

January 13, 2016

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	14.00	SMERA B+/Stable (Assigned)
Term Loan	1.82	SMERA B+/Stable (Assigned)
Export Packing Credit	1.00	SMERA A4 (Assigned)
Bank Guarantee	0.18	SMERA A4 (Assigned)

SMERA has assigned a long-term rating of '**SMERA B+**' (read as **SMERA B plus**) and short-term rating of '**SMERA A4**' (read as **SMERA A four**) to the Rs.17.00 crore bank facilities of Om Biomedic Private Limited (OBPL). The outlook is '**Stable**'.

The ratings are constrained by the working capital intensive operations and high gearing of 2.70 times in FY2015. The ratings are also constrained by the intense competition in the fragmented pharma industry. However, the ratings draw support from the experienced management, healthy order book, expected orders in hand and healthy relations with customers and suppliers.

Outlook: Stable

SMERA believes OBPL will maintain a moderate business risk profile in the medium term owing to its established operations and extensive experience of promoters. The outlook may be revised to 'Positive' in case of improvement in operations and profitability margin. Conversely, the outlook may be revised to 'Negative' in case of further deterioration in financial risk profile.

Rating Sensitivity Factors

- Scaling up of operations while maintaining margins
- Improvement in working capital cycle

About the Company

The Uttarakhand-based OBPL, incorporated in 2006 commenced operations in 2007. The company is engaged in the manufacture of betalactam and non-betalactam bulk drugs in the form of tablets, capsules, liquid orals among others. OBPL undertakes contract manufacturing for pharma companies and a few state governments. The manufacturing facility of the company is located at Haridwar, Uttarakhand and the day-to-day operations are managed by Mr. Amit Uthara, who has been with the company since its inception.

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.



Om Biomedic Private Limited (OBPL)

*Rating
Rationale*

For FY2014-15, the company reported profit after tax (PAT) of Rs.0.52 crore on operating income of Rs.75.28 crore, as compared with profit after tax (PAT) of Rs.0.89 crore on operating income of Rs.74.43 crore in FY2013-14. The net worth stood at Rs.8.08 crore as on March 31, 2015 against Rs.7.18 crore a year earlier.

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