



Press Release
Schiller Healthcare India Private Limited
April 23, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	45.00	ACUITE A Stable Reaffirmed	-
Bank Loan Ratings	75.00	-	ACUITE A1 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	120.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of ‘**ACUITE A**’ (**read as ACUITE A**) and the short-term rating of ‘**ACUITE A1**’ (**read as ACUITE A one**) on the Rs.120.00 Cr. bank facilities of Schiller Healthcare India Private Limited (SHIPL). The outlook remains ‘**Stable**’.

Rationale for reaffirmation

The rating reaffirmation takes into account the stable operating performance of SHIPL over the years. The rating also factors in the healthy financial risk profile and strong liquidity position of the company. Further, the rating draws comforts from the established track record of operations and experienced management of SHIPL. The gross current asset (GCA) days though improved, continue to remain intensive. However, the strong liquidity position and healthy net cash accruals are sufficient to meet the working capital requirements, leading to lower reliance on working capital limits. The rating also factors the susceptibility of growth to government spends on medical infrastructure and competition risks.

Going forward, the ability of the company to achieve substantial revenue growth while maintaining profitability margins will be a key monitorable.

About the Company

Incorporated in 1997, SHIPL is a Mumbai based subsidiary of Schiller AG (SAG), Switzerland, engaged in the manufacturing, distribution, trading and servicing of medical equipments. Its product mix includes variety of equipments including diagnostics products, emergency care & resuscitation machines, consumables & accessories, neurosurgical robot, critical care utilities and anaesthesia equipments. The company is managed by directors Mr. Vikram Dhirajlal Sanghvi, Mr. Pravin Ratilal Gandhi, Mr. Dominik Doppler and Mr. Alfred Eugen Schiller.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone financial and business risk profiles of SHIPL to arrive at the rating.

Key Rating Drivers

Strengths

Experienced management with established track record of operations and diversified revenue streams

Mr. Alfred E. Schiller, Chairman & Founder of the company possesses experience of over four decades in the medical care sector and is well supported by Mr. Vikram Sanghvi, Managing Director, who has an extensive experience of almost three decades in the industry. The extensive experience of the promoters has helped SHIPL to establish a strong brand 'SCHILLER' in Indian market as well as SAARC countries. SHIPL caters to government clients such as Tamil Nadu Medical Services Corporation Limited, Odisha State Medical Corporation Limited, All India Institute of Medical Sciences (AIIMS), etc. Further, SHIPL has diversified revenue streams which includes local manufacturing of equipment, co-branding and distribution of equipments in collaboration with technical partners, distribution of parent company products, agency sales and servicing of medical equipment. The wide variety of product mix has also enabled the diversification of risk.

Healthy financial risk profile

SHIPL's financial risk profile is supported by healthy network, low gearing and strong debt protection metrics. The tangible network stood at Rs. 111.69 Cr. on March 31, 2024 as against Rs. 95.51 Cr. on March 31, 2023. This is mainly attributable towards accretion of reserves. The gearing has remained healthy as low as 0.01 times on March 31, 2024 (0.08 times as on March 31, 2023) as the company does not have any long-term borrowings and majorly utilises non-fund-based limits for working capital purposes. The debt protection metrics have also remained strong with Debt-EBITDA of 0.03 times in FY2024 (0.29 times in FY2023). Moreover, the company distributes its profits to its parent company in the form of dividends, Rs. 9.36 Cr. in FY2024 & Rs. 40.86 Cr. in FY2023.

The financial risk profile is expected to remain healthy in the absence of any debt fund capex and improving cash accruals.

Stable operating performance over the years

While the revenue of the company improved significantly from Rs 201.48 Cr. in FY2023 to Rs 274.43 Cr. in FY2024 supported by increase in orders, it moderated to ~Rs 250 Cr. in FY2025 due to slowdown in the government's orders and spends on medical infrastructure. However, the margins marginally improved to 12.71% in FY2024 as against 11.69% in FY2023, expected to remain in similar range over the medium term. Further, the ongoing development and launch of new products at sustainable margins is expected to improve the operating performance in the near to medium term, shall remain a key rating sensitivity.

Weaknesses

Working Capital intensive Operations

The operations of the firm, though improved, continue to remain working capital intensive, which is evident from high GCA of 203 days on March 31, 2024 as against 271 days on March 31, 2023. These are primarily driven by high inventory and debtor days of 86 days and 80 days respectively as on March 31, 2024. Further, the creditor days declined to 49 days on March 31, 2024 from 96 days on March 31, 2023, which has led to an increase in the working capital cycle of SHIPL. Moreover, the company manages its working capital requirements from its strong liquidity and cash accruals which has kept the fund based limit utilisation to as low as 1.53 percent for the last 9 months ended December 2024. Further, it majorly requires bank guarantees to be furnished for government biddings.

Susceptibility of growth to government spends on medical infrastructure and competition

The company currently receives 60-65% of its orders from various state & central government. Therefore, any changes in government policies towards medical spending or inculcation of regulatory requirements shall affect the operations of the company. Further, bidding mechanism for orders exposes the company to intense competition from both domestic and international players.

Rating Sensitivities

- Strong revenue growth at sustainable margins
- Significant dividend outflow, debt funded capex or inadequate cash accruals affecting the financial risk profile
- Any deterioration in the working capital cycle leading to stretch in liquidity.

Liquidity Position

Strong

The strong liquidity position of SHIPL is supported by generation of healthy net cash accruals (NCAs) estimated to be in the range of Rs. 21 - 22 Cr. in FY2025 against nil repayment obligations. Further, the NCAs are expected to remain in the range of Rs. 25-30 Cr. in FY2026 and FY2027. The current ratio stood at 2.94 times on March 31,

2024. SHIPL also had an unencumbered cash and bank balance of Rs. 17.91 Cr. on December 31, 2024 which provides additional comfort.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	274.43	201.48
PAT	Rs. Cr.	25.44	16.88
PAT Margin	(%)	9.27	8.38
Total Debt/Tangible Net Worth	Times	0.01	0.08
PBDIT/Interest	Times	25.88	20.11

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, Acuité 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
24 Jan 2024	Cash Credit	Long Term	19.00	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	31.00	ACUITE A Stable (Reaffirmed)
	Letter of Credit	Short Term	5.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	5.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	5.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	55.00	ACUITE A1 (Reaffirmed)
27 Oct 2022	Cash Credit	Long Term	19.00	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	31.00	ACUITE A Stable (Reaffirmed)
	Letter of Credit	Short Term	5.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	5.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	5.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	55.00	ACUITE A1 (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A1 Reaffirmed
Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	60.00	Simple	ACUITE A1 Reaffirmed
Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	14.00	Simple	ACUITE A Stable Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	31.00	Simple	ACUITE A Stable Reaffirmed
Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A1 Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A1 Reaffirmed

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About Acuité Ratings & Research

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