

October 29, 2024

Aquatech Systems Asia Private Limited: Ratings moved to Issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based – Term Loan	3.77	3.77	[ICRA]BBB- (Stable) ISSUER NOT COOPERATING*; rating moved to “Issuer Not Cooperating” category
Long-term/ Short-term – Fund-based	30.05	30.05	[ICRA]BBB- (Stable)/[ICRA]A3 ISSUER NOT COOPERATING*; rating moved to “Issuer Not Cooperating” category
Long-term/ Short-term Non-fund Based	129.85	129.85	[ICRA]BBB- (Stable)/[ICRA]A3 ISSUER NOT COOPERATING*; rating moved to “Issuer Not Cooperating” category
Long-term/ Short-term Unallocated limits	77.83	77.83	[ICRA]BBB- (Stable)/[ICRA]A3 ISSUER NOT COOPERATING*; rating moved to “Issuer Not Cooperating” category
Total	241.50	241.50	

[^]Instrument details are provided in Annexure-I; *Issuer did not cooperate; based on best available information

Rationale

ICRA has moved the ratings for the bank facilities of **Aquatech Systems Asia Private Limited’s (ASAPL)** to the ‘Issuer Not Cooperating’ category. The rating is denoted as “[ICRA]BBB- (Stable)/ [ICRA]A3 ISSUER NOT COOPERATING”.

As part of its process and in accordance with its rating agreement with ASAPL’s, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity’s management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been moved to the “Issuer Not Cooperating” category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key Financial Indicators: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy in respect of non-cooperation by the rated entity
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of ASAPL. As on March 31, 2023, the company had four subsidiaries, which are listed in Annexure-II.

About the company

ASAPL offers water and wastewater management solutions, such as pre-treatment, ion exchange, membrane and thermal solutions and desalination. Based in Pune (Maharashtra), the company is a wholly owned subsidiary of Aquatech International Corporation (AIC), Pennsylvania, USA. ASAPL executes plants for wastewater industrial re-use, desalination, and zero liquid discharge, and specialises in design-building (project-specific) and outsourcing solutions for water and wastewater management. ASAPL derives most of its revenues from industrial wastewater treatment and desalination in the industrial, infrastructure and municipal segments in India and West Asia. While AIC caters to the US and European markets, the West Asian and Asia Pacific markets are managed jointly by ASAPL and its subsidiaries.

About the parent company

Aquatech International Inc., Pennsylvania, USA, established in 1981, is one of the major players in water purification technology for the industrial and infrastructure markets, with focus on desalination, water recycle and re-use, and zero liquid discharge (ZLD). The company has a significant presence in North America, Europe, West Asia, South Asia and Asia Pacific. Moreover, it is expanding its presence across the world through its subsidiaries.

In July 2016, Ecolab Inc., the parent company of NALCO Water, made an equity investment in AIC for acquiring a minority stake. Ecolab, listed on the New York Stock Exchange (NYSE), is a global provider of water, hygiene and energy technologies as well as a service provider to the food, energy, healthcare, industrial and hospitality markets.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2025)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs Crore)	October 29, 2024	FY2024		FY2023		FY2022	
				Date	Rating	Date	Rating	Date	Rating
Term loans	Long-term	3.77	[ICRA]BBB-(Stable); ISSUER NOT COOPERATING	14-Jul-23	[ICRA]BBB-(Stable)	04-Aug-2022	[ICRA]BBB-(Positive)	21-May-2021	[ICRA]BBB-(Stable)
PCFC	Short-term	-	-	14-Jul-23	-	04-Aug-2022	[ICRA]A3	21-May-2021	[ICRA]A3
Fund Based	Long-term/Short-term	30.05	[ICRA]BBB-(Stable)/ [ICRA]A3; ISSUER NOT COOPERATING	14-Jul-23	[ICRA]BBB-(Stable)/ [ICRA]A3	04-Aug-2022	-	21-May-2021	-
Non-Fund based	Long-term/Short-term	129.85	[ICRA]BBB-(Stable)/ [ICRA]A3; ISSUER NOT COOPERATING	14-Jul-23	[ICRA]BBB-(Stable)/ [ICRA]A3	04-Aug-2022	[ICRA]BBB-(Positive)/ [ICRA]A3	21-May-2021	[ICRA]BBB-(Stable)/ [ICRA]A3

Unallocated limits	Long-term/Short-term	77.83	[ICRA]BBB-(Stable)/[ICRA]A3; ISSUER NOT COOPERATING	14-Jul-23	[ICRA]BBB-(Stable)/[ICRA]A3	04-Aug-2022	[ICRA]BBB-(Positive)/[ICRA]A3	21-May-2021	[ICRA]BBB-(Stable)/[ICRA]A3
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Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term – Term loans	Simple
Long-term/Short-term – Fund-based	Simple
Long-term/Short-term – Non-fund-based	Very simple
Long-term/Short-term – Unallocated limits	Not applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, are available on ICRA's website: [Click Here](#).

Annexure-I: Instrument details

ISIN No.	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loans	FY2021	~8%	FY2025	3.77	[ICRA]BBB- (Stable); ISSUER NOT COOPERATING
NA	Fund based	NA	NA	NA	30.05	[ICRA]BBB- (Stable)/ [ICRA]A3; ISSUER NOT COOPERATING
NA	Non fund based	NA	NA	NA	129.85	[ICRA]BBB- (Stable)/ [ICRA]A3; ISSUER NOT COOPERATING
NA	Unallocated limits	NA	NA	NA	77.83	[ICRA]BBB- (Stable)/ [ICRA]A3; ISSUER NOT COOPERATING

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-II: List of entities considered for consolidated analysis

Company name	ASAPL ownership	Consolidation approach
Qua Water Technologies Private Limited	100%	Full Consolidation
Wex Technologies Private Limited	100%	Full Consolidation
Aquatech Eastern FZE	100%	Full Consolidation
Aquatech HK Water Treatment Limited	100%	Full Consolidation

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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