

ILife Medical Devices Private Limited: Reaffirmed

Facilities	Amount (Rs. Crore)	Ratings/Outlook
Term Loan I	0.72	SMERA BB-/Stable (Reaffirmed)
Term Loan II	0.30	SMERA BB-/Stable (Reaffirmed)
Cash Credit	0.55	SMERA BB-/Stable (Reaffirmed)
Proposed Term Loan	1.29	SMERA BB-/Stable (Reaffirmed)
Foreign Discount Bill Purchase/Foreign Usance Discount Bill Purchase	1.00	SMERA A4+ (Reaffirmed)
Packing Credit	1.68	SMERA A4+ (Reaffirmed)

SMERA has reaffirmed the long-term rating of '**SMERA BB-**' (read as **SMERA double B minus**) and short term rating of '**SMERA A4+**' (read as **SMERA A four plus**) on the Rs.5.54 crore bank facilities of ILife Medical Devices Private Limited (IMDPL). The outlook is '**Stable**'. The ratings continue to draw support from the experience of the promoters and moderate financial risk profile. However, the ratings continue to be constrained by the small scale of operations and intense market competition.

Update

IMDPL is engaged in the manufacture of medical devices. The company continues to benefit from its promoters' experience of over two decades in the healthcare supplies industry. IMDPL has low gearing of 0.32 in FY2015-16 as against 0.45 a year earlier. The interest coverage ratio stands at 2.72 in FY2015-16 as compared to 2.97 in FY2014-15. IMDPL's net profit margin stands at 1.72 per cent in FY2015-16 as against 1.23 per cent in FY2014-15.

The ratings continue to be constrained by the small scale of operations evident from the revenue of Rs.16.42 crore in FY2015-16 and Rs.16.44 crore a year earlier. The company faces competition from other players in the healthcare supplies market.

Outlook: Stable

SMERA believes IMDPL will continue to maintain a stable outlook in the medium term on account of its experienced management and moderate financial risk profile. The outlook may be revised to 'Positive' in case the company registers higher-than-expected growth in revenues while maintaining profit margins. Conversely, the outlook may be revised to 'Negative' in case of deterioration in the financial risk profile.

Rating Sensitivity Factors

- Improvement in revenue and profitability profile

Criteria applied to arrive at the ratings:

- Manufacturing Entities

About the Company

IMDPL, incorporated in 2007, commenced commercial production of Intravenous (IV) cannula and three-way stop cock from August 2009. The company is headed by Mr. Tushar Anand, Mr. Pradeep Anand and Mr. Kartik Palta. The directors are ably supported by a team of professionals.

For FY2015-16, the company reported PAT (profit after tax) of Rs.0.28 crore on operating income of Rs.16.42 crore, as compared with PAT of Rs.0.20 crore on operating income of Rs.16.44 crore in FY2014-15. The net worth stood at Rs.10.74 crore as on March 31, 2016 against Rs.10.17 crore a year earlier.

Rating History:

Date	Facilities	Amount (in Rs. Crore)	Ratings		Rating Outlook
			Long Term	Short Term	
10 September, 2015	Term Loan I	0.98	SMERA BB- (Suspension Revoked/Assigned)	-	Stable
	Term Loan II	0.45	SMERA BB- (Suspension Revoked/Assigned)	-	Stable
	Cash Credit	0.55	SMERA BB- (Suspension Revoked/Assigned)	-	Stable
	Proposed Long Term	1.18	SMERA BB- (Suspension Revoked/Assigned)	-	Stable
	FDBP/FUDBP	1.00	-	SMERA A4+ (Suspension Revoked/Assigned)	-
	Packing Credit	1.38*	-	SMERA A4+ (Suspension Revoked/Assigned)	-
06 July, 2015	Term Loan I	1.77	SMERA B+ (Suspended)	-	Stable
	Term Loan II	0.84	SMERA B+ (Suspended)	-	Stable
	Cash Credit	0.55	SMERA B+ (Suspended)	-	Stable
	FDBP/FUDBP	1.00	-	SMERA A4 (Suspended)	-
	Packing Credit	1.38	-	SMERA A4 (Suspended)	-
01 April, 2014	Term Loan I	1.77	SMERA B+ (Assigned)	-	Stable
	Term Loan II	0.84	SMERA B+ (Assigned)	-	Stable
	Cash Credit	0.55	SMERA B+ (Assigned)	-	Stable
	FDBP/FUDBP	1.00	-	SMERA A4 (Assigned)	-
	Packing Credit	1.38*	-	SMERA A4 (Assigned)	-

*includes sub-limit of Letter of Credit to the extent of Rs.0.50 crore

Contacts:

Analytical	Business Development
Mr. Mohit Jain Vice President – Ratings Operations, Tel: +91-22-6714 1105 Cell: 9619911017 Email: mohit.jain@smera.in	Mr. Suman M Vice President – Business Development, Corporate Ratings Tel: +91-22-6714 1151 Cell: +91-9892306888 Email: suman.m@smera.in

ABOUT SMERA

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