

Atmastco Limited

June 02, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings ¹	Rating Action
Long Term Bank Facilities	60.53	CARE BB; Stable; ISSUER NOT COOPERATING* (Double B; Outlook: Stable ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB+; Stable; (Double B Plus; Outlook: Stable)
Short Term Bank Facilities	24.50	CARE A4; ISSUER NOT COOPERATING* (A Four ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE A4+; (A Four Plus)
Total Bank Facilities	85.03 (Rs. Eighty-Five Crore and Three Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated March 17, 2020, placed the ratings of Atmastco Limited (AL) under the 'issuer non-cooperating' category as AL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. AL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and emails dated January 31, 2021 and February 20, 2021 among others.

In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

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

The ratings have been revised on account of lack of substantial information and inability to monitor the performance of the company including impact of Covid-19 on the operations of the company which is critical for assessing the credit profile of the company.

The rating is constrained by the elongated working capital cycle, tender based nature of operations in a fragmented and competitive industry and profitability susceptible to volatility in raw material prices. The aforesaid constraints are partially offset by the experienced promoters and long track record of the company.

Detailed description of the key rating drivers

Please refer to PR dated [March 17, 2020](#).

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of non-cooperation by issuer](#)

[Criteria on assigning outlook and credit watch to credit ratings](#)

[CARE's policy on default recognition](#)

[Rating Methodology- Manufacturing Companies](#)

[Financial Ratios- Non-financial sector](#)

[Criteria on short-term instruments](#)

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best available information

About the Company

AL, formerly Atmastco Private Limited, was set up as a partnership firm in 1987 by Mr. Subramaniam Swaminathan Iyer and Mr. G. Venkataraman, for trading in engineering products. In 1994, the firm was converted into a private limited entity and in October 2016 the company was converted into a public limited entity. AL manufactures boiler structures, columns, beams, and does heavy fabrication in its two manufacturing units in Bhilai, with a total installed capacity of 24,000 MT per annum. The company fabricates heavy steel columns and assemblies for power plants.

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	100.58	116.12
PBILDT	13.86	13.32
PAT	4.43	3.18
Overall gearing (excluding acceptances) (times)	1.40	1.30
Interest coverage (times)	1.99	1.91

A: Audited

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument/facility: Annexure 3

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Non-fund-based - ST-BG/LC	-	-	-	20.00	CARE A4; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	28.50	CARE BB; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	-	-	2023	9.03	CARE BB; Stable; ISSUER NOT COOPERATING*
Non-fund-based - LT-Bank Guarantees	-	-	-	23.00	CARE BB; Stable; ISSUER NOT COOPERATING*
Fund-based - ST-Vendor financing	-	-	-	4.50	CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Non-fund-based - ST-BG/LC	ST	20.00	CARE A4; ISSUER NOT COOPERATING*	-	-	1)CARE A4+; ISSUER NOT COOPERATING* (17-Mar-20) 2)CARE A3 (12-Apr-19)	1)CARE A3 (02-Jan-19) 2)CARE A3 (04-Apr-18)
2.	Fund-based - LT-Cash Credit	LT	28.50	CARE BB; Stable; ISSUER NOT COOPERATING*	-	-	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (17-Mar-20) 2)CARE BBB-; Stable	1)CARE BBB-; Stable (02-Jan-19) 2)CARE BBB-; Stable (04-Apr-18)

							(12-Apr-19)	
3.	Fund-based - LT-Term Loan	LT	9.03	CARE BB; Stable; ISSUER NOT COOPERATING*	-	-	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (17-Mar-20) 2)CARE BBB-; Stable (12-Apr-19)	1)CARE BBB-; Stable (02-Jan-19) 2)CARE BBB-; Stable (04-Apr-18)
4.	Non-fund-based - LT-Bank Guarantees	LT	23.00	CARE BB; Stable; ISSUER NOT COOPERATING*	-	-	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (17-Mar-20) 2)CARE BBB-; Stable (12-Apr-19)	1)CARE BBB-; Stable (02-Jan-19)
5.	Fund-based - ST-Vendor financing	ST	4.50	CARE A4; ISSUER NOT COOPERATING*	-	-	1)CARE A4+; ISSUER NOT COOPERATING* (17-Mar-20) 2)CARE A3 (12-Apr-19)	1)CARE A3 (02-Jan-19)

*Issuer did not cooperate; Based on best available information

Annexure 3: Covenants of rated instrument/facility: Not applicable

Annexure 4: Complexity level of various instruments rated for this company:

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Fund-based - LT-Term Loan	Simple
3.	Fund-based - ST-Vendor financing	Simple
4.	Non-fund-based - LT-Bank Guarantees	Simple
5.	Non-fund-based - ST-BG/LC	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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