

July 31, 2015

| Facilities | Amount (Rs. Crore) | Ratings |
|---------------------------------|-----------------------|--------------------------------|
| Term Loan | 7.50 | SMERA BBB-/Stable (Reaffirmed) |
| Cash Credit* | 17.50 | SMERA BBB-/Stable (Reaffirmed) |
| Cash Credit^ | 5.50 | SMERA BBB-/Stable (Reaffirmed) |
| Letter of Credit/Buyer's credit | 5.00 | SMERA A3 (Reaffirmed) |
| Bank Guarantee | 15.00 | SMERA A3 (Reaffirmed) |
| Letter of Credit | 3.00 | SMERA A3 (Reaffirmed) |

*Includes sublimit of WCDL to the extent of Rs.3.20 crore and EPC-cum-FBP to the extent of Rs.1.50 crore

^Includes sublimit of WCDL to the extent of Rs.5.50 crore

SMERA has reaffirmed the long-term rating of '**SMERA BBB-**' (read as SMERA triple B minus) and a short-term rating of '**SMERA A3**' (read as SMERA A three) on the Rs.53.5 crore bank facilities of Schiller Healthcare India Private Limited (SHIPL). The outlook is '**Stable**'. The ratings are supported by Schiller's strong brand name, experienced management and long track record of operations. The ratings also derive comfort from the strong support received by SHIPL from Schiller AG (SAG). However, the ratings are constrained by SHIPL's working capital-intensive operations amidst intense competition in the medical equipment industry.

Update

SHIPL reported revenue of Rs.107.37 crore in FY2013–14 (refers to financial year, April 01 to March 31), as compared with revenue of Rs.86.00 crore in FY2012–13. During FY2014-15, the company reported revenue of Rs.115.00 crore (provisional). The tangible net worth stood at Rs.32.12 crore as on March 31, 2014, as compared with Rs.17.33 crore a year earlier. The company's debt-equity ratio stood at 0.92 times as on March 31, 2014 as compared with 2.08 times a year earlier.

Outlook: Stable

SMERA believes SHIPL will maintain a stable business risk profile over the medium term. The outlook may be revised to 'Positive' in case the company registers sustained improvement in working capital management, revenue growth and profitability. Conversely, the outlook may be revised to 'Negative' in case of further stretch in the company's working capital cycle, or decline in the revenue growth and profitability.

About the Company

The Mumbai- based SHIPL, incorporated in 1997, is a joint venture between the R. R. Group, India and Schiller AG (SAG), Switzerland. The company is into manufacturing, trading and servicing of medical equipment.

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For FY2013-14, SHIPL reported profit after tax (PAT) of Rs.4.79 crore on operating income of Rs.107.37 crore, as compared with PAT of Rs.2.09 crore on operating income of Rs.86.00 crore for FY2012-13. The company's net worth stood at Rs.32.12 crore as on March 31, 2014, as compared with Rs.17.33 crore a year earlier.

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