ICRA

October 11, 2017

Sunil Healthcare Limited

Summary of rated instruments

Instrument*	Amount (Rs. Crore)	Rating Action
Term Loan	2.45	[ICRA]BBB(Stable); withdrawn
CC/WCDL	20.10	[ICRA]BBB(Stable)/[ICRA]A3+; withdrawn
PCFC/PSFC/PCL*	(13.00)	[ICRA]A3+; withdrawn
Letter of Credit	16.50	[ICRA]A3+; withdrawn
Bank Guarantee	0.25	[ICRA]A3+; withdrawn
Unallocated	0.60	[ICRA]BBB(Stable); withdrawn
Total	**39.90**	

** PCFC/PSFC/PCL is a sub-limit of CC/WCDL limits*

*Instrument details are provided in Annexure-1

Rating action

ICRA has withdrawn the long-term and short-term rating outstanding of [ICRA]BBB/[ICRA]A3+; (pronounced ICRA triple B)/ (pronounced as ICRA A three plus))[1] on the Rs. 39.90 crore[2] fund-based and non-fund based bank facilities Sunil Healthcare Limited (SHL). The outlook on the long-term rating was 'Stable'.

Rationale

The long-term rating and short-term rating assigned to Sunil Healthcare Limited have been withdrawn at the request of the company, based on the no objection certificate provided by its bankers.

Analytical approach: For arriving at the ratings, ICRA has applied its rating methodologies as indicated below:

Links to applicable criteria:

[Corporate Credit Ratings: A Note on Methodology]

About the company:

Sunil Healthcare Limited, incorporated in 1973, is engaged in the manufacturing of EHGC shells which are supplied in the domestic market as well as exported to more than 30 countries across the globe. The company is also engaged in the marketing of HPMC capsules which are manufactured under contract manufacturing agreements with Chinese players. SHL is the second largest manufacturer of EHGC shells in India with a manufacturing capacity of 9.7 billion capsules per annum. The company's manufacturing facility, located in Alwar, is certified by WHO-GMP[3] and also accredited with DMF IV registration by United States Food and Drug Administration (US FDA). SHL is also engaged in the trading of food items under the 'Sunloc Foods' brand name.

Status of non-cooperation with previous CRA: Not applicable

[1] *For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications*

[2] *100 lakh = 1 crore = 10 million*

[3] WHO-GMP: World Health Organization – Good Manufacturing Practices

Key Financial Indicator:

Particulars	FY2016 (Audited)	FY2017 (Audited)
Operating Income (Crores)	81.6	102.1
PAT (Crores)	5.2	6.1
OPBITDA/ OI (%)	17.6%	15.9%
RoCE (%)	19.3%	16.9%
Total Debt/ TNW (times)	1.2	1.2
Total Debt/ OPBDIT (times)	2.6	2.8
Interest coverage (times)	3.9	4.0
NWC/ OI (%)	31.9%	30.6%

Source: Company; ICRA Research

Rating history for last three years:
Table:

S. No.	Name of Instrument	Current Rating (FY2018)			Chronology of Rating History for the past 3 years		
		Type	**Rated amount (Rs. Crores)**	**Date & Rating**	**Date & Rating in FY2017**	**Date & Rating in FY2016**	**Date & Rating in FY2015**
				October 09, 2017	**July 2016**	**August 2015**	**July 2014**
1	Term loans	Long-term	2.45	[ICRA]BBB (Stable); Withdrawn	[ICRA]BBB (Stable); Reaffirmed	[ICRA]BBB (Stable); Upgraded	[ICRA]BBB- (Stable); Outstanding
2	Cash/ WCDL	Long/ short term	20.10	[ICRA]BBB (Stable)/[ICRA]A3+; Withdrawn	[ICRA]BBB(Stable)/[ICRA]A3+; Reaffirmed	[ICRA]BBB (Stable)/[ICRA]A3+; Upgraded	[ICRA]BBB- (Stable)/[ICRA]A3; Assigned/ outstanding
3	PCFC/PSFC/PCL	Short-term	(13.00)	[ICRA]A3+; Withdrawn	[ICRA]A3+; Reaffirmed	[ICRA]A3+; Upgraded	[ICRA]A3; Assigned/ outstanding
4	Letter of credit	Short-term	16.50	[ICRA]A3+; Withdrawn	[ICRA]A3+; Reaffirmed	[ICRA]A3+; Upgraded	[ICRA]A3; Assigned/ outstanding
5	Bank guarantee	Short-term	0.25	[ICRA]A3+; Withdrawn	[ICRA]A3+; Reaffirmed	[ICRA]A3+; Upgraded	[ICRA]A3; Assigned/ outstanding
6	Unallocated	Long/ short term	0.60	[ICRA]BBB (Stable)/[ICRA]A3+; Withdrawn	[ICRA]BBB (Stable)/[ICRA]A3+; Reaffirmed	[ICRA]BBB (Stable)/[ICRA]A3+; Upgraded	[ICRA]BBB- (Stable)/[ICRA]A3; Assigned

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1

Instrument Details

Name of the instrument	Date of issuance	Coupon rate	Maturity Date	Size of the issue (Rs. Cr)	Current Rating and Outlook
Term loans	-	14.20%	-	2.45	[ICRA]BBB(Stable); Withdrawn
Cash/ WCDL	-	-	-	20.10	[ICRA]BBB(Stable)/ [ICRA]A3+; Withdrawn
PCFC/PSFC/PCL	-	-	-	(13.00)	[ICRA]A3+; Withdrawn
Letter of credit				16.50	[ICRA]A3+; Withdrawn
Bank guarantee				0.25	[ICRA]A3+; Withdrawn
Unallocated				0.60	[ICRA]BBB(Stable)/ [ICRA]A3+; Withdrawn

Source: SHL

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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