

Themis Medicare Limited

August 07, 2019

Ratings

Facility/Instrument	Amount (Rs. crore)	Rating ^[1]	Rating Action
LT Bank facilities	11.38	CARE D (Single D)	Reaffirmed
LT/ST Bank facilities	80.15	CARE D (Single D)	Reaffirmed
Total facilities	91.53 (Rs. Ninety one crore and fifty three lakhs only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The reaffirmation in the ratings assigned to the bank facilities of Themis Medicare Limited is on account of continuous overdrawals in cash credit account and devolvement of Letter of Credit (LC).

Key rating sensitivity is establishing a clear debt servicing track record with improvement in its liquidity position.

Detailed description of the key rating drivers

Key Rating Weaknesses

Delay in debt servicing

As per the interaction with bankers and management, there are instances of overdrawals in cash credit account and devolvement of LCs due to stretched liquidity position of the company on account of the losses suffered by the company. Its working capital intensive nature of business and increase in its collection period further stretches its liquidity position.

Analytical approach: Consolidated. CARE has taken a consolidated view of Themis Medicare Ltd. TML has subsidiaries namely Artemis Biotech Ltd (TML holds 95% shares), Themis Lifestyle Pvt. Ltd. (TML holds 99% shares) and Carpo Medical Ltd. (TML holds 90% of shares). TML has two associate companies, Gujarat Themis Biosyn Ltd and Long Island Nutritionals Pvt. Ltd. and one Joint venture, Richter Themis Medicare (India) Pvt. Ltd. Consolidated view has been taken on account of TML's significant stake and same line of business as its subsidiaries and associates.

Applicable Criteria

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

About the company:

Themis Medicare Limited (TML) was established in the year 1969 as Themis Chemicals Limited by two Hungarian pharmaceutical companies - Gedeon Richter, Medimpex and an Indian company Chemosyn Limited, which was promoted by Late Mr. Shantibhai Patel. 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 is into 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. On 11th July 2019, the Food and Drug Administration of India (FDA) issued a letter to company directing, not to manufacture a key product till deciding the matter. The company intends to file an appeal against the said order. The matter is now subjudice.

Brief Financials (Rs. In Crores)	FY18 (A)	FY 19 (A)
Total operating income	214.22	188.69
PBILDT	29.73	7.21
PAT	11.23	-10.76
Overall gearing (times)	0.61	0.49
Interest coverage (times)	2.51	0.61

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 Issuer non-cooperation.

Any other information: Not applicable

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

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

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
LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	-	-	-	80.15	CARE D
Fund-based - LT-Term Loan	-	-	-	11.38	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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Cash Credit	LT	13.10	Suspended	-	-	-	1)Suspended (05-Jul-16)
2.	Fund-based - ST-EPC/PSC	ST	24.75	Suspended	-	-	-	1)Suspended (05-Jul-16)
3.	Fund-based - LT-Term Loan	LT	25.41	Suspended	-	-	-	1)Suspended (05-Jul-16)
4.	Non-fund-based - ST-BG/LC	ST	38.50	Suspended	-	-	-	1)Suspended (05-Jul-16)
5.	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	LT/ST	80.15	CARE D	-	1)CARE D (18-Jun-18) 2)CARE BB; Stable / CARE A4 (26-Apr-18)	-	-
6.	Fund-based - LT-Term Loan	LT	11.38	CARE D	-	1)CARE D (18-Jun-18) 2)CARE BB; Stable (26-Apr-18)	-	-

Annexure-3:List of subsidiary companies, associates and Joint Ventures

Sr. No.	Company	TML's holding as on March 31, 2018 (%)
1	Artemis Biotech Ltd.	95
2	Themis Lifestyle Pvt. Ltd.	99
3	Carpo Medical Ltd.	90
4	Gujrat Themis Biosyn Ltd.	23.19
5	Long Island Nutritionals Pvt. Ltd.	37.14
6	Richter Themis Medicare (India) Pvt.Ltd	49

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 www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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