

September 10, 2015

Facilities	Amount (Rs. Crore)	Ratings
Term Loan I	0.98	SMERA BB-/Stable (Assigned; Suspension revoked)
Term Loan II	0.45	SMERA BB-/Stable (Assigned; Suspension revoked)
Cash Credit	0.55	SMERA BB-/Stable (Assigned; Suspension revoked)
Proposed Term Loan	1.18	SMERA BB-/Stable (Assigned; Suspension revoked)
FDBP/FUDBP	1.00	SMERA A4+ (Assigned; Suspension revoked)
Packing Credit	1.38*	SMERA A4+ (Assigned; Suspension revoked)

*Includes sub-limit of Letter of Credit to the extent of Rs. 0.50 Crore

SMERA has revoked the suspension of ratings assigned to the Rs. 5.54 crore bank facilities of ILife Medical Devices Private Limited (IMDPL). The suspension was done on July 3rd, 2015 in the absence of requisite information for the surveillance process. However, the company has now shared the required information with SMERA. Subsequently, SMERA has revised the long-term rating on the Rs. 3.16 crore bank facility of IMDPL to '**SMERA BB-**' from '**SMERA B+**', while the short-term rating on the Rs. 2.38 crore bank facilities is reaffirmed at '**SMERA A4+**' from '**SMERA A4**'. The outlook on the long-term rating is '**Stable**'.

IMDPL has interest bearing unsecured loans from promoters, friends and relatives that are subordinated to bank debt. SMERA has treated such unsecured loans (Rs 3.95 crore in FY2014-15) as quasi-equity.

The ratings are supported by the company's promoters' extensive experience in health care supplies industry and moderate financial risk profile. The ratings also draw comfort from the improvement in the company's operating profit margin. However, the ratings are constrained by the company's small scale of operation. The ratings are also constrained by the company's exposure to highly competitive and fragmented industry.

Outlook: Stable

SMERA believes IMDPL will maintain a stable business risk profile over the medium term. The company will continue to benefit from its experienced management. The outlook may be revised to 'Positive' in case the company registers substantial growth in scale of operations while achieving significant improvement in financial risk profile. Conversely, the outlook may be revised to 'Negative' in case the company registers lower-than-expected profit margins, or in case of deterioration in the company's financial risk profile.

Rating Sensitivity Factors

- Debt capex plan
- Working capital cycle management

About the Firm

IMDPL, established in 2007, commenced commercial production of Intravenous (IV) cannula and three ways stop cock from August 2009. IMPDPL is engaged in manufacturing of medical disposables like intravenous (IV) cannula and three way stop cock under the brand name "one plus" and "one flon".

For FY2014-15, IMDPL reported profit after tax (PAT) of Rs. 0.86 crore on operating income of Rs. 16.46 crore, as compared with PAT of Rs.0.48 crore on operating income of Rs. 17.76 crore in FY2013-14. The company's net worth stood at Rs.10.92 crore as on March 31, 2015, as compared with Rs.9.54 crore a year earlier.

Contact List:

Media/Business Development	Analytical Contact	Rating Desk
Antony Jose Vice President – Business Development, Mid Corporate Tel: +91-22-6714 1191 Cell: +91 9820802479 Email: antony.jose@smera.in Web: www.smera.in	Parimal Thakker Vice President – Rating Operations Tel: +91-11-49731312 Email: parimal.thakker@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in