



Press Release
ATMASTCO LIMITED
August 07, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	64.00	ACUITE BBB- Stable Reaffirmed	-
Bank Loan Ratings	126.00	-	ACUITE A3 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	190.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long term rating '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and short-term rating of '**ACUITE A3**' (read as **ACUITE A three**) on Rs.190.00 Cr. bank facilities of Atmastco Limited. The outlook remains '**Stable**'.

Rationale for Rating

The rating reaffirmation factors increase in operating income, moderate order book position of Rs. 342.27 Cr. along with inflow of new orders of Rs.900.00 Cr. as of July 2025 leading to healthy revenue visibility going forward. Comfort is drawn from the company's established presence in EPC and engineering and fabrication segments supported by experienced management. However, margins have declined during FY25 due to EPC operations, where costs had been incurred but bills could not be raised due to pending quality clearances from customers. This led to unrealized revenue and higher variable costs incurred during project execution. The financial risk profile stood healthy on account of steady networth due to accretion of reserves, gearing below unity and comfortable debt protection metrics. The liquidity position was adequate supported by sufficient cash accruals against long debt repayments and comfortable current ratio. Although high bank limit utilization persists due to intensive working capital cycle primarily driven by inventory days.

About the Company

Established in 1994 in Chhattisgarh, Atmastco Limited (Atmastco) is engaged in fabrication and engineering, EPC of structural infrastructure, manufacturing of steel components and provide quality and innovative solutions for commercial, residential, and industrial buildings. The directors include, Ms. Jayasudha Swaminathan, Mr. Subramaniam Swaminathan Iyer, Mr. Venkataraman Ganesan, Mr. Chandan Ambaly, Mr. Siddhartha Shankar Roy and Mr. Gobichettipalayam Srinivasan Venkatasubramanian.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of Atmastco Limited to arrive at the rating.

Key Rating Drivers

Strengths

Established track record of operations and strong clientele base with diversified geographic presence

Atmastco has been in operations for more than two decades and has established healthy relationships with its clientele. The company's growth is aided by the industry experience of Mr. Subramaniam Swaminathan Iyer

along with the other promoters. It has some marquee clients such as Vedanta Limited, Tata Steel Limited, Bharat Heavy Electricals Limited, Engineers India Limited among others. The presence of the government clientele keeps the counterparty default risk lower. Moreover, the company has established a diversified presence with operations

in Chhattisgarh, Tamil Nadu, Jammu and Kashmir and New Delhi. Acuité believes that the long-standing operations and the vintage of the promoters coupled with healthy relations with the clientele will continue to benefit the company going forward.

Increase in operating income albeit decline in margins during FY25

The company has achieved operating income of Rs.289.57 Cr. in FY25 as against Rs.224.01 Cr. in FY24 mainly due to EPC that offer better margins than fabrication segment. As of July 2025, the unexecuted order book stands at Rs.342.27 crore, comprising Rs.266.30 crore from EPC and Rs.75.97 crore from the fabrication segment. Additionally, the proposed order book totals Rs.900.00 crore, with Rs.750.00 crore attributed to EPC and the remaining to engineering and fabrication.

The operating margins stood at 15.01% in FY25 as against 17.33% in FY24 due to high variable costs incurred for project execution but pending clearances delayed the billing. The PAT margin stood at 6.87% in FY25 as against 7.46% in FY24. Acuite believes the scale of operations is expected to improve supported by order book that provides revenue visibility over the near to medium term.

