



Rating Rationale

Atal Realtech Pvt Ltd

2 Jan 2019

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of ₹. 19.90 Crores of Atal Realtech Pvt Ltd.

Particulars

Facility	Amount Previous	Amount Present (₹ Crs)	Tenure	Rating - Previous	Rating* Current
Fund based	10.00	11.00	Long Term	BWR BB (Pronounced as BWR Double B) Outlook - Stable	BWR BB (Pronounced as BWR Double B) Outlook - Stable
Non Fund Based	4.90	8.90	Short Term	BWR A4 (BWR Single A Four)	BWR A4 (BWR Single A Four)
Total	14.90	19.90	INR Nineteen crore ninety lakh only		

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has reaffirmed the rating for bank loan facilities amounting Rs.19.90cr of Atal Realtech Pvt.Ltd

Description of Key Rating Drivers

BWR has essentially relied upon the company's audited financial results of Fy16, Fy17, Fy18 and projections of Fy 19, publicly available information and clarification / information provided by the company.



The rating draws strength from an adequate experience of the promoters, successful track record of operations, moderate gearing, coverage and profitability. The rating is however constrained relatively moderate scale of operations and inherent risk associated with tender based approach of business & inherent risk in completion of various contracts.

The ability of the company to:

- Improve its scale of operations
- Maintain its financial risk profile in terms of capital structure, coverage and liquidity
- Achieve its projections would be its key rating sensitivity.

Credit Strengths:

- Extensive experience of promoters: Atal Realtech is primarily managed by Mr. Vijaygopal Atal and Mr Nishit Atal, who are in company positioned as Directors having a combined experience of 3 decade. Company has an experienced pool of technical staff which have diversified know how of industry along with relevant experience.
- Financial Risk Profile: ARPL has adequate financial risk profile marked by low debt. Its Gearing in Fy18 stood at 0.97x and coverage as reflected through DSCR and ISCR were at 2.60x and 3.06x levels. Liquidity stood at 1.67x levels which are above par levels.
- Profitability: Operating profit in Fy18 improved to 9.8% and NPM improved to 4.47%. Having said that, these are expected to remain flat in upcoming years.

Credit Risks:

- Scale of operations: Scale of operations are at moderate levels with, Sales in Fy18 standing at Rs.51.47cr. Company's cumulative work in hand stood at Rs.199 cr.
- Tender Based Nature of Business: There is always uncertainty regarding outcome of tender due to unavailability of information from rival bidders. Technical errors and different interpretation of legal documents also affect outcome.
- Geographical Concentration of Business: The firm operates in Maharashtra which makes it vulnerable to socio-economic, political and administrative changes.

Liquidity Profile: Atal Realtech liquidity profile is driven by current ratio of 1.67x and overall interest coverage of 3.76x. Company average utilization for last 6 months stood at ~95%

Analytical Approach



For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

Rating Outlook: Stable

BWR believes the **Atal Realtech Pvt Ltd** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

Atal Realtech Private Limited was incorporated in the year 2012 for undertaking various construction activities for government, semi-government and private institutions. The company is based in Nashik - Maharashtra.

Rating History for the last three years

S.No	Instrument /Facility	Current Rating Jan 2019			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	Nov 2017	2016	2015
1	Fund Based Demand Cash Credit	Long Term	11.00 11.00	BWR BB (Pronounced as BWR Double B) Outlook - Stable	BWR BB (Outlook: Stable)	BWR BB- (Outlook : Stable)	Not Rated
2	Non Fund Based Bank Guarantee	Short Term	8.90 8.90	BWR A4 (BWR Single A Four)	BWR A4	BWR A4	Not Rated
	Total		19.90	₹ Nineteen crore ninety lakh only			



Status of non-cooperation with previous CRA (if applicable)- Nil
 Any other information: Ni

Key Financial Indicators

Key Parameters	Units	2018	2017
Result Type		Audited	Audited
Operating Revenue	₹ Cr	51.47	41.95
EBITDA	₹ Cr	5.04	3.73
PAT	₹ Cr	2.30	1.50
Tangible Net worth	₹ Cr	9.65	6.85
Total Debt/Tangible Net worth	Times	0.97	0.64
Current Ratio	Times	1.67	1.47

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Infrastructure Sector](#)
- [Short Term Debt](#)

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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER

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