



Press Release
AQUA MACHINERIES PRIVATE LIMITED
September 12, 2025
Rating Reaffirmed & Withdrawn

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Bank Loan Ratings	28.00	ACUITE B+ Reaffirmed & Withdrawn	-
Bank Loan Ratings	10.50	-	ACUITE A4 Reaffirmed & Withdrawn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Total Withdrawn Quantum (Rs.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

Rating Rationale

Acuite has reaffirmed and withdrawn its long-term rating of 'ACUITE B+' (read as ACUITE B Plus) and its short-term rating of 'ACUITE A4' (read as ACUITE A Four) on the Rs.38.50 crore bank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The rating is being withdrawn on account of request received from the company and No Objection Certificate received from the banker. The rating withdrawal is in accordance with the Acuite's policy on withdrawal of rating as applicable to the respective facility / instrument.

Rationale for Rating

The rating considers the historical delays in debt servicing which have been subsequently cured. 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

Acuite 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.

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 4,500 pumps in FY2025 against 4,000 pumps in FY2024 (3,000 pumps in FY2023) and sales volume along with increased utilization in FY2025 at around ~90% and ~84% in FY2024. The operating profit margin stood improved at 11.25% in FY2025(Prov.) against 9.58% in FY2024 owing to operational efficiency.

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 improved at Rs.61.55 Cr. as on March 31, 2025(Prov.), against Rs.51.56 Cr. as on March 31, 2024 owing to accretion of profits into reserves. The gearing level of the company stood moderate at 1.02 times as on 31 March 2025(Prov.) (1.03 times as on 31 March 2024). While overall leverage remains controlled, debt protection metrics have slightly deteriorated due to increase in unsecured loans. Therefore, interest service coverage ratio reduced from 3.97 times in FY2024 to 3.79 times in FY2025(Prov.) & debt service coverage ratio reduced from 2.13 times in FY2024 to 1.75 times in FY2025 (Prov.). However, the company continues to maintain consistent external liability exposure relative to its net worth, as evidenced by stable TOL/TNW levels which stood at 2.03 times in FY2025 (Prov.) (2.02 times in FY2024).

Weaknesses

Working capital intensive operations

AMPL's working capital operations are intensive in nature marked by gross current asset 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. The 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.

Intense competition and raw material price volatility

The company is present in a highly competitive market which is unorganised and fragmented. Further, the volatility in the raw material prices may affect the profitability of the company.

Rating Sensitivities

Not Applicable

Liquidity Position

Adequate

While the company witnessed historical delays in debt servicing, it now 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 average at 69% over the past 06 months ending March 2025. The company has almost nil unencumbered cash and bank balance as on March 31, 2025(Prov.). The current ratio stood at 1.55 times as on March 31, 2025(Prov.).

Outlook: Not Applicable

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

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. 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
20 May 2025	Bank Guarantee/Letter of Guarantee	Short Term	10.50	ACUITE A4 (Reaffirmed)
	Cash Credit	Long Term	7.00	ACUITE B+ Stable (Upgraded from ACUITE C)
	Cash Credit	Long Term	21.00	ACUITE B+ Stable (Upgraded from ACUITE C)
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 & Withdrawn
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+ Reaffirmed & Withdrawn
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+ Reaffirmed & Withdrawn

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About Acuité Ratings & Research

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