

August 27, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	1.50	SMERA B+/Stable (Assigned)
Term Loan - Proposed	0.60	SMERA B+/Stable (Assigned)
Export Packing Credit	1.00	SMERA A4 (Assigned)
Bank Guarantee/Letter of Credit	2.00*	SMERA A4 (Assigned)
Short Term - Proposed	1.50**	SMERA A4 (Assigned)

*fully interchangeable between Bank Guarantee and Letter of Credit.

**Proposed short term loans of Rs.1.00cr for export packing credit and Rs. 0.50cr for Bank Guarantee.

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 above mentioned bank facilities of Aqua Matrix System Private Limited (AMSPL). The outlook is '**Stable**'. The ratings are constrained by the company's modest scale of operations and working capital intensive operations. However, the ratings derive comfort from the promoters experience and moderate financial risk profile marked by healthy interest coverage ratio.

Outlook: Stable

SMERA believes that the company will continue to benefit over the medium term from its promoter's extensive experience. The outlook may be revised to 'Positive' in case of sustained improvement in the company's revenues and profitability margins, working capital management and liquidity position. Conversely, the outlook may be revised to 'Negative' in case of decline in the profitability margin or deterioration in working capital management leading to significant deterioration in the capital structure.

Rating Sensitivity Factors

Deterioration in the receivable collection period
 Future capital expenditure plans and its funding pattern

About the Company

AMSPL, a Chennai-based company was established in 2010 by Mr. Srinivasan Anand and Mr. Parthasarathy. The company is engaged in the designing, fabrication, erection and commissioning of water treatment plants.

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.

For FY2013-14, AMSPL reported profit after tax (PAT) of Rs.0.30 crore on operating income of Rs.15.21 crore as compared with PAT of Rs.0.07 crore on operating income of Rs.7.09 crore for FY2012-13.

Contact List:

Media/Business Development	Analytical Contact	Rating Desk
Antony Jose Vice President – Business Development Tel: +91-22-6714 1191 Cell: +91-98208 02479 Email: antony.jose@smera.in Web: www.smera.in	Mohit Jain Vice President – Rating Operations Tel: +91-22-6714 1105 Email: mohit.jain@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.