Rating Rationale

Brickwork Ratings assigns the ratings for the Bank Loan Facilities aggregating to ₹ 20 Cr of Attero Recycling Pvt. Ltd.

Brickwork Ratings has assigned following **Rating**[1] for the Bank Loan Facilities of Attero Recycling Pvt. Ltd. (ARPL or the "Company"):-

Facilitiy	Proposed Limits	Tenure	Rating Assigned
Fund Based			
Cash Credit	16.00	Long term	BWR BB Pronounced BWR Double B **Outlook: stable**
Non Fund Based			
Bank Guarantee	4.00	Short Term	BWR A4 Pronounced BWR A Four
Total	**20.00**	**INR Twenty Crores Only**	

BWR has essentially relied upon audited financial results of Attero Recycling Pvt. Ltd. upto FY15 and projected financials for FY16 and FY17, publicly available information and information provided by the management.

The rating has, inter alia, factored in the promoters' adequate experience in the business, increase in scale of operations in FY15, low leverage, comfortable liquidity position, diversified customer and supplier base. The ratings are, however, constrained by weak debt protection metrics, declining profitability margins and high inventory holdings.

Background:

Attero Recycling Pvt Ltd. was promoted by Mr. Nitin Gupta in 2008. The company is engaged in e-waste recycling, and has set up facilities for recovering reusable resources from electronic waste in an eco-friendly manner.

Financial Performance:

As per the audited financials for FY15, ARPL's gross revenue from operations increased by 67% from Rs. 140.49 Crores in FY14 to Rs. 234.41 Crores in FY15. However, operating profit margins declined to 1.11% in FY15 as compared to 10.88% in Fy14. Tangible Networth improved to Rs. 118.85 cr. in FY15, thereby improving liquidity and gearing.

[1] ***Please refer to www.brickworkratings.com for definition of the Ratings***

Rating Outlook:

The rating outlook is expected to be stable over the current year. Going forward, scaling up of operations, improving profitability margins and ensuring timely servicing of debt would be the key rating sensitivities.

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