

April 14, 2016

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	4.75	SMERA BB-/Stable (Assigned)
Cash Credit (Proposed)	0.85	SMERA BB-/Stable (Assigned)
Term Loan (Proposed)	13.15	SMERA BB-/Stable (Assigned)
Bank Guarantee	0.50	SMERA A4+ (Assigned)
Letter of Credit	1.20	SMERA A4+ (Assigned)

SMERA has assigned long term rating of '**SMERA BB-**' (**read as SMERA double B minus**) and short term rating of '**SMERA A4+**' (**read as SMERA A four plus**) on the above mentioned bank facilities of Doctor Pack India Private Limited (DPIPL). The outlook is '**Stable**'. The ratings are supported by the company's experienced management, reputed clientele and moderate financial risk profile marked by comfortable coverage indicators. However, the ratings are constrained by the company's short track record of operations and working capital-intensive business. The ratings are also constrained by the susceptibility of the profit margins to volatility in raw material prices.

Outlook: Stable

SMERA believes that the company will continue to maintain a stable business profile in the medium term owing to its promoters' extensive experience. The outlook may be revised to 'Positive' in case of sustained improvement in profitability margins while maintaining revenue growth due to increase in sales realisations. Conversely, the outlook may be revised to 'Negative' if the profitability margins decline due to volatility in raw material prices.

Rating Sensitivity Factors

- Scaling up of operations and improvement in profitability margins
- Efficient working capital management
- Debt funded capex impacting the financing risk profile

About the Company

DPIPL, incorporated in 2010, is a Bangalore-based company promoted by Mr. Umapathi Raju, Mr. Jatinkumar Pandiya and Mr. G. Dinakaran. The company is engaged in the manufacture of packaging products for the pharmaceutical industry.

For FY2014-15, DPIPL reported profit after tax (PAT) of Rs.0.92 crore on operating income of Rs.22.28 crore, as compared with PAT of Rs.0.79 crore on operating income of Rs.20.59 crore in FY2013-14. The company's net worth stood at Rs.5.62 crore as on March 31, 2015, as compared with Rs.4.70 crore a year earlier.

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.smerra.in) for the latest information on any instrument rated by SMERA.

Contact List:

Media/Business Development	Analytical Contact	Rating Desk
Suman M National Sales Head – Emerging Corporate Group Tel: +91-22-6714 1151 Cell: +91 9892306888 Email: suman.m@smera.in Web: www.smera.in	Mohit Jain Vice President – Rating Operations Tel: +91-22-6714 1105 Email: mohit.jain@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

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.