



Press Release
AQUA MACHINERIES PRIVATE LIMITED
May 20, 2025
Rating Reaffirmed and Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	28.00	ACUITE B+ Stable Upgraded	-
Bank Loan Ratings	10.50	-	ACUITE A4 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	38.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has upgraded its long-term rating to ‘ACUITE B+’ (read as ACUITE B Plus) from ‘ACUITE C’ (read as ACUITE C) and reaffirmed the short-term rating of ‘ACUITE A4’ (read as ACUITE A Four) on the Rs.38.50 crore bank facilities of Aqua Machineries Private Limited (AMPL). The outlook is ‘Stable’.

Rationale for Rating Upgrade

The rating upgrade considers company meeting the curing period criteria post the reported delay in debt servicing as per the Credit Bureau Information Report (CRIF) for the month of January 2025. The rating also factors in the improvement in operating revenues and profitability levels, and moderate financial risk profile. However, the rating is constrained by working capital intensive nature of operations and intense competition due to the company’s presence in a highly fragmented industry with several unorganised players.

About the Company

Gujarat based, AMPL was incorporated in 1984 and is engaged in the manufacturing of various industrial pumps and submersible pumps and undertakes design, engineering, installation and commissioning of various water management projects. The company is promoted by Mrs. Kalindiben J. Patel, Mr. Abhinay J. Patel and Mrs. Nirali A. Patel, who have over four decades of experience in this industry.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has taken the standalone view of the business and financial risk profile of AMPL to arrive at the rating.

Key Rating Drivers

Strengths

Experience of promoters and established track record of operations along with reputed clientele

AMPL, promoted by Mrs. Kalindiben J. Patel, Mr. Abhinay J. Patel and Mrs. Nirali A. Patel have over three decades of experience in the said line of business. The extensive experience, coupled with a long track record of operations, has enabled the company to forge healthy relationships with customers and suppliers. Further, the company caters to reputed clientele such as Bharat Heavy Electricals Limited (BHEL), Larsen & Toubro (L&T) and National Thermal Power Corporation Limited (NTPC Limited) to name a few. Acuité believes that the

business is expected to benefit from its established presence in the industry and the director's demonstrated ability.

Improved operating revenues and profitability levels

The revenue of AMPL improved to Rs.201.14 Cr. in FY2025(Prov.) against Rs.180.24 Cr. in FY2024 and Rs.151.06 Cr. in FY2023. The growth in the topline is primarily attributed to increase in the production capacity to 4500 pumps in FY2025 against 4000 pumps in FY2024 and 3000 pumps in FY2023 sales volume along with increased utilization in FY2025 at around ~90% and ~84% in FY2024. The operating profit margin stood at 11.25% in FY2025(Prov.) against 9.58% in FY2024. The PAT margin stood at 3.71% in FY2025(Prov.) against 3.47% in FY2024. Further, the company has outstanding order book position as on 31st March 2025, of around Rs175.52 Cr. which is executable in next 6 months.

Acuite believes that the revenue is expected to improve due to increasing manufacturing capacity on account of planned capex.

Moderate financial risk profile

The financial risk profile of the company is moderate marked by moderate net worth, debt protection metrics and low gearing levels. The net worth of the company stood at Rs.61.55 Cr. as on March 31, 2025(Prov.), against Rs.51.56 Cr. as on March 31, 2024. The gearing level of the company stood at 1.02 times as on 31 March 2025(Prov.) as against 1.03 times as on 31 March 2024. The total debt of the company stood at Rs.63.04 Cr. as on March 31, 2025(Prov.), comprises of long term debt of Rs.9.19 Cr, short-term debt of Rs.28.80 Cr, USL of Rs.21.93 Cr. which is interest bearable @10-12%, and CPLTD of Rs.3.12 Cr. Interest Coverage Ratio stood at 3.79 times in FY2025 (Prov.) against 3.97 times in FY2024. DSCR stood at 1.75 times in FY2025 (Prov.) against 2.13 times in FY2024. TOL/TNW stood at 2.03 times in FY2025 (Prov.) against 2.02 times in FY2024.

Going forward, the company is expected to maintain its financial risk profile at moderate levels over the medium term on account of expected steady accruals.

Weaknesses

Working capital intensive operations

AMPL's working capital operations are intensive in nature marked by GCA days of 260 days in FY2025(Prov.) against 227 days in FY2024. The inventory days stood 100 days in FY2025(Prov.) and the same in FY2024 as well. The company usually keeps inventory for 3-4 months. The debtor days stood at 160 days in FY2025(Prov.) against 123 days in FY2024. The credit period extended is usually between 2-4 months. Creditor days stood at 150 days in FY2025(Prov.) against 119 days in FY2024.

Going ahead, working capital operations are expected to remain at similar levels on account of the nature of company's operations.

Rating Sensitivities

- Company's ability to sustain improvement in its revenue while maintaining the profitability levels.
- Improvement in the financial risk profile.
- Any significant elongation in working capital operations leading to a deterioration in its financial risk profile and liquidity.

Liquidity Position Adequate

The company has an adequate liquidity position marked by sufficient cash accruals of Rs.14.25 Cr. in FY2025(Prov.) against repayment obligation of Rs.5.55 Cr. during the same period. Further, the company has moderate reliance on working capital limits which stood at average at 69% over the past 06 months ending March 2025. The current ratio stood at 1.55 times as on March 31, 2025(Prov.).

Going ahead, the liquidity position of the company is expected to improve on account of sufficient generation of cash accruals against its repayment obligation in near term.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	201.14	180.24
PAT	Rs. Cr.	7.47	6.25
PAT Margin	(%)	3.71	3.47
Total Debt/Tangible Net Worth	Times	1.02	1.03
PBDIT/Interest	Times	3.79	3.97

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

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

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>
- 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. Acuite'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
14 Apr 2025	Bank Guarantee/Letter of Guarantee	Short Term	10.50	ACUITE A4 (Downgraded from ACUITE A3)
	Cash Credit	Long Term	21.00	ACUITE C (Downgraded from ACUITE BBB- Stable)
	Cash Credit	Long Term	7.00	ACUITE C (Downgraded from ACUITE BBB- Stable)
18 Jun 2024	Bank Guarantee/Letter of Guarantee	Short Term	10.50	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	7.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	21.00	ACUITE BBB- Stable (Reaffirmed)
21 Mar 2023	Bank Guarantee/Letter of Guarantee	Short Term	10.50	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	7.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	21.00	ACUITE BBB- Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Canara Bank	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.50	Simple	ACUITE A4 Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	7.00	Simple	ACUITE B+ Stable Upgraded (from ACUITE C)
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	21.00	Simple	ACUITE B+ Stable Upgraded (from ACUITE C)

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About Acuité Ratings & Research

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