



Rating Rationale

Apple Lifecare (I) Pvt Ltd

4 Jun 2018

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of ₹. 5.00 Crores of Apple Lifecare (I) Pvt Ltd.

Particulars

Facility	Amount (₹ Crs)		Tenure	Rating*	
	Previous	Present		Previous (May,2017)	Present(2018)
Fund based					
Term Loan	5.00	5.00	Long Term	BWR B+ (Pronounced as BWR Single B Plus) Outlook : Stable	BWR B+ (Pronounced as BWR Single B Plus) Outlook : Stable
Total	5.00	5.00	INR Five Crores Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
Complete details of Bank facilities is provided in Annexure-I

Ratings:Reaffirmed

Brickwork Ratings (BWR) has reaffirmed the rating for bank loan facilities of Rs 5.00 Cr of **Apple Lifecare (I) Pvt Ltd** (ALIPL or The Company) with Stable outlook.

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financial statements of the above company upto FY17, projected financial statements of FY18, FY19 and publicly available information and information / clarification provided by the company's management

The rating reflects the Long term experience of the promoters in the same industry, moderate liquidity position and established clientele. These strengths are partially offset by the stretched financial risk profile marked by high gearing, weak debt protection metrics, highly competitive industry and susceptibility to profit margins on account of indenting business.



Going forward, the ability of the company to profitably scale-up its operations along with improvement in the overall profitability, coverage indicators and efficient management of the working capital requirements will remain the key rating sensitivities.

Description of Key Rating Drivers

Credit Strengths:

- The experienced promoters and well qualified management.
- Established relationship with the reputed suppliers.
- Modest liquidity position marker by current ratio of 1.45x in FY17.

Credit Concerns:

- Small scale of operations.
- Low Net worth stood at Rs.2.31 Cr in FY17
- Working capital nature of business as the stretched cash conversion cycle stood at 111 days but exhibiting improvement in FY18.
- Geographical concentration and The company faces intense market competition and volatility inherent in pharmaceutical industry.

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

Rating Outlook: Stable

BWR believes the Apple Lifecare (I) Pvt Ltd business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

Mumbai based Apple Life care Pvt Ltd, incorporated in 2003 ,engaged in doing indenting (brokerage /commission based) business in pharmaceutical business. The company is associated with Anti Aids manufacturer in China, Shanghai Desano Ltd and caters to the Indian formulation companies.

Company Financial Performance

In FY17, total operating income and PAT of Apple Lifecare (I) Pvt Ltd stood at Rs.10.92 cr (v. Rs.1.02 cr) and Rs.1.45 cr (v. Rs 1.28 cr) respectively. Networth of the company stood at Rs. 2.31 cr in FY17.

The company has achieved Rs 29.36 Cr in FY18 (provisional).

Key Financial Indicators

Key Parameters	Units	2017	2016
Operating Revenue	₹ Cr	10.92	1.02
EBITDA	₹ Cr	0.34	0.25
PAT	₹ Cr	-0.05	0.12
Tangible Net worth	₹ Cr	2.31	2.36
Total Debt/Tangible Net worth	Times	3.12	0.55
ISCR	Times	5.52	4.56
Current Ratio	Times	1.45	1.28

Rating History for the last three years

S.No	Instrument /Facility	Current Rating (2018)			Rating History		
		Type	Amount (₹ Crs)	Rating	2017	2016	2015
1.	Fund Based	Long term	5.00	BWR B+ (Stable)	BWR B+ (Stable)	-	-
Total		₹ Five Crores Only					

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Trading Entities](#)

For any other criteria obtain hyperlinks from website



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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 Cr have been rated.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.