

June 05, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	4.50	SMERA B/Stable (Assigned)
Bank Guarantee	1.31	SMERA A4 (Assigned)

SMERA has assigned ratings of '**SMERA B**' (**read as SMERA single B**) and '**SMERA A4**' (**read as SMERA A four**) to the Rs.5.81 crore bank facilities of Advent Healthcare & Hi-Tech Products (AHHP). The outlook is '**Stable**'. The ratings are constrained by the firm's small-scale operations, stretched liquidity position and low capital base. However, the ratings derive comfort from the firm's established operations, comfortable profitability and moderate interest coverage ratio.

AHHP, established in 2006, is a Pune-based authorized distributor of interventional cardiology and peripheral vascular devices manufactured by Boston Scientific India Private Limited. AHHP mainly caters to hospitals and medical institutes in Pune, Aurangabad and Jalgaon.

AHHP has small-scale operations marked by revenues Rs.12.51 crore in FY2013-14 (refers to financial year, April 01 to March 31). The firm's stretched liquidity position is evidenced by high average utilisation (96.52 per cent) of working capital limit during June 2014 to December 2014, and stretched working capital cycle of 139 days in FY2013-14. AHHP has a small capital base of Rs.2.34 crore as on March 31, 2014. The firm has extended unsecured loans of Rs.1.17 crore to its group entity. AHHP benefits from its experienced management. Mr. Sandeep M. Konde Deshmukh and Mrs. Swaroopa S. Konde Deshmukh, partners of AHHP, have around ten years of experience in the medical devices industry. AHHP's comfortable profitability is reflected in operating profit margin of 10.95 per cent and net profit margin of 5.91 per cent in FY2013-14. The firm has moderate interest coverage ratio of 2.38 times in FY2013-14.

Outlook: Stable

SMERA believes the outlook on AHHP's rated facility will remain stable over the medium term. The outlook may be revised to 'Positive' in case the firm registers strong growth in scale of operations while maintaining comfortable profit margins and achieving sustained improvement in liquidity position. The outlook may be revised to 'Negative' in case of deterioration in the firm's financial risk profile and liquidity position.

About the firm

AHHP, established in 2006, is a Pune-based partnership firm promoted by Mr. Sandeep M. Konde Deshmukh and Mrs. Swaroopa S. Konde Deshmukh. AHHP is an authorized distributor of interventional cardiology and peripheral vascular devices manufactured by Boston Scientific India Private Limited.

For FY2013-14, AHHP reported net profit of Rs.0.74 crore on operating income of Rs.12.54 crore, as compared with net profit of Rs.0.73 crore on operating income of Rs.11.56 crore in FY2012-13. The firm's net worth stood at Rs.2.34 crore as on March 31, 2014, as compared with Rs.2.12 crore a year earlier.

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