



Press Release
NUBENO HEALTHCARE PRIVATE LIMITED
April 02, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	81.50	ACUITE BB+ Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	81.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of ‘**ACUITE BB+**’ (read as **ACUITE double B plus**) on the Rs. 81.50 Cr. bank facilities of Nubeno Healthcare Private Limited (NHPL). The outlook is ‘**Stable**’.

Rationale for Reaffirmation

The rating factors NHPL’s improved scale of operations to Rs. 64.24 Cr in FY24 from Rs. 55.67 Cr in FY23 albeit moderation in operating profit to 4.71% in FY24 from 6.69% in FY23 because of the increased raw material prices. The company has also completed the capital expenditure in December 2023 for which it has started to reap benefits in terms of increased supply of syringes, IV Cannulas and 3 stop cocks. The rating further draws comfort from the experienced management and diversified geographical presence. While the financial risk profile is moderate, with increased debt from capex, liquidity remains adequate. The rating is constrained by substantial working capital requirements which would remain a key monitorable.

About the Company

Incorporated in 2018, Maharashtra based Nubeno Healthcare Private Limited (NHPL) is engaged in manufacturing of medical equipment and surgical items such as intravenous (IV) cannula, syringes etc. Promoted by Nagpur based ‘Navbharat’ Group, the Company is owned and operated by Mr. Vaibhav Nimish Maheshwari and Mr. Raghav Nimish Maheshwari along with other family members.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone financial and business risk profiles of NHPL to arrive at the rating.

Key Rating Drivers

Strengths

Resourceful promoters, experienced management and diversified geographical presence, albeit limited track record of operations

NHPL is promoted by Nagpur based 'Navbharat' Group. The group is an established name in the newsprint business. Promoted by the Maheshwari family, the Group is headed by Mr. Nimish Maheshwari who has an overall experience of over 30 years of leading the Group in publishing, paper manufacturing & real estate development. NHPL is a first venture of the Group in the medical devices industry. NHPL is owned and operated by his two sons Mr. Vaibhav Maheshwari and Mr. Raghav Maheshwari along with other family members. The promoters are ably

supported by an experienced management team with an average industry experience of more than two decades. The company has diversified geographical presence. It sells across various states of Kolkata, Orissa, Assam, Bihar, MP and others in the domestic market and exports to Bhutan, Ghana, UAE, UK and others. Acuité believes that the NHPL will continue to benefit from the experience of its promoters and management team and diversified geographical presence over the medium term.

Improved scale of operations and moderation in profitability margins

The company have achieved a revenue of Rs. 64.24 Cr. in FY24 against Rs. 55.67 Cr. in FY23. The increase of 15.40% is attributed to the increase the manufacturing capacity leading to increased sales. The EBITDA margins of the company stood at 12.80% in FY24 as compared to 16.20% in FY23. The decrease in the operating margins was observed because of the increase in the raw material prices and selling expenses. The raw material used by the company is medical grade plastics which is a crude oil derivative. The prices of crude oil were observed to remain above the mean levels during FY24, however correction was noticed during FY25. The PAT margins of the company stood at 4.71% in FY24 as compared to 6.69% in FY23. The topline of the company for 11MFY2025 is Rs. 83.46 Cr. Going forward, the company is likely to improve the topline by sustaining profitability over the medium term on account of corrections noticed in raw material prices and increased production capacity. NHPL does not have any forex hedging policies for its export operations.

Moderate Financial Risk Profile

The financial risk profile of the company is moderate marked by tangible net-worth of Rs. 36.18 Cr. as on 31st March 2024 against Rs. 24.65 Cr. as on 31st March 2023. The improvement has been noticed because of infusion of equity share capital of Rs. 5 Cr. (50,00,000 shares @ Rs. 10 each) and ploughing back of profits. The net worth also consists of unsecured loans treated as quasi equity worth Rs. 9.58 Cr in FY24 as against Rs. 6.07 Cr. in FY23. The unsecured loans has been treated as quasi equity due to subordination clause of the banker's stipulation. The total debt of the company is Rs. 65.23 Cr as on 31st March 2024 (LT – Rs. 59.22 Cr. and ST – Rs. 6.01 Cr.) against Rs. 35.56 Cr. (LT – Rs. 33.86 Cr. and ST – Rs. 1.71 Cr.) as on 31st March 2023. The gearing stands average at 1.80 times in FY24 against 1.44 times in FY23. The increase in the gearing has been noticed because of the increase in the term loans attributed to the debt laden CAPEX undertaken. Further, the interest coverage ratio of the company stood at 4.26 times in FY24 against 3.83 times in FY23. The debt service coverage ratio stood at 1.62 times in FY24 against 1.72 times in FY23. The DSCR has observed a decline because of the increased debt repayment obligations and the rising interest costs on the same with additional working capital requirement being fulfilled with the help of the increased cash credit limits by PNB from Rs. 4 Cr to Rs. 9.5 Cr. The TOL/TNW stood at 2.21 times in FY24 against 1.85 times in FY23 and the NCA/TD stood at 0.08 times in FY24 as against 0.16 times in FY23. Acuité believes that the financial risk profile of NHPL is likely to remain moderate over the medium term.

