

**November 02, 2015**

Facility	Amount (Rs. Crore)	Rating
Term Loan	19.83	SMERA B/Stable (Assigned)
Proposed Fund Based Facility	0.67	SMERA B/Stable (Assigned)

SMERA has assigned a long term rating of '**SMERA B' (read as SMERA B)** to the Rs.20.50 crore bank facilities of Vacc-Syn Biotech Private Limited (VBPL). The outlook is '**Stable**'. The rating is constrained by the company's short track record coupled with small scale of operations and customer concentration risk. The rating is also constrained by weak financial risk profile marked by low net worth, high gearing and net losses. However, the rating draws comfort from the experienced management and niche product profile.

Outlook: Stable

SMERA believes that VBPL will continue to benefit over the medium term from its experienced management. The outlook may be revised to 'Positive' in case the company registers healthy growth in revenues and profit margins leading to improvement in the financial risk profile, particularly capital structure. Conversely, the outlook may be revised to 'Negative' in case the company fails to achieve profitability or the financial risk profile deteriorates owing to more than envisaged working capital borrowings or higher than expected increase in capex.

Rating Sensitivity Factors

- Ability to scale up operations while maintaining profitability
- Comfortable capital structure

About the Company

VBPL, incorporated in 2007, is a Thane-based company engaged in the manufacture of anti-snake venom serum, anti-tetanus serum and anti-rabies serum. The company headed by Mr. Sanjay Bawsay and Mrs. Madhavi Bawsay commenced commercial production in January, 2014 at its manufacturing facility at Badlapur, Maharashtra.

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