

Alcon Builders and Engineers Private Limited

January 30, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	15.00	CARE BB; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB+; Stable and moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	60.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	Downgraded from CARE BB+; Stable / CARE A4+ and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Ltd. has been seeking information from Alcon Builders and Engineers Private Limited (ABEPL) to monitor the rating(s) vide e-mail communications dated January 19, 2026, January 13, 2026, January 06, 2026 etc., among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CareEdge Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on ABEPL's bank facilities will now be denoted as CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The revision in ratings assigned is on account of non-availability of requisite information for continuous monitoring of the ratings, due to non-cooperation by ABEPL with CARE Ratings, to provide the requisite information for monitoring the ratings. CARE Ratings views information availability risk as a key factor in its assessment of credit risk. The ratings assigned to the bank facilities of Alcon Builders and Engineers Private Limited (ABEPL) continue to factor in the working capital-intensive nature of operations characterized by stretched creditors payment and collection period, project execution risk and tender based and competitive nature of industry. The ratings, however, continue to derive strength from the experienced promoters of ABEPL with long track record of operations in the industry and moderate unexecuted order book position albeit customer concentration risk. The ratings also take continue comfort from the moderate financial risk profile of ABEPL characterized by comfortable overall gearing and debt coverage indicators along with modest scale of operations during FY24 (refers to April 01 to March 31).

Analytical approach: Standalone

Outlook: Stable

"Stable" outlook reflects CareEdge Ratings' opinion that the entity will continue to benefit from long track record of operations and the extensive experience of the promoters.

Detailed description of key rating drivers:

At the time of last rating on April 03, 2025, following were the rating weaknesses and strengths.

Key weaknesses

Modest scale of operations

The operating income of the company moderated by ~14% to ₹108.24 crore during FY24 against FY23 owing to orders stuck from railways (government tenders). As on February 15, 2025, its order book position stood moderate at 1.98x of the TOI for FY24, providing medium term revenue visibility. However, the company's PBILDT margin improved by 187bps to 8.26% in FY24. Further, the profit after tax (PAT) margin stood largely in line with previous year at 7.10% in FY24 (PY: 7.07%). Further, as on February 15, 2025, the company achieved operating income of ₹88.25 crore and is expected to improve during the remaining part of the year driven by execution of orders. CARE Ratings believe the company's ability to improve the operational performance driven by execution of orders in hand in the short to medium term will remain a key credit monitorable.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Working capital intensive nature of operations though operating cycle is negative

Under railways projects, company generally raises bills on quantum basis i.e. as soon as work done reaches ₹2-3 crore, the payment from railways is released generally within 15 days while average collection period (inclusive of retention money/ security deposits etc.) is around 11 days as on March 31, 2024, however the company is not exposed to counterparty default risk as all the bills are raised to railways authorities only. Payment to suppliers depends on and is made soon after clearance of company's bills from railways and average creditors period is 132 days as on March 31, 2024 (PY: 125 days). The average inventory holding remains in the range of 5 to 10 days. Thus, operating cycle days comes around negative 116 days as on March 31, 2024 (PY: negative 111 days). As on February 15, 2025, the debtors and creditors stood at ₹27.10 crore and ₹4.98 crore, respectively.

Competitive and tender based nature of industry

ABEPL being engaged into construction/electrification work primarily operates on tender based work received from railways departments. Company's order book and revenues are dependent on successfully bidding and winning the tenders. Owing to high competition in the industry, margins come under pressure and remain volatile. However, the promoters' extensive experience and company's long track record of operations of over five decades mitigates this said risk to some extent.

Execution risks related to projects

The electrification/ supply and installation work projects in railways has inherent risk of delay in execution due to site availability, weather conditions and issues related to availability of labor etc. which may result in time and cost overrun in the projects. However, company's long association with Railways and long-established track of project execution mitigates these risks to some extent. There is no escalation clause in most of the projects for less than 12 months period. However, beyond 12 months, escalation clause is there.

Key strengths**Comfortable capital structure and debt coverage indicators**

The capital structure of the company remains comfortable with total debt of ₹5.47 crore against net worth base of ₹36.47 crore as on March 31, 2024. Further, it has comfortable financial risk profile characterized by overall gearing of 0.15x as on March 31, 2024 (PY: 0.06x). The debt coverage indicators also remain comfortable as marked by the interest coverage ratio of 8.82x as on March 31, 2024 (PY: 12.05x) moderation was on account of requirement of external debt to support the operations of the company. Entity's comfortable capital structure provides sufficient gearing headroom in case of exigencies.

Moderate unexecuted order book; albeit customer concentration risk

The company has order book of ₹805.15 crore out of which unexecuted order book stood at ₹214.82 crore as on February 15, 2025. The unexecuted order book is ~1.98x of the TOI of FY24 providing revenue visibility over short to medium term. As per contracts, the project to be executed in 12-24 months, however actual project completion gets extended from Railways from time to time due to delay in site availability from Railways Authorities only. No penalty is levied on delays as the company is not liable for the causes of delays. Actual execution time lies around 3-4 years on average basis. The order book mainly based on supply and installation work of telecommunication work, electrification, signaling etc. for Indian Railways thereby exposing to high customer concentration risk. CARE Ratings believe the company's ability to improve its order book position thus providing revenue visibility in the short to medium term will remain a key credit monitorable.

Experienced promoters with long track record of operations

ABEPL's operations are managed by Ajit Kumar Vaswani, Managing Director of the company having over five decades of relevant experience in the industry and operations of the company are also supported by a team of qualified engineers, technicians etc. The company has an established track record of execution of numerous signaling projects for Indian Railways and has steady orders flow.

Liquidity: Not Applicable

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

- [Definition of Default](#)
- [Information Adequacy Risk and Issuer Non-Cooperation](#)
- [Rating Outlook and Rating Watch](#)
- [Financial Ratios – Non financial Sector](#)
- [Construction Sector](#)
- [Infrastructure Sector Ratings](#)
- [Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

ABEPL was started in year 1968 in the name of Alcon Electricals and subsequently converted into Private Ltd in the name of Alcon Builders and Engineers Private Limited in year 1988. The company is being managed by Ajit Kumar Vaswani, Managing Director of the company having over four decades of relevant experience in construction industry and is in charge of operations of the company and is also supported by a team of qualified engineers, technicians etc. The company is registered in mainly doing railway signaling contracts of supplying and installation works on turnkey basis for Indian Railways.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	10MFY25 (UA)^
Total operating income	125.14	108.24	88.25
PBILDT	8.00	8.94	NA
PAT	8.85	7.68	NA
Overall gearing (times)	0.06	0.15	NA
Interest coverage (times)	12.05	8.82	NA

A: Audited UA: Unaudited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

^Refers to period till February 15, 2025

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Bank Overdraft	-	-	-	-	15.00	CARE BB; Stable; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-Bank Guarantee	-	-	-	-	60.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*

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

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	60.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	1)CARE BB+; Stable / CARE A4+ (03-Apr-25)	-	1)CARE BB+; Stable / CARE A4+ (04-Mar-24) 2)CARE BB+; Stable / CARE A4+ (04-Apr-23)	1)CARE BB+; Stable / CARE A4+ (04-Apr-22)
2	Fund-based - LT-Bank Overdraft	LT	15.00	CARE BB; Stable; ISSUER NOT COOPERATING*	1)CARE BB+; Stable (03-Apr-25)	-	1)CARE BB+; Stable (04-Mar-24) 2)CARE BB+; Stable (04-Apr-23)	1)CARE BB+; Stable (04-Apr-22)

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

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Bank Overdraft	Simple
2	Non-fund-based - LT/ ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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