

Rating Rationale

03 Dec 2025

Aqua Machineries Pvt. Ltd.

Brickwork Ratings upgrades the long-term and short-term ratings to BWR BBB-/Stable and BWR A3 for the Bank Loan facilities of Rs.43.00crs with removal of ratings from Issuer Not cooperating category and assigns the long term and short term ratings of BWR BBB-/Stable and BWR A3 for the facilities of Rs. 22.62crs of Aqua Machineries Pvt. Ltd.

Particulars:

Facilities**	Amount (Rs. Crs)		Tenure	Ratings	
	Previous	Present		Previous (03Apr2025)	Present
Fund Based					
Open Cash Credit Sanctioned	3.50	23.00	Long Term	BWR C Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	BWR BBB - /Stable Upgrade and Removed from the ISSUER NOT COOPERATING* category
Cash Credit - Sanctioned	0.00	7.00		-	BWR BBB - /Stable/Assignment
GECL 1.0 Ext - Outstanding	0.00	0.79		-	
Rupee Term Loan - Outstanding	0.00	1.83		-	
<i>Sub Total</i>	<i>3.50</i>	<i>32.62</i>			
Fund Based					
Export PC (Sublimit CC) - Sanctioned	(0.00)	(2.00)	Short Term	-	BWR A3/Assignment
Bills of Exchange(Sublimit OCC) - sanctioned	(0.00)	(3.00)			
FUBD/FBP/PSFC (Sublimit CC) - sanctioned	(0.00)	(2.00)			
WCDL(Sublimit CC) - Sanctioned	(0.00)	(05.00)			

Non Fund Based					
Bank Guarantee - Sanctioned	0.00	13.00	Long Term	-	BWR BBB - /Stable/Assignment
Bank Guarantee - Sanctioned	6.30	20.00	Short Term	BWR A4 Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	BWR A3 Upgrade and Removed from the ISSUER NOT COOPERATING* category
ILC (Sublimit OCC) - Sanctioned	(0.00)	(3.00)		-	BWR A3/Assignment
LC (Sublimit CC) - Sanctioned	(0.00)	(5.00)		-	
<i>Sub Total</i>	<i>6.30</i>	<i>33.00</i>			
Grand Total	9.80	65.62	(Rupees Sixty Five Crores and Sixty Two lakhs Only)		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

** Details of Bank Loan facilities is provided in Annexure-I

RATING ACTION / OUTLOOK

Brickwork Ratings upgrades the long-term and short-term ratings to BWR BBB-/Stable and BWR A3 for the Bank Loan facilities of Rs.43.00crs with removal of ratings from Issuer Not cooperating category and assigns the long term and short term ratings of BWR BBB-/Stable and BWR A3 for the facilities of Rs. 22.62crs of Aqua Machineries Pvt. Ltd.

The Rating has factored, inter alia, the extensive experience and support of the promoters and moderate financial risk profile of the company. The rating is constrained by the intense competition, fluctuations in raw material prices, working capital intensive operations of the company and concentration risk. Going forward, the ability of the company to Improve their operational scale, profitability, strengthen liquidity and credit profile would be the key rating sensitivities.

The rating outlook has been assigned as "Stable" as BWR believes that Aqua Machineries Pvt. Ltd., business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenue and profitability margins show sustained improvement. The rating outlook may be revised to 'Negative' if the financial risk profile goes down.

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED

The terms of sanction of the rated facilities include standard covenants normally stipulated for such facilities.

KEY RATING DRIVERS

Credit Strengths:-

- **Extensive experience and support of the promoters** : The company was incorporated in 1984 and has an operational track record of more than four decades. The promoters Mr. Abhinay J. Patel and Mrs. Nirali A. Patel have over 3 decades of experience in the industry. The extensive experience of the promoters combined with a proven operational track record and their understanding of the dynamics of the industry are expected to continue to support the business risk profile.
- **Moderate financial risk profile** : The company's total operating income increased to Rs. 201.11cr in FY25 from Rs. 180.25cr in FY24 and Rs.151.06 cr in FY23 on account of increase in sale of pumps and accessories. The operating margin of the company stood at 11.18% in FY25 compared to 9.61% in FY24 and 9.07% in FY23. The PAT increased to Rs. 7.51cr in FY25 from Rs. 6.25cr in FY24 and Rs. 4.47cr in FY23. Additionally, The company has an outstanding gross order book position of Rs. 197.47cr. The tangible net worth of the company stood at Rs. 59.08cr in FY25 compared to Rs. 51.56cr in FY24 and Rs. 45.31cr in FY23. The gearing ratio of the company at 1.06x in FY25 against 1.03x in FY24. The total debt of the company stood at Rs.62.59 Cr. as on 31Mar2025 comprises long term debt of Rs.14.07cr, short-term debt of Rs.45.2cr and CPLTD of Rs.3.31cr. ISCR stands at 3.59x in FY25 compared to 3.67x in FY24 and 4.17x in FY23. TOL/TNW stood at 2.26x in FY25 compared to 1.93x in FY24 and 1.94x in FY23.

