

## Rating Rationale

### Brickwork Ratings Revises the rating for Bank Loan Facilities amounting to ₹222.12 Cr of Atlanta Infra Assets Limited (AIAL)

Brickwork Ratings (BWR) revises the **Rating<sup>1</sup>** from BWR BBB-(Outlook: Stable) to BWR BB (Outlook: Negative) to the below mentioned outstanding bank loan facilities of Atlanta Infra Assets Limited (AIAL):

Facility	Limits (₹ Cr)	Tenure	Previous Rating	Revised Rating
Fund Based Term Loan	222.12	Long Term	BWR BBB- (Pronounced BWR Triple B Minus)  Outlook-Stable (October, 2014)	<b>BWR BB</b> (Pronounced BWR Double B)  <b>Outlook-Negative</b>
<b>Total</b>	<b>222.12 (INR Two Hundred Twenty Two Crore and Twelve Lacs only)</b>			

BWR has principally relied upon Atlanta Infra Assets Limited's audited financial statements of up to FY 15, publicly available information, and information/clarification provided by the Company.

The ratings downgrade takes into account Atlanta Infra Assets Limited's deteriorated financial performance, its parent company - Atlanta Ltd.'s deteriorated business and financial performance, and its unsatisfactory past banking conduct.

### Background

AIAL was originally incorporated in 2005 with the name of Balaji Tollways Ltd. Later on in March 2011, the name of the company was converted and assumed its current name AIAL. AIAL is a special purpose vehicle (SPV) promoted by Atlanta Limited for the improvement, operation and maintenance including the strengthening and widening of the existing two-lane roads to four-lane dual carriageway of Nagpur-Kondhali section from 9.2 kilometers to 50 kilometers of National Highway-6 (NH-6) in the State of Maharashtra on a BOT-Toll basis. The project was awarded by NHAI in 2005. AIAL, under its two subsidiaries, has been awarded two toll-based road projects from Bihar State Road Development Corp Ltd (BSRDC) and Public Works department (PWD) of Government of Punjab and the same are under construction.

<sup>1</sup> Please refer to [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the Ratings

## Management

The Company's management team is led by Mr. Rajhoo Bbarot, promoter and MD of Atlanta group. He has vast experience in execution and management of wide variety of construction projects in the field of BOT and real estate development. The Company is professionally managed and has qualified personnel from the field of engineering; finance and administration to assist the top-level management

## Financial Performance

During FY15, Atlanta Infra Assets Limited posted total operating income of ₹36.89 Cr against ₹42.43 Cr in FY14. Its PAT reduced significantly to ₹1.15 Cr in FY15 against PAT of ₹10.92 Cr in FY14.

## Rating Outlook

The Outlook is Negative. The Company's ability to manage its toll road project, and service its debt obligations in timely manner is key rating sensitivities

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