

Atlas Constructions Private Limited

December 12, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	70.73 (Enhanced from 40.82)	CARE BBB; Stable	Downgraded from CARE BBB+; Stable
Long-term / Short-term bank facilities	363.00 (Enhanced from 323.00)	CARE BBB; Stable / CARE A3+	Downgraded from CARE BBB+; Stable / CARE A2

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has revised the long-term ratings assigned to bank facilities of Atlas Constructions Private Limited (ACPL) from CARE BBB+ to CARE BBB and revised the short-term rating from CARE A2 to CARE A3+.

Revision in ratings of ACPL factors in sustained elongation in operating cycle due to increase in collection period and inventory holding levels leading to elevated debt levels considering higher utilisation of working capital borrowings, and resultant moderation in overall gearing and debt coverage indicators to a weaker capital structure and liquidity position. Ratings continue to remain constrained by customer and project concentration risk, ACPL's presence in fragmented, competitive, and tender-based nature of construction industry and inherent project execution risk. However, ratings continue to derive strength from ACPL's experienced promoters having long track record of operations in the construction sector and continuation of healthy order book position providing revenue visibility over the medium term. Ratings also continue to take comfort from the sustained scale of operation in FY25 (Audited; FY refers to April 01 to March 31) owing to consistent project execution, despite moderation in profit before interest, lease rentals, depreciation and taxation (PBILDT) margins in FY25, largely due to increased cost of sales.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in overall scale of operations over ₹600 crore with improvement and operating margin above 12% on a sustained basis.
- Improvement in total debt by gross cash accruals (GCA) below 4x leading to improved capital structure of the company.

Negative factors

- Decline in scale of operations below ₹400 crore and moderation in operating margins below 8%.
- Deterioration in total outside liabilities to total net worth (TOL/TNW) over 2.00x resulted in moderated capital structure of the company.
- Delay in project execution impacting financial performance and liquidity position of the company.
- Higher-than-envisaged debt-funded capex undertaken by the company.

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

Analytical approach: Standalone**Outlook:** Stable

The Stable outlook reflects CareEdge Ratings' opinion that the company will continue to benefit from promoters' vast experience, satisfactory orderbook position, and long track record of operations.

Detailed description of key rating drivers:**Key strengths****Experienced promoters having long track record of operations**

ACPL's overall functions are looked after by Subhash Gupta and Gowrish Gupta, Promoter Directors of the company, with over four decades experience in the construction sector. The management is supported by civil and mechanical engineers with vast technical experience in their respective fields. The company has been in operations for over three decades and has completed numerous projects. Promoters' extensive experience and the company's long track record of operations provide the necessary technical expertise and established relationships with stakeholders, supporting business growth.

Sustained scale of operations, despite moderation in profitability in FY25

ACPL reported a sustained total operating income (TOI) of ₹542.88 crore in FY25, compared to TOI of ₹566.01 crore in FY24, supported by consistent order execution. The company achieved a PBILDT margin of 8.42% in FY25, down from 10.10% in FY24, considering increased cost of sales from 89.90% in FY24 to 91.58% in FY25. In H1FY26, the company recorded a TOI of ₹145.63 crore. Billing remained subdued in the first half of the year, with majority sales typically booked in the second half.

Healthy despite concentrated order book position

The company undertakes road and highway construction projects mainly for government entities and has presence mainly in Gujarat, Uttar Pradesh, and Haryana. As on September 30, 2025, the company has an unexecuted order book of ₹1,699.44 crore compared to ₹1,879.55 crore as on February 01, 2025, providing medium-term revenue visibility equivalent to 3.13x of gross operating income reported in FY25. However, the order book is highly concentrated as a single project of Uttar Pradesh Expressways Industrial Development Authority (UPEIDA) constitutes ~57.42% of the total order value. The input costs such as construction material and labour costs are volatile in nature, as prices depend on demand and supply dynamics. Delays and inflation make engineering, procurement, and construction (EPC) companies susceptible to cost overruns due to volatile input costs, which may affect the company margins. However, built-in price escalation in majority works in hand partially mitigates such risk.

Key weaknesses**Sustained elongation in operating cycle due to a continuous increase in debtors and inventory levels, leading to higher debt levels resulting in deterioration of debt coverage indicators**

The working capital cycle stood elongated in FY25 and H1FY26 considering sustained increase in receivables and inventory levels due to continuous increase in unbilled revenue and slower-than-expected recoveries from ongoing projects. The company's working capital cycle elongated to 68 days in FY25 (PY: 61 days), primarily due to higher receivables days of 68 days (PY: 42 days) and average inventory days of 42 days (PY: 38 days), resulting in weakened liquidity position. The debtor's collection period elongated due to higher unbilled revenue and retention and withheld money. However, the counterparty default risk is low as major customers are government departments with strong credit profiles. The creditor period increased to 42 days in FY25 from 20 days in FY24.

