

Press Release

J S Medimax Private Limited

October 10, 2017

Rating Assigned



Total Bank Facilities Rated*	Rs. 27.89 Cr.
Long Term Rating	SMERA D
Short Term Rating	SMERA D

* Refer Annexure for details

Rating Rationale

SMERA has assigned long-term rating of **'SMERA D' (read as SMERA D)** and short term rating of **'SMERA D' (read as SMERA D)** on the Rs. 27.89 crore bank facilities of J S Medimax Private Limited.

JS Medimax Private Limited (JSMPL), incorporated in 2010 is a Delhi-based company promoted by Mr. Jitender Nalwa, Mr. Tushar Tomar and Mr. Rishabh Mittal. The company is engaged in the manufacturing and trading of orthopedic implants, prosthesis and other surgical instruments.

Key Rating Drivers

Strengths

• Experienced management

The promoters, Mr. Jitender Nalwa, Mr. Tushar Tomar and Mr. Rishabh Mittal have experience of seven years in the medical equipments business.

Weaknesses

• Delays in debt servicing due to weak liquidity

There have been delays of around 60 days in interest payments on term loan due to a weak liquidity position. The high working capital intensive nature of business has resulted in limited financial flexibility. The operations are working capital intensive marked by gross current assets (GCA) of 300 days in FY2017 (Provisional) compared to 597 days in FY2016. The high GCA days in FY2017 is on account of stretched inventory and debtors of 171 days and 117 days respectively. Further, the company's liquidity profile is stretched as it fully utilises its working capital limits.

• Weak financial risk profile

The financial risk profile of the company is marked by moderate network, high gearing and modest debt protection measures. The network stood at Rs.7.79 crore as on 31 March, 2017 (Provisional) compared to Rs.7.64 crore as on 31 March, 2016. The gearing stood at a high of 4.41 times as on 31 March, 2017 (Provisional) against 2.84 times as on 31 March, 2016. The interest coverage ratio stood modest at 1.31 times in FY2016-17 (Provisional) against 1.14 times in FY2015-16. The debt service coverage ratio (DSCR) stood at 1.03 times in FY2017 (Provisional) compared to 1.12 times in FY2016. The net cash accrual to total debt (NCA/TD) stood at 0.03 times in FY2017 (Provisional) compared to 0.01 times in FY2016.

Analytical Approach

SMERA has considered the standalone business and financial risk profile of the company.

About the Rated Entity - Key Financials

For FY2016-17 (Provisional), the company reported net profit after tax of Rs.0.16 crore on total income of Rs.11.44 crore compared to Rs.0.01 crore on total income of Rs.6.18 crore a year earlier. The net worth stood at Rs.7.79 crore as on 31 March , 2017, (Provisional) as against Rs.7.64 crore a year earlier.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Manufacturing Entities - <https://www.smera.in/criteria-manufacturing.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.50	SMERA D
Term loans	Not Applicable	Not Applicable	Not Applicable	21.59	SMERA D
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	0.80	SMERA D

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ABOUT SMERA

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