

Atul Kurariya Private Limited

May 23, 2025

Facilities	Amount (₹ crore)	Ratings ¹	Rating Action
Long-term bank facilities	9.00	CARE BB+; Stable	Assigned
Long-term / Short-term bank facilities	73.00	CARE BB+; Stable / CARE A4+	Assigned

Details of facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to the bank facilities of Atul Kurariya Private Limited (AKPL) are constrained by the geographical concentration risk with company operating in the state of Madhya Pradesh, volatility associated with fluctuations in input prices, intense competition with tender driven business, working capital intensive nature of operations, leveraged capital structure with moderate debt protection metrics in FY25 (Provisional; FY refers to the period April 1 to March 31) and modest order book position.

The above constraints are partially offset by its satisfactory track record of operations and steady financial performance with improving margins over the years.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in total operating income beyond Rs.150.00 crore with sustenance of PBILDT margin above 10%.
- Improvement in capital structure with overall gearing ratio going below 2x.

Negative factors

- Decline in scale of operations below Rs.100 crore and PBILDT margin below 7% on a sustained basis.
- Deterioration in Total Debt/PBILDT beyond 8x on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

Care Ratings believes that the entity shall sustain its moderate financial risk profile over the medium term.

Detailed description of key rating drivers:

Key weaknesses

Geographical concentration risk

AKPL has major presence in the state of Madhya Pradesh as the company earns all the revenue from this state only. In view of its presence in a single state, the company is exposed to geographical concentration risk to a large extent. Accordingly, any geo-political turmoil in the state or other macro- economic issues can restrict the growth of the company in future.

Volatility associated with fluctuations in input prices

The major input materials are soil, cement, steel, bitumen, stone chips etc., the prices of which are volatile in nature. However, to mitigate the impact of any major volatility in its raw material prices, the orders (mainly above Rs.10 crore) executed by the company contains price escalation clause, thereby mitigating the risk to an extent. This apart, any increase in labour prices will also impact its profitability by virtue of being present in a highly labour-intensive industry.

Intense competition with tender driven business

The company bids for the contracts based on tenders opened by the various public sector units. Upon successful technical evaluation of various bidders, the lowest bid is awarded the contract. The company receives projects which majorly are of a short to medium tenure (i.e., to be completed within maximum period of one to two years). Furthermore, orders are generally tender driven floated by government units indicating a risk of non-receipt of contract in a competitive industry.

Working capital intensive nature of operations

The construction segment has high working capital intensity primarily due to funding requirement towards the security deposits, retention money and margin money for the non-fund-based facilities and debtors. The company mainly executes orders of public sector units like Satna Smart City Development Limited, IRCON International Limited, etc., the local municipal corporation and other government corporate departments in the state of Madhya Pradesh and accordingly it requires to extend higher credit to its clients apart from security deposits and retention money. The average collection period stood at 76 days in FY25 (Provisional) which has improved over the years from 103 days in FY22. The average creditors period of the company stood at 48 days in FY25

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

as against 69 days in FY22 while the average inventory days stood at 6 days in FY25 vis-à-vis 7 days in FY22. This has led to improvement in the working capital cycle from 41 days in FY22 to 34 days in FY25.

Furthermore, the requirement of non-fund-based limits remain high on account of requirement of the company to give performance bank guarantee for project bidding.

Leveraged capital structure with moderate debt coverage indicators

The overall gearing of the company though improved from 2.92x as on March 31, 2022, to 2.12x as on March 31, 2025, continues to remain leveraged. The improvement is on account of increase in net worth position over the years with accretion of profits along with fund infusion by promoters. The interest coverage ratio stood satisfactory at 3.71x in FY25 (3.40x in FY24). Total debt/GCA stood stable at 6.69x as on March 31, 2025 (6.46x as on March 31, 2022) backed by both increase in total debt and GCA levels. The capital structure is expected to improve going forward.

Modest order book position

The company has an order book position of Rs.97.79 crore as on April 30, 2025, which is around 0.94x of the revenue in FY25. Additionally, the company has L1 orders amounting to Rs.8.34 crore as on date.

Key strengths

Satisfactory track record of operations

The erstwhile firm 'Atul Kurariya' was incorporated in the year 2008 and has a satisfactory track record of operation. In FY25, the partnership firm has been converted into private limited company named, Atul Kurariya Private Limited. Being in the same line of business since long, the promoters have built up established relationship with its clients and the entity is deriving benefits out of this. Prashant Tiwari (aged 40 years) is a graduate in B Tech- Civil having experience of around 15 years in civil construction business and he looks after the overall operations of the company. He is supported by his wife Anjali Tiwari (aged 32 years) who is a graduate in BE-IT and has been associated with the erstwhile firm as a partner since 2015.

Steady financial performance with improving margins over the years.

The total operating income of the company witnessed a CAGR of 65% during the period FY22-FY24 to Rs.113.03 crore in FY24, however, the same moderated to Rs.104.07 crore in FY25. The decline in the revenue is on account of lower execution of orders in FY25. With increase in scale of operations over the years, the PBILDT margin of the company has improved from 7.36% in FY22 to 11.88% in FY25 on account of execution of projects with higher margins. With improvement in PBILDT margin, PAT margin also witnessed improvement from 3.41% in FY22 to 3.97% in FY25.

Liquidity: Adequate

The liquidity position of the company is adequate marked by cash and bank balance of Rs.1.19 crore as on March 31, 2025, and average fund-based working capital limit utilisation of around 50% during the last 12 months. In FY25, the company earned GCA of Rs.5.93 crore vis-à-vis debt repayment obligation of around Rs.3.83 crore. In FY26, the company has debt repayment obligation of Rs.3.99 crore against which it is expected to generate sufficient cash accruals.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Construction Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

Satna (Madhya Pradesh) based Atul Kurariya was established as a partnership firm in the year 2008. On October 17, 2024, the firm was converted into a Private Limited Company named, Atul Kurariya Private Limited. AKPL is engaged in the business of road and building construction and maintenance, labour contractor works and civil construction, electrical installation work and all other kinds of construction work for government, semi government, local municipal corporation and private bodies in the state of Madhya Pradesh. The day-to-day operations is managed by Prashant Tiwari and Anjali Tiwari.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	113.03	104.07
PBILDT	11.35	12.37
PAT	3.29	4.13
Overall gearing (times)	3.08	2.12
Interest coverage (times)	3.40	3.71

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

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		-	-	-	3.00	CARE BB+; Stable
Fund-based - LT-Cash Credit		-	-	-	5.00	CARE BB+; Stable
Fund-based - LT-Term Loan		-	-	May 2027	1.00	CARE BB+; Stable
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	73.00	CARE BB+; Stable / CARE A4+

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	73.00	CARE BB+; Stable / CARE A4+				
2	Fund-based - LT-Cash Credit	LT	5.00	CARE BB+; Stable				
3	Fund-based - LT-Bank Overdraft	LT	3.00	CARE BB+; Stable				

4	Fund-based - LT-Term Loan	LT	1.00	CARE BB+; Stable				
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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	Fund-based - LT-Cash Credit	Simple
3	Fund-based - LT-Term Loan	Simple
4	Non-fund-based - LT/ ST-Bank Guarantee	Simple

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CARE 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.

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