



Infomerics Valuation And Rating Pvt. Ltd.

Press Release

Earth Water Ltd. (EWL)

March 04, 2020

Rating

S.No.	Instrument/Facility	Amount (Rs. Crore)	Current Rating	Rating Action
1	Fund Based Facilities	54.00 (including proposed limits of Rs.37 crore)	IVR D	Revised from IVR BBB/Stable Outlook (IVR Triple B with Stable Outlook)
2	Non Fund Based Facilities	112.00 (including proposed limits of Rs.40 crore)	IVR D	Revised from IVR A3+ (IVR A Three Plus)
	Total	166.00		

Details of Facility are in Annexure 1

Key Rating Factors

The revision of the rating reflects the ongoing delays in debt servicing by the company however, exact details are not available with Infomerics

Analytical Approach & Applicable Criteria

Standalone Approach

Rating Methodology for Manufacturing companies

Financial Ratios & Interpretation (Non-Financial Sector)

Criteria on Default Recognition and Post-Default Curing Period

Liquidity: Poor

The liquidity position of EWL appears to be Poor as the company has been delaying on its debt obligation payments.

About the Company

Earth Water Limited (EWL, erstwhile Fontus Water Private Limited) effectively commenced operations from 2001, which primarily consists of supplying various types

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of water treatment plants and equipments, and undertaking EPC projects for recycling waste water, which includes use of Zero Liquid Discharge, Desalination and other advanced techniques to make water fit for industrial use and for human consumption. The promoter group led by Mr. Sunil Ghorawat hold about 35% of EWL, while other entities including Aqua Nova Investments Holdings Pte. Ltd. (Investment Company of CLSA group) hold the balance through their investment vehicle.

Financials (Standalone)

	(Rs. Crore)	
For the year ended / Rs. Crs	31-03-2017	31-03-2018
	Audited	Audited
Total Income	361.00	433.27
EBITDA	34.64	58.41
PAT	12.15	27.65
Tangible Net Worth	123.37	151.03
Total Debt	87.81	130.24
Ratios		
EBITDA Margin (%)	9.60	13.48
PAT Margin (%)	3.37	6.38
Overall Gearing ratio (x)	0.71	0.86

Note: Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Brickworks in its Press Release dated March 29, 2019 has categorized Fontus Water Pvt Ltd (earlier name) into Issue Not Cooperating category based on non-availability of information from the company.

Any other information: Nil

Rating History for last three years:

S. No.	Name of Instrument/ Facilities	Current Rating (Year 2019-20)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2018-17
1.	Fund Based Facilities	Long Term	54.00	IVR D	IVR BBB / Stable Outlook (March 09, 2019)	IVR A- / Stable Outlook (May 31, 2018)	--
2.	Non Fund Based Facilities	Short Term	112.00	IVR D	IVR A3+ (March 09, 2019)	IVR A2+ (May 31, 2018)	



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Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility(Rs. Crore)	Rating Assigned/ Outlook
Fund Based Facilities	-	-	-	54.00	IVR D
Non Fund Based Facilities	-	-	-	112.00	