



## Press Release

### Atithi Gokul Construction LLP

**April 07, 2025**

#### **Ratings**

<b>Facilities</b>	<b>Amount (Rs. crore)</b>	<b>Current Ratings</b>	<b>Previous Rating</b>	<b>Rating Action</b>	<b><u>Complexity Indicator</u></b>
Long Term Facilities	55.00 (Reduced from 75.00)	IVR BBB- / Stable (IVR Triple B minus with Stable Outlook)	IVR BBB- / Stable (IVR Triple B minus with Stable Outlook)	Reaffirmed	Simple
Long Term Facilities	53.00	IVR BBB- / Stable (IVR Triple B minus with stable outlook)	-	Assigned	Simple
<b>Total</b>	<b>108.00 (Rupees One Hundred and Eight Crore only)</b>				

**Details of Facilities/Instruments are in Annexure 1.**

**Facility wise lender details are at Annexure 2.**

**Detailed explanation of covenants is at Annexure 3.**

#### **Detailed Rationale**

The reaffirmation and assignment of the ratings to the long-term bank facilities of Atithi Gokul Construction LLP (hereinafter referred as 'firm' or 'AGCL') continue to factor the extensive experience of promoters, locational advantage of the project, healthy booking status and maintenance of DSRA as per sanction terms. The ratings, however, remain constrained due to geographical concentration risk, risk related to cyclicity in real estate industry and risk associated with the inherent nature of the partnership constitution of the firm.

"Stable" outlook reflects Infomerics' belief that the firm will continue to benefit, over the medium term, from the timely completion of the ongoing projects without any time and cost overrun.



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### **Key Rating Sensitivities:**

#### **Upward Factors**

- Completion of the Projects as per scheduled timelines and within estimated project cost.
- Timely collection from customers against bookings, leading to faster than expected amortization of the project debt and improvement in leverage ratios.

#### **Downward Factors**

- Significant cost and time overruns, leading to moderation in debt equity ratio.
- Lower than expected sales leading to delay in completion of the projects.

### **List of Key Rating Drivers with Detailed Description**

#### **Key Rating Strengths**

##### **Extensive experience of the partners:**

AGCL is promoted by Mr. Bhavanbhai Bharwad, Mr. Vikrambhai Bharwad and Mr. Harsh Bharwad. The promoters have a satisfactory track record of executing residential and commercial real estate projects for two decades. Collectively, partners have developed and delivered more than ~2.50 million square feet of area over the years. Infomerics believes the firm will continue to benefit from extensive experience of the partners going forward.

##### **Location advantage of the project:**

The project Highline “Phase I” and “Phase 2” is located in Gota, Near Sarkhej – Gandhinagar Highway, which is well connected to various key city locations which includes Vaishnodevi, Adalaj and Gandhinagar. The site is also well connected by different modes of transportation and is in proximity of various civic amenities – a prime factor relevant to such projects which additionally increase project attractiveness.

#### **Healthy booking status**



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Booking status stood at ~85% of 142 units for Phase I and ~60% of 121 units for Phase II as of March 15, 2025. Financial progress for Phase I and Phase II stood at 67% and 43% respectively as of Dec'24 which seems reasonable as against the physical progress. As per management, both the phases are being implemented in line with Schedule and projects will be completed before the commencement date. That said, any factor impacting the project progress will remain a key rating monitorable.

### **Maintenance of DSRA and Escrow Account**

As part of the sanction terms, AGCL is expected to maintain a debt service reserve account (DSRA) equivalent to three months interest and principal repayments. As of December 2024, DSRA amount of Rs 11.10 crore was maintained towards Phase I which is equivalent to 3 months interest and over one months' principal. Full DSRA is required to be built-up on or before December 2026. For Phase II, DSRA is not yet built-up. While financial closure for Phase II is achieved, term loan for the project is not yet availed by the management as advance bookings and promoter contribution for the phase II were sufficient to cover the progress. Term loan is expected to be disbursed from Q1FY26 onwards. That said, maintenance of DSRA as per sanction terms will remain a key monitorable going forward.

### **Key Rating Weaknesses**

#### **Project Implementation Risk:**

The project is in the construction stage which indicates a high degree of project implementation risk. The completion of the project in timely manner with no cost overrun will remain a key monitorable. However, the group has vast experience in real estate sector which imparts comfort over the timeliness and cost overrun scenario. Building contractor for both the phases are separate which diversifies any contractor specific risk. Further, project management contract with TATA Projects Limited supports the management in identifying and managing the risks associated with the execution of projects.



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### **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 impact the debt servicing ability of AGCL. AGCL will remain susceptible to the inherent cyclicity in the real estate sector. However, this is partially offset by support from experienced promoters and physical progress achieved.

### **Analytical Approach:** Standalone

### **Applicable Criteria:**

[Rating Methodology for Real Estate entities](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria for assigning Rating outlook](#)

[Default Recognition Policy](#)

### **Liquidity – Adequate**

Liquidity of AGCL is expected to be adequate supported by estimated cashflows of Rs ~50 crore for fiscal 2026 and Rs ~68 crore for fiscal 2027 which will be sufficient to cover the annual debt obligations including interest of Rs ~14 crore and Rs ~32 crore respectively. Further, liquidity is supported by cash and bank balance of Rs 36.66 crore including DSRA of Rs 11.10 crore as of December 2024. Average cashflow coverage for AGCL is expected to be around 1.52 times through fiscal 2030.

### **About Atithi Gokul Construction LLP:**

Incorporated in 2020, M/s Atithi Gokul Construction LLP (AGCL) is a Limited Liability Partnership firm, which is engaged in the business of construction of a residential and commercial project “Highline Phase I, Phase II, Phase III and Phase IV” in Ahmedabad. The project is a high end residential and commercial project located in one of the posh area GOTA, near Sarkhej Gandhinagar highway. The project will consist of 117 residential units and 25 commercial shops in Phase 1 and 121 residential units for Phase 2.



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### Financials (Standalone):

(Rs. crore)

For the year ended / As On*	31-03-2023 (Audited)	31-03-2024 (Audited)
Total Operating Income	0.00	0.00
EBITDA	0.02	2.09
PAT	0.22	0.00
Total Debt	22.73	31.65
Adjusted Tangible Net Worth	28.80	46.38
EBITDA Margin (%)	NM	NM
PAT Margin (%)	96.81	7.60
Overall Gearing Ratio(x)	0.79	0.68
Interest Coverage (x)	46.57	1.04

\*As per Infomerics' standards

\*NM stands for Not Meaningful

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 Ratings (Year 2025-26)			Rating History for the past 3 years			
		Type	Amount (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
						(March 05, 2024)		
1.	Term Loan	Long Term (for Highline Phase 1)	55.00	IVR BBB- / Stable	-	IVR BBB- / Stable	-	-
2	Term Loan	Long Term (for Highline Phase 2)	53.00	IVR BBB- / Stable	-	-	-	-

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### About Infomerics:

Infomerics Valuation and Rating Limited (Infomerics) [Formerly Infomerics Valuation and Rating Private Limited] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

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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 – Long Term (for Highline Phase 1)	-	-	30-Sep-2027	55.00	IVR BBB- / Stable
Term Loan – Long Term (for Highline Phase 2)	-	-	30-Sep-2029	53.00	IVR BBB- / Stable

### Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-AGCL-apr25.pdf>

**Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable**

**Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable**

**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).