

ATS Heights Private Limited

January 27, 2023

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Non Convertible Debentures	80.00	CARE D	Reaffirmed
Non Convertible Debentures	85.00	CARE D	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to the instruments of ATS Heights Private Limited continues to remain constrained by stretched liquidity position of the company leading to delays in repayment of NCD's amount Rs.85 crore in FY22 which was due on January 28, 2022 however, on January 6, 2023 company has received the extension for the repayment by further 17 months (retrospectively from Jan'22) i.e. upto June 30, 2023. Further, the liquidity profile of ATS Heights Private Limited remains weak due to slower customer collection and high debt repayment.

Rating sensitivities: Factors likely to lead to rating actions

Negative factors

- Timely repayment of debt
- Ability to complete the project within envisaged cost and timeline

Analytical approach: Standalone

Key weaknesses

Delays in servicing of debt obligations:

There were delays in repayment of NCD's amount Rs.85 crore in FY22 which was due on January 28, 2022 however, on January 6, 2023 company has received the extension for the repayment by further 17 months (retrospectively) i.e. upto June 30, 2023. Furthermore, company has another short-term debt repayment obligation in March 2023 for NCD's amounting Rs.80 crore (excluding the redemption premium) Given the high debt repayment in March'23 and Jun'23 and lower operating cash flow, there is high reliance on refinancing or further extension of the NCD.

Project execution risk

AHPL is currently executing a project with total saleable area of 31.45 lsf in two divisions residential and commercial. As on December 31, 2022, company has launched only residential division and commercial division is yet to be launched. Further, in terms of construction AHPL has already incurred ~36% of the total construction cost incurred out of the total estimated cost of Rs.566 cr as on Dec 31, 2022. Till December 31, 2022, AHPL have been able to sold area of 8.4 lsf i.e.~61.58% out of the total saleable area of 13.64lsf with collection amounting Rs.409 crore. Since, the company is successfully executing the projects and the past experience of the promoters of delivery of projects mitigates risks of project execution to some extent.

Risk associated with real estate industry being subject to regulations and competition from other players:

Real estate sector demand is linked to the overall economic prospect of the country. Change in the economic outlook affects the expected cash inflows to a household, thereby also influencing their buying decision. Besides, as leverage forms an important part of funding for the buyer, availability of loan and interest rates also affects the demand of real estate properties. On the other hand, land, labour, cement and metal prices being some of major cost centres for the sector, availability of these factors plays important role in pricing and supply of new units. Hence, cyclicity associated with economic outlook, interest rates, metal prices, etc., also renders the real estate sector towards cyclicity. Moreover, the companies in the sector are also exposed to regulatory changes, especially in the countries such as India with evolving regulations. Also, there exists competition from up-coming and completed projects of other well-known developers in the region.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Liquidity: Poor

The liquidity profile of ATS Heights Private Limited remains poor. Due to mismatch between project receipts vis a vis the short term debt repayment obligations the liquidity of ATS Heights Private Limited remains constrained.

Applicable criteria

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

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

[Rating Outlook and Credit Watch](#)

[Rating methodology for Real estate sector](#)

[Policy on Withdrawal of Ratings](#)

About the company

The company, incorporated as Logix Realtech Private Limited on July 07, 2010 was renamed to ATS Heights Private Limited (AHPL) in 2015. AHPL is a part of ATS group (ATS) which has a long-standing presence in real estate industry primarily in north India. The promoter of the group, Mr. Getamber Anand, has more than two decades of experience in the real estate industry. In the past, the group has successfully completed seven residential/group housing projects with total saleable area of about 113 lakh square feet (lsf). At present, the ATS group is developing 22 residential projects across North India (mainly Delhi NCR) having total saleable area of approximately 361 lsf with an estimated cost of Rs.13074 crore.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	H1MFY23 (UA)
Total operating income	0.00	0.00	0.23
PBILDT	-0.67	-3.02	NA
PAT	-7.94	-2.30	0.01
Overall gearing (times)	-91.61	-88.47	NA
Interest coverage (times)	-3,551.21	-3,792.41	NA

A: Audited; UA: Unaudited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of the various 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 along with Rating Outlook
Debentures-Non Convertible Debentures	INE679U07026	2017-03-07	13%	03/06/2023	80.00	CARE D
Debentures-Non Convertible Debentures	INE679U08032	2017-12-29	10%	06/30/2023	85.00	CARE D

Annexure-2: Rating history for the 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 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Debentures-Non Convertible Debentures	LT	80.00	CARE D	-	1)CARE D (31-Jan-22)	1)CARE D; ISSUER NOT COOPERATING* (02-Feb-21) 2)CARE B-; Negative; ISSUER NOT COOPERATING* (25-Aug-20)	1)CARE BB; Negative (29-Aug-19)
2	Debentures-Non Convertible Debentures	LT	85.00	CARE D	-	1)CARE D (31-Jan-22)	1)CARE D; ISSUER NOT COOPERATING* (02-Feb-21) 2)CARE B-; Negative; ISSUER NOT COOPERATING* (25-Aug-20)	1)CARE BB; Negative (29-Aug-19)

*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities

Name of the Instrument	Detailed Explanation
Covenants	
I. Coupon Rate	<ul style="list-style-type: none"> 13%(Payable subject to availability of surplus cash flows) ;Size of the issue Rs. 80 crore 10%(Payable subject to availability of surplus cash flows); Size of the issue Rs. 85 crore
II. Repayment Date	<ul style="list-style-type: none"> 72 months from the first day of allotment i.e. March, 2023 ;Size of the issue Rs. 80 crore

	<ul style="list-style-type: none"> 49 months from the date of first allotment i.e. January, 2022 which was further extended and tenure has been revised from January 28, 2022 to June 30, 2023 based on the request of company on January 06, 2023.
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Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Non Convertible Debentures	Simple

Annexure-5: Lender details

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

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

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