



## Press Release

**ATS Housing Private Limited**  
**January 18, 2021**

### Ratings

Instrument / Facility	Amount (Rs. Crore)	Ratings	Rating Action
Long Term Bank Facility-Term Loan	100.00	IVR BB; Stable (IVR Double B with Stable Outlook)	Assigned
<b>Total</b>	<b>100.00</b>		

**Details of Facilities are in Annexure 1**

### Detailed Rationale

The rating assigned to the banking facilities of ATS Housing Private Limited derives comfort from established track record of ATS group, experienced promoters, favourable project location and comfortable project cost structure. The rating also considers project execution risk, high dependency over customer advances and exposure to risks relating to cyclicity in real estate industry.

### Key Rating Sensitivities

#### Upward Factors

- Timely completion of the projects
- Sale of inventory at competitive rates

#### Downward Factors

- Significant delay in completion of project.
- Significant cost overrun of the project.
- Lower than expected booking status



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### List of Key Rating Drivers with Detailed Description

#### Key Rating Strengths:

##### Established track record of ATS group

M/s ATS Housing Pvt. Ltd (AHPL) belongs to the ATS Group. ATS group was formed sixteen years ago and has delivered several world class projects. The group has successfully completed 15 Residential, Commercial and plotted development projects with total saleable area of 184 lakh sq. ft. ATS Housing is currently working on a Residential project with total saleable area of 6.68 lakh sq. ft under the project name- ATS Pristine 2. Few major construction of the group is ATS Pristine, ATS Heavenly Foothills, ATS Green, Casa Espana etc.

##### Experienced promoters

The senior Management of the company have been associated with the real estate industry for the than a decade. Managing Director of the company Mr. Getamber Anand is carrying more than 25 years of experience in the construction business. Mr. Vipul K. Maheshwari, who is the Chief Operating Officer of the Company, is a Chartered Accountant by profession and has an experience of more than 13 years has experience all aspects of real estate industry.

##### Favourable project location

The upcoming project "ATS Pristine 2" is located at the prime location on Sector 150, Noida. Project location is surrounded by all basic necessities and facilities such as schools, hospitals, restaurants, entertainment, ATM's, Bank, Medical stores etc. which can be accessible easily.

##### Comfortable project cost structure

The company is currently developing a residential project with the mix of customer advances, promoters contribution and debt. Total estimated cost of the project is Rs. 354.18 crore, which is projected to meet through debt of Rs.178.85 crore, promoter contribution of Rs. 14.21 crore and customer advances of Rs. 161.12 crore. Loan amount to total cost of project is 50.50% whereas customer advances to cost stood at 45.49%.



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### **Key Weaknesses**

#### **Project Execution Risk**

Construction of residential projects ATS Pristine 2 is still under progress. The projects have received all necessary regulatory clearances. The long implementation period makes the firm susceptible to time and cost overruns, which may affect profitability. Although, operational ability to sell the units is key to meet the debt obligation on time.

#### **High Dependency over debt and customer advances**

AHPL is currently constructing a residential group housing project, ATS Pristine 2, in Sector 150, Noida. The total cost of the projects is Rs. 354.18 crore which is being financed by raising debt of Rs. 178.85 crore, promoter contribution of Rs. 14.21 crore and remaining Rs. 161.12 crore through customer advances. Therefore, dependence on debt and customer advances for funding the project continues to remain high.

#### **Exposure to risks relating to cyclicity in real estate industry**

Cyclicity in the real estate segment could lead to fluctuations in cash inflow because of volatility in realisation and saleability. This may affect the debt servicing ability of the company. ATS Housing will remain susceptible to the inherent cyclicity in the real estate sector.

**Analytical Approach:** Standalone

#### **Applicable Criteria:**

Rating Methodology for Infrastructure Companies

Financial Ratios & Interpretation (Non-financial Sector)

#### **Liquidity: Adequate**

ATS Housing Pvt Ltd is projected to maintain an adequate level of inflow. In addition, availability of escrow mechanism along with DSRA/ISRA account will ensure the smooth repayments. Further, the company is likely to be benefited from the resourcefulness of the promoter group. Overall liquidity position is expected to be adequate.



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### About the Company

ATS Housing Private Limited (AHPL) was initially promoted by Getamber Anand, Chairman and Managing Director of ATS Infrastructure Limited. AHPL is a part of ATS group which has a long-standing presence in real estate industry primarily in north India. The ATS Group is a major player in real estate development, in and around the National Capital Region (NCR) and primarily focuses on fast moving residential complexes. ATS Group has delivered many residential complexes in NCR. The group is the developer of the Project which is aimed at providing residential, commercial and retail units.

### Financials (Standalone):

(Rs. crore)

For the year ended* As on	31-03-2019	31-03-2020
	Audited	Provisional
Total Operating Income	216.31	159.30
EBITDA	9.59	12.59
PAT	7.12	9.03
Total Debt	304.35	299.99
Tangible Net worth*	17.53	26.53
EBITDA Margin (%)	4.43	7.90
PAT Margin (%)	3.28	5.64
Overall Gearing Ratio (x)^	17.36	11.31

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

### Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18
1.	Term Loan	Long Term	100.00	IVR BB/Stable	-	-	-



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**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

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**About Infomerics:**

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

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### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/Outlook
Term Loan	-	-	Sep, 2021	100.00	IVR BB/Stable