Weaknesses

Intensive Working Capital Operations

The working capital operations of the company remained intensive marked by GCA days which stood at 182 days as on as on 31st March 2024 against 173 days as on 31st March 2023. The increase in the GCA days was observed because of slight increase in the debtor collection period. The inventory and debtor days of the company stood at 74 days and 62 days respectively as on 31st March 2024 against 83 days and 45 days respectively as on 31st March 2023. The inventory days noticed a decline on account of better inventory management and increased export orders. On the other hand, the creditor days of the company stood at 69 days as on 31st March 2024 against 57 days as on 31st March 2023. The company has been trying to manage the working capital by maintaining better relations with the suppliers and getting better credit periods. Acuité believes that NHPL is likely to improve on account of better inventory management and better relations with the suppliers and customers.

Susceptibility of profitability margins to volatility in raw material prices

The company is primarily engaged into manufacturing of IV cannula and syringes. The key input material for the products is medical grade polymer resins, which is crude oil derivative. The price of this commodity is subject to volatility in line with those of global crude oil prices. This exposes the profitability margins of NHPL to fluctuations in raw material prices.

Rating Sensitivities

Movement in the scale of operations while sustaining margins
Movement in working capital cycle
Movement in coverage Indicators

Liquidity Position Adequate

The liquidity profile of the company is adequate. The company generated a net cash accrual of Rs. 5.43 Cr. as on as on 31st March 2024 against the debt repayment obligations of Rs. 2.59 Cr. in the same period. The current ratio of the company declined to 1.23 times as on 31st March 2024 against 2.08 times as on 31st March 2023 because of

the increase in short-term and long-term debt payables. The company also aims to generate net cash accruals of Rs. 9.5 Cr. to Rs. 10 Cr. in FY25 which will help then to fulfil the debt repayment obligations of Rs. 7.83 Cr. in the same period. Further, the average bank limit utilization at the month end balance stood low at 24% for 6 months ending February 2025. However, the average maximum limit utilized during the month stood at 76% for 6 month ended February 2025. Acuité believes that the liquidity of NHPL is likely to remain adequate over the medium term on account of steady cash accruals and no debt funded CAPEX plans in near future.

Outlook : Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	64.24	55.67
PAT	Rs. Cr.	3.02	3.72
PAT Margin	(%)	4.71	6.69
Total Debt/Tangible Net Worth	Times	1.80	1.44
PBDIT/Interest	Times	4.26	3.83

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

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
16 Jan 2024	Cash Credit	Long Term	4.00	ACUITE BB+ Stable (Reaffirmed)
	Term Loan	Long Term	13.47	ACUITE BB+ Stable (Reaffirmed)
	Term Loan	Long Term	4.90	ACUITE BB+ Stable (Reaffirmed)
	Term Loan	Long Term	2.49	ACUITE BB+ Stable (Reaffirmed)
	Term Loan	Long Term	7.25	ACUITE BB+ Stable (Reaffirmed)
	Term Loan	Long Term	37.50	ACUITE BB+ Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	5.24	ACUITE BB+ Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	6.65	ACUITE BB+ Stable (Assigned)
31 Oct 2022	Cash Credit	Long Term	4.00	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	16.50	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	6.00	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	3.50	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	7.35	ACUITE BB+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Punjab National Bank	Not avl. / Not appl.	Cash Credit	26 Feb 2021	Not avl. / Not appl.	Not avl. / Not appl.	9.50	Simple	ACUITE BB+ Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.26	Simple	ACUITE BB+ Stable Reaffirmed
Small Industries Development Bank of India	Not avl. / Not appl.	Term Loan	29 Nov 2024	Not avl. / Not appl.	10 Apr 2029	2.27	Simple	ACUITE BB+ Stable Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Term Loan	22 May 2020	Not avl. / Not appl.	30 Sep 2028	10.85	Simple	ACUITE BB+ Stable Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Term Loan	31 Dec 2021	Not avl. / Not appl.	31 Dec 2026	4.49	Simple	ACUITE BB+ Stable Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Term Loan	31 Aug 2021	Not avl. / Not appl.	30 Jun 2028	1.76	Simple	ACUITE BB+ Stable Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Term Loan	31 May 2020	Not avl. / Not appl.	30 Sep 2028	3.95	Simple	ACUITE BB+ Stable Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Term Loan	09 Feb 2022	Not avl. / Not appl.	31 Mar 3031	35.42	Simple	ACUITE BB+ Stable Reaffirmed

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About Acuité Ratings & Research

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