

September 02, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	2.50	SMERA B+/Stable (Assigned)
Letter Of Credit	8.50	SMERA A4 (Assigned)

SMERA has assigned a long term rating of '**SMERA B+ (read as SMERA B plus)**' and a short term rating of '**SMERA A4' (read as SMERA A four)**' to the Rs.11.00 crore bank facilities of EFFWA Infra and Research Private Limited(EFFWA). The outlook is '**Stable**'. The ratings are supported by company's experienced management, reputed client base and healthy order book position. However, the ratings are constrained by the company's short track record of operations.

EFFWA, incorporated in 2011, is a Thane-based company engaged in turnkey project and also providing consultancy services in Effluent Treatment and Recycling, Sewage Treatment and Recycling, Solid Waste Management, Incineration and Bioremediation and Restoration of Water Bodies. EFFWA is promoted by Mrs Varsha Kamal and Mr. Subhash Kamal who have more than two decade of experience in same line of business. EFFWA benefits from its reputed customers such as TATA Steel, Indian Metal and Ferro Alloys Limited, Infrastructure Development Company Limited etc. The company has a strong order book position with executable orders of Rs.78.00 crore, which are likely to be executed by FY2016-17.

EFFWA has limited track record of operations as the company commenced operations in 2011.

Outlook: Stable

SMERA believes EFFWA will maintain a stable business risk profile over the medium term. The company will benefit from the healthy revenue visibility. The outlook may be revised to 'Positive' in case the company registers substantial and sustained growth in revenues. The outlook may be revised to 'Negative' in case of decline in the company's revenues, or in case of deterioration in the company's operating efficiency or financial risk profile.

Rating sensitivity factors

- Ability to scale up operations while maintaining healthy profitability and comfortable capital structure and liquidity position

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About the company

EFFWA, incorporated in 2011, is a Thane-based company managed by Mrs Varsha Kamal and Mr. Subhash Kamal. The company is engaged in providing turnkey and consultancy projects in Effluent Treatment and Recycling, Sewage Treatment and Recycling, Solid Waste Management, Incineration and Bioremediation and Restoration of Water Bodies.

For FY2014–15, EFFWA reported net profit of Rs.0.98 crore on operating income of Rs.20.69 crore, as compared with net profit of Rs.0.57 crore on operating income of Rs.5.31 crore in FY2013–14.

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