Credit Risks:-

- **Intense competition and fragmented industry structure** : The competition from the organised and unorganised players in the submersible pumps industry inhibits the company from commanding premium pricing, thereby limiting its profitability margins.
- **Working capital intensive operations** : The company's operations are capital-intensive, with a higher number of receivable days compared to payable days. Further, The company relies significantly on bank funding for its working capital needs.
- **Susceptible to volatility in raw material prices** : The key raw materials of the company are steel sheets, copper, stainless steel parts and scrap, among others. As the key input material remains commoditised in nature and prices of these materials are inherently volatile and are driven largely by global and local demand and supply conditions. The company's profit margins remain susceptible to the volatility in raw material prices.
- **Concentration risk** : The company is exposed to a high degree of revenue concentration, with the top three products—ATB, SUBCF and AVT—contributing Rs. 98.26cr which accounted for 49% of the total revenue of Rs. 201.11cr in FY25. This indicates a significant dependency on a limited product portfolio and customer base, exposing the company to concentration risk

ANALYTICAL APPROACH - Standalone

For arriving at these ratings, BWR has considered the standalone performance of Aqua Machineries Pvt. Ltd. BWR has applied its rating methodology.

RATING SENSITIVITIES

Positive :

- Improvement in revenue as per schedule with improvement in net margin above 5%.
- Sustenance of debt coverage indicators i.e. ISCR and DSCR above 4.00x and 2.00x and TOL/TNW below 2x.
- The receivable days below 120days.

Negative :

- Debt funded capex leading to deterioration in overall gearing above 3x on a sustained basis.
- Stretch in working capital cycle, leading to an increase in working capital borrowing and weakening of financial risk profile.
- The receivable days above 120days.

LIQUIDITY INDICATORS - Adequate

Adequate liquidity characterized by sufficient cushion in accruals vis-a-vis repayment obligations and moderate cash balance of Rs. 3.05cr in FY25 compared to Rs.2.86cr in FY24. The company reported net cash accruals of Rs.14.14cr in FY25 compared to Rs. 11.82cr in FY24 against the current debt of Rs. 3.31cr in FY25 and Rs.5.55cr in FY24. Looking forward, the company projected net cash accruals of Rs. 18.6cr in FY26 and Rs. 20.8cr in FY27 against approximately adjusted term loan repayments of Rs. 3.98cr in FY26 and Rs. 3.68cr in FY27 ensuring sufficient coverage for debt servicing. The OPBDIT of Rs. 22.49cr in FY25 was sufficient to cover the finance charges of Rs. 6.26cr in FY25. The current ratio of the company stood at 1.23x in FY24 and 1.21x in FY25. ISCR and DSCR of the company stands at 3.59x and 1.74x in FY25 compared to 3.67x and 2.27x in FY24. Further, the company's average utilization of cash credit is 91% during the last 12months. Taking all the above points into consideration the company's liquidity position is defined as adequate.

ABOUT THE ENTITY:

Aqua Machineries Pvt Ltd (“Aqua” or The Company”), was originally incorporated on 02/06/1984 as a private limited company under the name of ‘Pullen Machineries Pvt. Ltd.’. The name of the Company was changed to the existing one in 2002. Aqua is a manufacturer of Heavy-Duty Water Pumps and Wastewater pumps. The company offers a wide range of Non clog submersible pumps under the brand name “Aqua”; it focuses on the manufacturing of (dry motor) Submerged Centrifugal & Non-Clog Pump (for sewage, drainage, storm water, effluents, slurries, silt plumage, raw water supply etc.)

Aqua was the first Company to modify / upgrade the basic European designs of dry motor submersible pumps (earlier used in 1980s) to enhance their efficiency, reliability and operational convenience under the Indian operating conditions. Mrs. Kalindiben J. Patel, Mr. Abhinay J. Patel and Mrs. Nirali A. Patel are the directors of the company.

