

Soft Medicaps Limited

February 29, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	5.64	CARE B; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B+; Stable;

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated December 28, 2022, placed the rating(s) of Soft Medicaps Limited (SML) under the 'issuer non-cooperating' category as SML had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. SML continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated November 13, 2023, November 23, 2023, December 03, 2023.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings assigned to the bank facilities of SML have been revised on account of non-availability of requisite information. The revision also factored in reporting of losses and deterioration in debt coverage indicators in FY23 over FY22.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers

Please refer to PR dated [December 28, 2022](#)

Applicable criteria

[CARE Rating's criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on Default Recognition](#)

[Criteria on assigning outlook and credit watch](#)

About the Company

Soft Medicaps Limited (SML, CIN: U24232MP1998PLC013187) was incorporated in 1998 by Mr. Rajendra Prasad Sharma along with other family members. SML is engaged in the business of manufacturing of pharmaceutical products covering various range of products in human use mainly softgelatin capsules, anti-oxidant capsules (immunity booster), eye ointment (I-aplicap), sanitary napkins and pads. The manufacturing facility of SML is located at Dewas, Madhya Pradesh with an installed capacity of 60.59 crore per annum for Tablets/Capsules and 2 crore pads per year for Sanitary Napkins. The manufacturing facility meets the requirements of Drug Controller of Madhya Pradesh (Health & Family Welfare Department, M.P.). The company sells sanitary napkins and pads under the brand name of "Staylin's". The company supplies its products to Haffkine Bio Pharmaceutical Corporation Limited (a Maharashtra Government Undertaking). It also supplies to Basanti Enterprises (distributor in West Bengal) which further supplies to state government on tender basis. It also directly sells its product under its brand name.

Brief Financials (Rs. crore)	March 31, 2022 (A) [^]	March 31, 2023 (A)
Total operating income	24.33	10.22
PBILDT	1.67	-0.31
PAT	0.43	-1.03
Overall gearing (times)	0.34	0.49
Interest coverage (times)	3.41	-1.99

A: Audited; Note: 'the above results are latest financial results available'; [^]FY22 financials have been revised in line with CARE's revised criteria on classification of non-core item as part of non-operating income.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Status of non-cooperation with previous CRA: CRISIL has continued the ratings assigned to the bank facilities of SML to 'Issuer Not Cooperating' category vide press release dated June 27, 2023 on account of its inability to carry out a review in the absence of the requisite information from the company.

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Bank Overdraft		-	-	-	4.80	CARE B; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	July 2022	0.84	CARE B; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fund-based - LT-Term Loan	LT	0.84	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (28-Dec-22)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (11-Oct-21)	1)CARE BB; Stable (22-Sep-20)
2	Fund-based - LT-Bank Overdraft	LT	4.80	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (28-Dec-22)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (11-Oct-21)	1)CARE BB; Stable (22-Sep-20)

*Issuer did not cooperate; based on best available information.

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Bank Overdraft	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

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About us:

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Disclaimer:

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