

Press Release

Water Jet Germany Private Limited

August 17, 2017



Rating Reaffirmed

| | |
|-------------------------------------|--------------|
| Total Bank Facilities Rated* | Rs. 8.71 Cr. |
| Long Term Rating | SMERA D |
| Short Term Rating | SMERA D |

* Refer Annexure for details

Rating Rationale

SMERA has reaffirmed long-term rating of '**SMERA D** (read as SMERA D) and short term rating of '**SMERA D** (read as SMERA D) on the Rs. 8.71 crore bank facilities of Water Jet Germany Private Limited.

Water Jet Germany Private Limited (WJGPL), incorporated in 2005 by Mr. Sivaraman Nair Krishnaprasad and Mr. S. Sriram, is engaged in the manufacturing of CNC cutting machines and systems at Chennai.

Key Rating Drivers

Strengths

- **Experienced management**

The promoters have more than two decades of experience in the capital goods industry.

Weaknesses

- **Delays in debt servicing**

The rating continues to reflect delays in servicing of debt obligations by the company as mentioned in the CIBIL report dated 29th June 2017.

Analytical Approach

SMERA has considered the standalone business and financial risk profiles of WJGPL.

About the Rated Entity - Key Financials

For FY2014-15 (refers to financial year April 01 to March 31), WJGPL reported net loss of Rs.3.36 crore on operating income of Rs.3.43 crore, compared with net loss of Rs.1.12 crore on operating income of Rs.5.65 crore in FY2013-14.

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

None

Any other information

Not Applicable

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Manufacturing Entities - <https://www.smera.in/criteria-manufacturing.htm>

Note on complexity levels of the rated instrument
<https://www.smera.in/criteria-complexity-levels.htm>
Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr.) | Ratings/Outlook |
|-------------|---------------------------------|------------|------------------|-----------------|
| 18-Apr-2016 | Cash Credit | Long Term | INR 1.4 | SMERA D |
| | Term Loan I | Long Term | INR 0.32 | SMERA D |
| | Term Loan II | Long Term | INR 0.64 | SMERA D |
| | Term Loan III | Long Term | INR 2.25 | SMERA D |
| | Working Capital Term Loan I | Long Term | INR 1.99 | SMERA D |
| | Working Capital Term Loan II | Long Term | INR 0.69 | SMERA D |
| | Funded Interest Term loan | Short Term | INR 0.69 | SMERA D |
| | Letter of Credit | Short Term | INR 0.73 | SMERA D |
| 23-Mar-2015 | Term Loan I | Long Term | INR 0.33 | SMERA D |
| | Term Loan II | Long Term | INR 0.68 | SMERA D |
| | Term Loan III | Long Term | INR 2.25 | SMERA D |
| | Cash Credit | Long Term | INR 3 | SMERA D |
| | Letter of Credit | Short Term | INR 1.5 | SMERA D |
| | Bank Guarantee | Short Term | INR 0.95 | SMERA D |

***Annexure – Details of instruments rated**

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings/Outlook |
|------------------------|------------------|----------------|----------------|-----------------------------|-----------------|
| Term loans | Not Applicable | Not Applicable | Not Applicable | 0.32 | SMERA D |
| Term loans | Not Applicable | Not Applicable | Not Applicable | 0.64 | SMERA D |
| Term loans | Not Applicable | Not Applicable | Not Applicable | 2.25 | SMERA D |
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 1.40 | SMERA D |

| | | | | | |
|------------------------------------|----------------|----------------|----------------|------|---------|
| Working capital demand loan (WCDL) | Not Applicable | Not Applicable | Not Applicable | 1.99 | SMERA D |
| Working capital demand loan (WCDL) | Not Applicable | Not Applicable | Not Applicable | 0.69 | SMERA D |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 0.69 | SMERA D |
| Letter of credit | Not Applicable | Not Applicable | Not Applicable | 0.73 | SMERA D |

Contacts

| Analytical | Rating Desk |
|-----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
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ABOUT SMERA

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