	0.04	0.06
Tangible Networth	Crores	2.98	3.03
Total Debt/TNW	Times	2.08	1.74
Current Ratio	Times	0.93	0.87

COMPANY PROFILE

Alokik Steels Pvt. Ltd., a private limited company was incorporated on 16th Apr-08. The company is engaged in manufacturing and trading of M S Ingots. Mild steel ingots are the basic raw material for manufacturing various types of rerolled products. Company procures raw material (scrap iron, steel) for manufacturing from local market, Bhavnagar (scrap from ship breaking yards etc.), Chattisgarh and sometimes also from Dubai, UAE, South Africa and it supplies the finished product in Rajasthan and Punjab.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: Not Available

RATING HISTORY

Instrument / Facilities	Current Rating			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	2019	2018	June, 2017*
Cash Credit Term Loan WCTL	Long Term	3.00 0.03 1.07	BWR C+ (Downgrade) Issuer Not Cooperating	--	--	Rating not Reviewed
ILC/FLC	Short term	3.25	BWR A4 (Reaffirm) Issuer Not Cooperating	--	--	Rating not Reviewed
Total		7.35	INR Seven Crores and Thirty Five Lakhs Only			

*Initial Rating was assigned as BWR B/Stable/A4 as on 27th January 2016

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit 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

Alokik Steel Pvt. Ltd.

Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	Bank of Baroda	Fund Based & Non Fund Based	4.10	3.25	7.35
TOTAL					7.35

Total Rupees Seven Crores and Thirty Five Lakhs Only.

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