



Transasia Bio-Medicals Limited

Instrument	Rs. crore	Rating Action – January 2016
Fund base/Non Fund based	Enhanced from 78.0 to 118.0	[ICRA]AA-/A1+ (stable) reaffirmed

Limits are interchangeable but total utilisation should not exceed Rs. 118 crore.

ICRA has reaffirmed [ICRA]AA- (pronounced as ICRA double A minus) and [ICRA]A1+ (pronounced as ICRA A one plus) to the enhanced Rs. 118 crores bank lines of the company. The above limits are interchangeable between fund based and non-fund based but the total utilisation should not exceed Rs. 118 crore. The long term rating carries stable outlook.

The existing rating takes into account Transasia's leadership position in the domestic In Vito Diagnostic (IVD) market with strong promoter background and management expertise. Transasia has pan India marketing and distribution network with strong focus on after sales service which is a source of competitive advantage. The company has exclusive tie-ups with international players like Sysmex, Diesse, Medica for advance IVD equipment and cater to all segments comprising of private hospitals and pathology laboratories (labs), public hospitals and government owned entities. By virtue of various acquisitions in the past, the company has expanded geographical footprint and build research and development base for instruments and reagents production including USFDA approved facilities. The recent acquisitions of Lumora Limited, UK (Sep-15) for \$35 million will provide R&D impetus, though successful monetisation of such investment remains to be seen and remains key sensitivity. The financial risk profile of the company is strong with relatively higher profitability and return on capital employed. The international operations which were reporting net losses till FY13 have turnaround and has reported profitability for last two years, though the margins are still low. The company is currently in net cash position and has strong liquidity in the form of investments generated out of past profits. However, the long-term rating is constrained by high dependence on international suppliers which constitute a major portion of domestic turnover. Going forward, any further large scale debt funded acquisition could potentially affect the financial risk profile of the company and needs to be evaluated on a case to case basis.

Company Profile

Transasia Bio Medicals was founded by Mr Suresh Vazirani in 1985 with an objective of providing services to medical community in the Indian sub continent. Today, the company is recognized as a leading player in the diagnostic instruments and reagents industry in India. It has one of the largest sales and installation base with over 48,000 installations all over the country. In collaboration with leading International companies like Sysmex, Medica, Diesse and others it offers an extensive range of products in the In-Vitro Diagnostics ('IVD') space. The company manufactures entire range of Clinical Chemistry Analysers, Elisa Readers and Microplates. Manufacturing is undertaken at three units, each at Daman, SEEPZ and Baddi. All units are ISO 9001:2000 certified. The company claims to be the sole Indian manufacturing and exporting company for sophisticated Biochemistry Analyzers. Products are sold through distributors in the domestic and international market with reach in over 50 countries. Head quartered in Mumbai, Transasia has offices across India with a team of over 180 service engineers and 350 sales staff. Also, Erba Diagnostics Mannheim GmbH ('Erba' or 'Erba Mannheim'), German subsidiary of the company, acquired 100% equity stake in Pliva-Lachema – a company based in the Czech Republic, 100% in Lumora Limited (UK), 72.4% in IVAX Diagnostics (USA), 100% in DDS(Turkey) and 100% in Drew Scientific and JAS diagnostics Inc., USA.

Recent Results

During 2014-15, TBM reported standalone operating Income of Rs. 531.1 crore and Profit after Tax of Rs. 141.1 crore. On a consolidated basis (Unaudited and Provisional), the company reported operating Income of Rs. 817.3 crore and PAT of Rs. 129.0 crore.

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