

Rating Rationale

Aquatech Solutions Private Limited

19th June 2017

Brickwork Ratings assigns 'BWR BB+ (Outlook: Stable) / A4+' ratings for the Bank Loan Facilities of Rs. 20.00 Cr of Aquatech Solutions Private Limited

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating*
Fund Based			
Cash Credit	12.00	Long Term	BWR BB+ (Pronounced BWR Double B Plus) [Outlook: Stable]
Non Fund Based			
Bank Guarantee	8.00	Short Term	BWR A4+ (Pronounced BWR A Four Plus)
Total	20.00	Rupees Twenty Crores Only.	

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the Audited financials of FY14, FY15 and FY16, Provisional FY17 and Projected Financials of Aquatech Solutions Private Limited of FY18, publicly available information and information / clarification provided by the Company's management.

The rating draws strength from the experienced promoters of the Organisation, capital infusion during FY17, year on year improvement in Sales and margins, comfortable ISCR, strong order book which shows revenue visibility. However, the rating is constrained by the fact of tender based revenue model and working capital intensive nature of business.

Going forward, the ability of the Company to improve operational level, profitability, diversify its customer base, timely debt servicing and manage its working capital efficiently will be the key rating sensitivities.

Rating Outlook: Stable

BWR believes the **Aquatech Solutions Private Limited** 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 revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

M/s. Aquatech Solutions Private Limited (ASPL) incorporated in Feb 2006, has its activity carried out from Pune. ASPL was incorporated in 2006 by Mr. Suhas Joshi & Mrs. Ashwini Joshi. It is a Pune based closely held company.

ASPL is engaged in the construction of Sewage / Water Treatment Plants on turnkey basis for various government bodies and local municipal bodies in the state of Maharashtra. ASPL is a registered Class I Civil Contractor valid till 10th of May 2018 with the Maharashtra Jeevan Pradhikaran (MJP) established for regularization of sewerage and water supply in the State of Maharashtra.

Mr. Suhas Joshi, the Founder of the company has an experience of over 20 years in the Water Segment of Infrastructure Industry. He looks after the day to day operations of the company

Company Financial Performance

The Company's Net Sales increased to Rs. 45.07 Cr in FY16 from Rs. 40.14 Cr in FY15. The company reported a PAT of Rs. 3.05 Cr in FY16 against a PAT of Rs. 2.67 Cr. On a provisional basis, the company has achieved a Sales of Rs. 55.00Cr for FY17.

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs in Cr)	Rating	2016	2015	2014
1	Cash Credit	Long Term	12.00	BWR BB+ (BWR Double B Plus) [Outlook: Stable]	NA	NA	NA
4	Bank Guarantee	Short Term	8.00	BWR A4+ (BWR A Four Plus)			

Status of Non-cooperation with previous CRA: CARE Ratings has issued a Non Cooperating rating for Bank Loan ratings of Rs. 50.00 Cr dated 16th March 2017 due to lack of information for monitoring the ratings.

Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Infrastructure Sector](#)

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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.