

TML: CS: 2018-19

20th June, 2018

Listing Department
BSE Limited.
P. J. Towers, Dalal Street
Mumbai-400001.

Listing Department,
National Stock Exchange of India Ltd.
"Exchange Plaza", Bandra – Kurla
Complex,
Bandra – East, Mumbai- 400 051.

Sir/Madam,

Sub: Intimation of Revised Credit Rating

Ref: 1. Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015
2. BSE Scrip Code: 530199
3. NSE Scrip Code: THEMISMED

We hereby inform you that Credit Rating assigned to the Company has been revised by the Credit Rating Agency i.e CARE Ratings Limited ('CARE'). The Company's rating for Long Term Bank Facilities have been revised by CARE from CARE BB; Stable to CARE D. The rating for Long Term / Short Term Bank Facilities have been revised by CARE from CARE BB; Stable /CARE A4 to CARE D. The Copy of the same is enclosed herewith for your reference.

This is for your information and record.

Thanking You,

Yours faithfully,
For **THEMIS MEDICARE LIMITED**



Sangameshwar Iyer
Company Secretary & Compliance Officer

Themis Medicare Limited

Corporate Office : 11/12, Udyog Nagar, S. V. Road, Goregaon (West), Mumbai - 400 104. India
Tel. : 91-22-6760 7080 • **Fax :** 91-22-6760 7070 / 2874 6621
Regd. Office : Plot No. 69-A, G.I.D.C. Industrial Estate, Vapi - 396 195, Gujarat.
CIN No.: L24110GJ1969PLC001590 • **Tel / Fax No.:** **Regd. Off. :** 0260 2431447 / 2430219
• **E-mail :** themis@themismedicare.com • **Website :** www.themismedicare.com

Date: June 18, 2018



Mr. Prahlad Shukla
General Manager-Finance
Themis Medicare Limited
11/12 Udyog Nagar Industrial Estate,
S. V. Road, Goregaon (W),
Mumbai - 400 104.

Dear Sir,

Credit rating for bank facilities

On the basis of recent developments, our Rating Committee has reviewed the following ratings:

2. The following ratings have been assigned by our Rating Committee:

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)		

3. Refer **Annexure 1** for details of rated facilities.

4. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as **Annexure-2**. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients

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

and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by June 18, 2018, we will proceed on the basis that you have no any comments to offer.

5. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
6. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
7. CARE ratings do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
8. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
9. CARE ratings are **not** recommendations to sanction, renew, disburse or recall the concerned bank facilities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



Harish Kalidas

Analyst

harish.kalidas@careratings.com



Nitin Jha

Senior Manager

nitin.jha@careratings.com

CARE² Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

Encl.: As above

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.

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Annexure 1
Details of Rated facilities

1. Long term facilities

Fund Based bank facilities – Term loan

(Rupees Crore)

Bank	Type of facility	Amount	Remarks
Union Bank of India	WCTL	2.94	Foreign currency loan to be repaid in 11 equal quarterly installments of USD 2.26 lacs commencing from Dec-15. Amount o/s as on March 31, 2018
Bank of Baroda	FCTL	0.53	FCTL repayable in 18 quarterly installments of USD 40018.60 starting from Sept 2014. Amount o/s as on March 31, 2018
Proposed	Term loan	11.38	Proposed
Total		14.85	

Total long term facilities: Rs. 14.85 crore

2. Long term/Short term Fund Based/Non Fund based working capital facilities

Bank	Type of facility	Amount	Remarks
Union Bank of India	Working capital facilities	42.50	CC/PC/PFC/LC/BG
Bank of Baroda	FCTL	36.83	CC/PC/PFC/LC/BG
Proposed	FB/NFB working capital	0.80	-
Total		80.15	

Total long term/Short term facilities: Rs. 80.15 crore

Total facilities: Rs. 95 crore.



CARE⁴ Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

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 overdrawal 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 overdraw 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

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



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

Analyst Contact:

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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.


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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	Type	Current Ratings		Rating history			
			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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