

Themis Medicare Limited

June 18, 2018

Ratings

Facility/Instrument	Amount (Rs. crore)	Rating ^[1]	Rating Action
LT Bank facilities	14.85	CARE D (Single D)	Revised from CARE BB; Stable (Double B; Outlook: Stable)
LT/ST Bank facilities	80.15	CARE D (Single D)	Revised from CARE BB; Stable /CARE A4 (Double B; Outlook: Stable/A Four)
Total facilities	95.00 (Rs. Ninety five crore only)		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The revision in the ratings assigned to the bank facilities of Themis Medicare Limited is on account of continuous overdrawing of cash credit limits for more than 30 days owing to devolvement of Letter of Credit (LC).

Establishing a clear track record of servicing of debt obligations with improving its liquidity position is key rating sensitivity.

Detailed description of the key rating drivers

Key Rating Weaknesses

Delay in debt servicing

As per the interaction with bankers and management, there are continuous overdrawing in cash credit limit for more than 30 days on account of devolvement of LC due to stretched liquidity position of the company. The company operates in a working capital intensive nature of business and stretched recoveries from customers further tightened the liquidity position of the company.

Analytical approach: Consolidated. CARE has taken a consolidated view whereby the associates companies of TML i.e. Gujarat Themis Biosyn Ltd & Long Island Nutritionals Pvt Ltd and JV company Richter Themis Medicare (India) Pvt Ltd. have been considered, as these companies are in similar line of business

Applicable Criteria

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Criteria for Short Term Instruments](#)

[Rating Methodology-Manufacturing Companies](#)

[Financial ratios – Non-Financial Sector](#)

[Rating Methodology – Pharmaceutical Sector](#)

About the Company

Themis Medicare Limited (TML) was established in the year 1969 by Dr Shantibhai D. Patel initially as a Joint Venture with Gedeon Richter Plc. of Hungary, which is a specialty pharmaceutical company. TML is in the business of manufacturing and marketing of bulk API of synthetic and biotech origin, bulk intermediates and formulations for domestic and international markets as well as in research and development activity. In formulations segment, TML are into

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

manufacturing of anti-TB, anti-malarial, anti-cholesterol and pain management drugs. TML is headquartered in Mumbai and has manufacturing facilities at Vapi, Hyderabad and Haridwar.

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	235.78	248.72
PBILDIT	41.51	40.35
PAT	16.28	19.49
Overall gearing (times)	1.79	0.95
Interest coverage (times)	3.37	3.64

A: Audited

Status of non-cooperation with previous CRA: Acuite Ratings & Research (Formerly SMERA Ratings) vide its press release dated June 8, 2018, has mentioned that Themis Medicare Limited, have not provided required information for carrying out the review of the Rating, despite close follow up and hence the rating is not reviewed.

Any other information: Not Applicable

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

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at ww.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based/Non-fund based - LT/ ST	-	-	-	80.15	CARE D
Fund-based - LT-Term Loan	-	-	Sept-20	14.85	CARE D

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Fund-based - LT-Cash Credit	LT				-	1)Suspended (05-Jul-16)	1)CARE D (07-Aug-15)
2.	Fund-based - ST-EPC/PSC	ST			-	-	1)Suspended (05-Jul-16)	1)CARE D (07-Aug-15)
3.	Fund-based - LT-Term Loan	LT	14.85	CARE D	1) CARE BB;Stable (April 24, 2018)	-	1)Suspended (05-Jul-16)	1)CARE D (07-Aug-15)
4.	Non-fund-based - ST-BG/LC	ST			-	-	1)Suspended (05-Jul-16)	1)CARE D (07-Aug-15)
5.	Fund-based/Non-Fund based - LT/ ST	LT/ST	80.15	CARE D	1)CARE BB;Stable /CARE A4 (April 24, 2018)	-	-	-

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