

December 21, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit*	23.10	SMERA B/Stable (Assigned)
Working Capital Term Loan	26.05	SMERA B/Stable (Assigned)
Term Loan	2.07	SMERA B/Stable (Assigned)
Secured Overdraft	5.00	SMERA B/Stable (Assigned)
Letter of Guarantee	2.50	SMERA A4 (Assigned)
Bank Guarantee	1.00	SMERA A4 (Assigned)
Inland Letter of Credit**	35.00	SMERA A4 (Assigned)
Forward Contract	3.00	SMERA A4 (Assigned)

*Sublimit is FDBP/FUDBP/ECGC/PC/PCFC/UBD to the extent of Rs.44.00 crore

** Sublimit is Import LC/Revolving LC/Letter of Comfort to the extent of Rs. 26.00 crore

SMERA has assigned a long term rating of '**SMERA B**' (read as **SMERA B**) and a short term rating of '**SMERA A4**' (read as **SMERA A four**) to the Rs.97.72 crore bank facilities of Themis Medicare Limited (TML). The outlook is '**Stable**'. The ratings are constrained by the stretched liquidity position, susceptibility to forex fluctuation risks and weak financial risk profile. However, the ratings draw support from the long track record of operations and experienced management.

The ratings are derived from the consolidated financials of TML which includes proportionate (49%) share of its joint venture company, Richter Themis Medicare (India) Private Limited.

Outlook: Stable

SMERA believes that TML will continue to benefit over the medium term from its established presence as an active pharmaceutical ingredient and formulation business in the pharmaceutical industry. The outlook may be revised to 'Positive' in case the company registers higher than expected improvement in profit margins and liquidity position. Conversely, the outlook may be revised to 'Negative' in case of deterioration in TML's profit margins and financial risk profile.

Rating Sensitivity Factors

- Improvement in scale of operations and increase in profit margins
- Working capital management

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.

About the Company

Promoted by Mr. Shantibhai D. Patel, TML manufactures API and formulation; both, for in house use and on contract basis. The company is a joint venture with Gedeon Richter Ltd., Hungary and has over four decades of experience in manufacturing and marketing pharmaceutical products. TML is headquartered in Mumbai and has four manufacturing facilities at three locations, in Vapi (Gujarat), Hyderabad (Andhra Pradesh), and Haridwar (Uttaranchal).

For FY2014-15, TML reported profit after tax (PAT) of Rs.5.01 crore on operating income of Rs.201.88 crore as compared with PAT of Rs. 2.70 crore on operating income of Rs. 195.07 crore for FY2013-14.

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