Healthy Financial Risk Profile

The financial risk profile of the company is healthy marked by steady net worth and comfortable capital structure. The tangible net worth of the company stood at Rs.128.11 Cr, as on March 31, 2025, as compared to Rs.108.16 Cr. as on March 31, 2024, due to accretion of reserves. The gearing of the company stood below unity at 0.56 times as on 31 March 2025 as against 0.66 times as on 31 March 2024. The unsecured loans stood at Rs.8.65 Cr. as on 31 March 2025 as against Rs.16.98 Cr. as on 31 March 2024. The company has partly repaid their unsecured loans in FY25 by using proceeds of capital raised through market in FY24. The Total Outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 2.28 times as on March 31, 2025 as compared to 1.69 times as on March 31, 2024. The debt protection metrics of the company remain comfortable marked by Interest coverage ratio (ICR) of 3.57 times and debt service coverage ratio (DSCR) of 2.33 times for FY2025. The net cash accruals to total debt (NCA/TD) improved to 0.33 times in FY2025. Acuite believes that the financial risk profile of the company will remain healthy marked by steady network and comfortable capital structure.

Weaknesses

Intensive Working Capital Cycle

The working capital cycle of the company is intensive marked by Gross Current Assets (GCA) of 471 days for FY2025 as compared to 394 days for FY2024. The inventory days of the company stood at 204 days in FY2025 as compared to 180 days in FY2024. Increase in inventory as the company has high work in progress. It typically maintains inventory sufficient for 3 to 4 months of production and procures up to 90% of its steel requirements in a single procurement cycle. The debtor days stood at 91 days in FY2025 against 69 days in FY2024. The other current assets majorly include retention money of Rs.82.54 Cr, advances to suppliers of Rs.23.60 Cr. and balances held as security against contractual obligations of Rs.21.36 Cr. The creditor days stood at 232 days in FY25 against 179 days in FY2024. Acuite believes the working capital cycle will remain intensive due to inherent nature of business.

Rating Sensitivities

Movement in operating income and profitability margins
Working capital cycle

Liquidity Position

Adequate

The company has adequate liquidity marked by net cash accruals of Rs. 23.59 Cr. as on March 31, 2025, as against Rs. 3.07 Cr. long term debt obligations over the same period. The current ratio of the company stood comfortable at 1.86 times in FY2025. The cash and bank balances stood at Rs.9.62 Cr. for FY2025. Further, the working capital cycle of the company is intensive marked by Gross Current Assets (GCA) of 471 days for FY2025 as compared to 394 days for FY2024. The average bank limit utilisation stood at 96% for fund-based limits and 85% for non-fund-based limits for last six months ended June 25. Acuite believes that the liquidity of the company is likely to remain adequate over the medium term supported by sufficient cash accruals against long debt repayments and comfortable current ratio. However, high bank limit utilizations is likely to persist due to intensive working capital cycle.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	289.57	224.01
PAT	Rs. Cr.	19.89	16.71
PAT Margin	(%)	6.87	7.46
Total Debt/Tangible Net Worth	Times	0.56	0.66
PBDIT/Interest	Times	3.57	3.24

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
26 Jul 2024	Bank Guarantee (BLR)	Short Term	63.00	ACUITE A3 (Assigned)
	Letter of Credit	Short Term	35.00	ACUITE A3 (Assigned)
	Bank Guarantee (BLR)	Short Term	14.00	ACUITE A3 (Assigned)
	Bank Guarantee (BLR)	Short Term	9.18	ACUITE A3 (Assigned)
	Letter of Credit	Short Term	9.17	ACUITE A3 (Assigned)
	Covid Emergency Line.	Long Term	3.46	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	10.00	ACUITE BBB- Stable (Assigned)
	Covid Emergency Line.	Long Term	1.47	ACUITE BBB- Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	0.22	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	38.50	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	6.00	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	63.00	Simple	ACUITE A3 Reaffirmed
Canara Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	28.00	Simple	ACUITE A3 Reaffirmed
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	33.50	Simple	ACUITE BBB- Stable Reaffirmed
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	16.00	Simple	ACUITE BBB- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	30 Oct 2026	3.46	Simple	ACUITE BBB- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	35.00	Simple	ACUITE A3 Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.04	Simple	ACUITE BBB- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Stand By Line of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB- Stable Reaffirmed

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About Acuité Ratings & Research

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