

August 18, 2023

## Hemant Surgical Industries Limited: Ratings moved to Issuer Non-Cooperating Category

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term fund-based – working capital	2.50	2.50	[ICRA]BB+ (Positive); ISSUER NOT COOPERATING*; Rating moved to ISSUER NOT COOPERATING category
Short-term non-fund – based limits	26.50	26.50	[ICRA]A4+; ISSUER NOT COOPERATING*; Rating moved to ISSUER NOT COOPERATING category
Unallocated limits	0.20	0.20	[ICRA]BB+ (Positive)/ [ICRA]A4+; ISSUER NOT COOPERATING*; Rating moved to ISSUER NOT COOPERATING category
<b>Total</b>	<b>29.20</b>	<b>29.20</b>	

<sup>^</sup>Instrument details are provided in Annexure-I

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

### Rationale

ICRA has moved the ratings for the bank facilities of Hemant Surgical Industries Limited (HSIL) to the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]BB+(Positive)/[ICRA]A4+; ISSUER NOT COOPERATING".

The ratings are based on limited cooperation from Hemant Surgical Industries Limited (HSIL) since the time it was last rated in June 2023. As part of its process and in accordance with its rating agreement with HSIL, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. However, despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite cooperation and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, the company's ratings have been moved to the "Issuer Not Cooperating" category.

Please refer to the following link for the previous detailed rationale that captures key rating drivers and their description, liquidity position, rating sensitivities, key financial indicators: [Click Here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Policy in respect of non-cooperation by the rated entity</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the company's standalone financial statements

## About the company

Incorporated in 1989, HSIL is a manufacturer, exporter, importer, trader, distributor and supplier of disposable surgical products, nebulisers, hemodialysis equipment and other products for over 80 dealers across India. It is the exclusive supplier of surgical disposables from JMS (Japan) and silicon foley catheters from Haiyan Knagyuan Medical Instrument Co. Limited (China). The company has also received technical transfer from JMS for its medical tape, which is manufactured and exclusively distributed by HSIL. HSIL was listed on the BSE SME platform by the way of an IPO in June 2023.

HSIL also supplies dialysis equipment, renal care, oxygen concentrators, air mattresses, ultrasound machines and digital thermometers, among other products. Further, it designs and manufactures a range of nebulisers, which are marketed under the company's own AERO brand. HSIL also refurbishes second-hand dialysis machines, and manufactures and supplies related accessories, dialysers and haemodialysis solutions. The registered office of the company is in Mumbai, while it has three manufacturing and assembly units in Achhad, Atgaon and Bhiwandi in Maharashtra.

## Status of non-cooperation with previous CRA: Not Applicable

## Any other information: None

## Rating history for past three years

Instrument	Type	Current rating (FY2024)		Chronology of rating history for the past 3 years				
		Amount rated (Rs. crore)	Amount outstanding as of Mar 31, 2023 (Rs. crore)	Date & rating in FY2024		Date & rating in FY2023	Date & rating in FY2022	Date & rating in FY2021
				Aug 18, 2023	June 27, 2023			
1 Term loan	Long Term	-	-	-	-	[ICRA]BB(Stable)	[ICRA]BB-(Stable)	-
2 Working capital facilities	Long Term	2.50	-	[ICRA]BB+(Positive); ISSUER NOT COOPERATING	[ICRA]BB+(Positive)	[ICRA]BB(Stable)	[ICRA]BB-(Stable)	-
3 Non-fund-based facilities-LC/BG	Short Term	26.50	-	[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]A4+	[ICRA]A4	[ICRA]A4	-
4 Unallocated limits	Long Term/ Short Term	0.20	-	[ICRA]BB+(Positive)/ [ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]BB+(Positive)/ [ICRA]A4+	-	-	-

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Fund-based working capital	Simple
Non-fund based – LC/BG	Very Simple
Unallocated Limits	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or

complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

**Annexure I: Instrument details**

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	2.50	[ICRA]BB+(Positive); ISSUER NOT COOPERATING
NA	Letter of Credit	NA	NA	NA	26.50	[ICRA]A4+; ISSUER NOT COOPERATING
NA	Unallocated Limits	NA	NA	NA	0.20	[ICRA]BB+(Positive)/ [ICRA]A4+; ISSUER NOT COOPERATING

Source: Company

**Annexure II: List of entities considered for consolidated analysis - Not applicable**

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