Macro Economic Indicator	Sector	Industry	Basic Industry
Industrials	Capital Goods	Industrial Manufacturing	Industrial Products

KEY FINANCIAL INDICATORS

Key Parameters	Units	FY 22 - 23 (Audited - Annual)	FY 23 - 24 (Audited - Annual)	FY 24 - 25 (Audited - Annual)
Operating Revenue	Rs.Crs	151.06	180.25	201.11
EBITDA	Rs.Crs	13.71	17.33	22.49
PAT	Rs.Crs	4.47	6.25	7.51
Tangible Net Worth	Rs.Crs	45.31	51.56	59.084
Total Debt / Tangible Net Worth	Times	0.86	1.03	1.06
Current Ratio	Times	1.94	1.93	2.26

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY:

Crisil Ratings reaffirmed and withdrawn the ratings at CRISIL B+/Stable/A4 under issuer not cooperating category for the bank loan facilities of Aqua Machinerics Private Limited on 31Jul2025.

ANY OTHER INFORMATION:

NONE

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

Facilities		Current Rating (2025)		2025		2024		2023	
Type	Tenure	Amount (Rs.Crs.)	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based	LT	23.00	BWR BBB - /Stable Upgrade and Removed from the ISSUER NOT COOPERATING* category	03Apr2025	BWR C (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)	21Mar2024	BWR C (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)	15Feb2023	BWR C (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)
Fund Based	LT	7.00	BWR BBB - /Stable/Assignment	-	-	-	-	-	-
Fund Based	LT	0.79	BWR BBB - /Stable/Assignment	-	-	-	-	-	-
Fund Based	LT	1.83	BWR BBB - /Stable/Assignment	-	-	-	-	-	-
Fund Based	ST	(2.00)	BWR A3/Assignment	-	-	-	-	-	-
Fund Based	ST	(3.00)	BWR A3/Assignment	-	-	-	-	-	-

Fund Based	ST	(2.00)	BWR A3/Assignment	-	-	-	-	-	-
Fund Based	ST	(05.00)	BWR A3/Assignment	-	-	-	-	-	-
Non Fund Based	LT	13.00	BWR BBB - /Stable/Assignment	-	-	-	-	-	-
Non Fund Based	ST	20.00	BWR A3 Upgrade and Removed from the ISSUER NOT COOPERATING* category	03Apr2025	BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)	21Mar2024	BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)	15Feb2023	BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)
Non Fund Based	ST	(3.00)	BWR A3/Assignment	-	-	-	-	-	-
Non Fund Based	ST	(5.00)	BWR A3/Assignment	-	-	-	-	-	-

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to financial ratios](#)
- [Short Term Debt](#)
- [Manufacturing Company](#)
- [Service Sector](#)

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Aqua Machineries Pvt. Ltd.

ANNEXURE I

Details of Bank Loan Facilities rated by BWR

Sl. No.	Name of the Bank/Lender	Type of Facilities	Long Term (Rs.Crs.)	Short Term (Rs.Crs.)	Total (Rs.Crs.)	Complexity of the instrument*
1	Canara Bank	Open Cash Credit - Sanctioned	23.00	-	23.00	Simple##
		Sublimit (BE) - Sanctioned	-	(3.00)	(3.00)	
		Sublimit (ILC) - Sanctioned	-	(3.00)	(3.00)	
2		GECL - Outstanding	0.79	-	0.79	Simple##
3		Bank Guarantee	-	20.00	20.00	Simple##
4	ICICI Bank	Cash Credit -Sanctioned	7.00	-	7.00	Simple##
		Sublimit (Export Packing Credit) - Sanctioned	-	(2.00)	(2.00)	
		Sublimit (FUBD/FBP/PSFC) - Sanctioned	-	(2.00)	(2.00)	
		Sublimit (WCDL) - Sanctioned	-	(5.00)	(5.00)	
		Sublimit (LC) - Sanctioned	-	(5.00)	(5.00)	
5		Bank Guarantee - Sanctioned	13.00	-	13.00	Simple##
6		Rupee Term Loan - Outstanding	1.83	-	1.83	Simple##
TOTAL			45.62	20.00	65.62	
(Rupees Sixty Five Crores and Sixty Two lakhs Only)						

*For more information visit: www.brickworkratings.com/download/ComplexityLevels.pdf

ANNEXURE II

INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS

NIL

ANNEXURE III

List of entities consolidated

NIL

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