These elevated receivables and inventory levels and elongation in working capital cycle resulted in increased debt levels, with total debt increasing to ₹208.97 crore in FY25 from ₹77.17 crore in FY24, leading to moderation in debt coverage indicators, characterised by total outside liabilities to total net worth (TOL/TNW) of 1.40x and overall gearing of 0.96x in FY25, compared to 0.70x and 0.40x in FY24, respectively. The increase in the debt levels is primarily due to increase in working capital borrowings to ₹47.79 crore (PY: ₹0.01 crore) and increase in mobilisation advances to ₹112.72 crore in FY25 (PY: ₹45.28 crore). Other debt coverage indicators also stood moderated in FY25, with PBILDT interest coverage of 3.30x in FY25 (4.60x in FY24) and total debt to gross cash accruals (TD/GCA) of 5.65x in FY25 (1.75x in FY24), owing to lower profitability and elevated debt levels. Unsecured loans increased from ₹15.08 crore in FY24 to ₹23.25 crore in FY25, as promoters infused ₹8.17 crore as unsecured loans to support business operations.

Presence in a highly fragmented and competitive tender-based infrastructure industry

ACPL operates in the intensely competitive infrastructure industry due to the presence of organised players and large number of unorganised players, moreover, projects are awarded based on competitive bidding and relevant experience and financial capability of the bidder. The high competition in the infrastructure industry is due to the presence of large number of small and medium players resulting in aggressive bidding, which exerts pressure on the margins. However, ACPL has rich experience, long-standing track record in the construction industry and cordial relations with its clients, which fares well against the industry peers. The company receives all its work orders from government departments constituting 100% of its order book position which are entirely tender-based, and the revenues depend on the company's ability to bid successfully for these tenders.

Execution risks related to road projects

The road construction projects have inherent execution risks such as delay in site handover, weather conditions, change in scope of projects due to unforeseen reasons and issues related to availability of labour, which may result in time and cost overrun in the projects. However, the extensive experience of ACPL's promoters of over three decades, availability of escalation clauses in all of its projects, and the ACPL's over three decades of long track record, mitigate these risks to some extent.

Liquidity: Adequate

Liquidity is marked adequate with estimated accruals of ~₹50 crore in FY26 against repayment obligations of ₹10.44 crore, leaving sufficient buffer for future exigencies. The company's liquidity position is supported by free cash and bank balance of ~₹6.59 crore as on September 30, 2025. The company's fixed deposits under lien amount to ~₹83.39 crore. The average monthly fund-based working capital utilisation for the last 12 months ended September 2025 was ~53%, and for non-fund-based facility it was ~76%. While the current ratio stood at 1.49x, the quick ratio remained comfortable at 1.25x as on March 31, 2025.

Applicable criteria

[Policy on Default Recognition](#)

[Financial Ratios – Non financial Sector](#)

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

[Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)

[Rating of Short Term Instruments](#)

[Construction Sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil construction

ACPL was incorporated in 1988 by Subhash Gupta and family. The company is an integrated infrastructural development, construction, road project development and maintenance company, with several highway construction, road and industrial infrastructural projects awarded by department of central and state government, industrial establishments and private townships, primarily in Haryana and Uttar Pradesh.

Particular	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	566.01	542.88	145.63
PBILD	57.16	45.71	21.77
PAT	29.05	23.80	4.33
Overall gearing (times)	0.40	0.96	-
Interest coverage (times)	4.60	3.30	2.42

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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	MAY 2028	5.00	CARE BBB; Stable
Fund-based - LT-Working Capital Limits		-	-	-	65.73	CARE BBB; Stable
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	363.00	CARE BBB; Stable / CARE A3+

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	Fund-based - LT-Working Capital Limits	LT	65.73	CARE BBB; Stable	1)CARE BBB+; Stable (02-Apr-25)	1)CARE BBB+; Stable (02-Apr-24)	-	1)CARE BBB+; Stable (30-Mar-23)
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	363.00	CARE BBB; Stable / CARE A3+	1)CARE BBB+; Stable / CARE A2 (02-Apr-25)	1)CARE BBB+; Stable / CARE A2 (02-Apr-24)	-	1)CARE BBB+; Stable / CARE A2 (30-Mar-23)
3	Fund-based - LT-Term Loan	LT	5.00	CARE BBB; Stable	1)CARE BBB+; Stable (02-Apr-25)	1)CARE BBB+; Stable (02-Apr-24)	-	-

LT: Long 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-Term Loan	Simple
2	Fund-based - LT-Working Capital Limits	Simple
3	Non-fund-based - LT/ ST-Bank Guarantee	Simple

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CareEdge 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.

Contact us

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About us:

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