

## Rating Rationale

**Brickwork Ratings reaffirms long term rating at ‘BWR B+’ & short term rating at ‘BWR A4’ for the Bank Loan Facilities aggregating to ₹ 12 Cr of Rohit Surgical Pvt. Ltd.**

Brickwork Ratings (BWR) has reaffirmed the following **Rating<sup>1</sup>** for Bank Loan Facilities of Rohit Surgical Pvt. Ltd. (RSPL or “the Company”).

Facility	Previous Limits (₹ Cr)	Present Limits (₹ Cr)	Tenure	Previous Rating <sup>1</sup>	Present Rating <sup>1</sup>
<b>Fund Based:</b>					
Secured Overdraft	2.00	2.00	Long Term	BWR B+ (Pronounced BWR B Plus) Outlook: Stable (December 31,2014)	<b>BWR B+ (Pronounced BWR B Plus) Outlook: Stable (Reaffirmed)</b>
<b>Non-Fund Based:</b>					
Bank Guarantee	10.00	10.00	Short Term	BWR A4 (Pronounced BWR A Four) (December 31,2014)	<b>BWR A4 (Pronounced BWR A Four) (Reaffirmed)</b>
<b>Total</b>	12.00	12.00	<b>INR Twelve Crores Only</b>		

BWR has principally relied upon the audited financial results up to FY14, projections of FY15 and FY16 as well as information and clarifications provided by the Company's management.

The rating has factored, inter alia, extensive experience of promoters in supply of medical equipments, existence of the company for more than fifteen years and long standing relationship with various reputed state & central government hospitals. However the rating is constrained by thin profit margins, low net worth, elongated conversion cycle and low scale of operations considering its long existence.

### Background:

Rohit Surgical Private Limited was incorporated in 1998 with registered office in Delhi. RSPL is engaged in supply & installation of surgical instruments, equipments, CSSD (Central Sterile Services Department) products, integration systems and other laboratory equipments. The Company supplies medical equipments to major institutes & state government bodies namely AIIMS (New Delhi), JIPMER (Pondicherry), PGIMR (Chandigarh), etc. The entire business of the company is tender based. RSPL supplies medical equipment and instrument of M/s Stryker (USA), M/s Getinge (Sweden), M/s Medconz International, etc.

<sup>1</sup> Please refer to [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the Ratings

### Management Profile:

RSPL is a family owned business. The company has three directors namely Mr. Ravinder Grover, Mr. Pawan Grover and Mr. Rohit Grover. The key promoters of the company are Mr. Ravinder Grover and Mr. Pawan Grover, who possess over 25 years of experience in this industry.

### Financial Performance:

Total operating income of the company has increased from ₹ 21.77 Cr in FY14 to ₹23.02 Cr in FY15. The company has reported operating profit margin of 6.28% and net profit margin of 0.21% in FY15. Tangible net worth of the company stood at ₹6.02 Cr as on March 31, 2015 as against ₹5.97 Cr as on March 31, 2014.

### Rating Outlook:

The outlook is expected to be stable over the current financial year. Going forward, ability of the company to increase its scale of operations, to improve its profit margins, managing its capital structure as well as cash conversion cycle will remain the key rating sensitivities.

<b>Analyst Contact</b>	<b>Relationship Contact</b>
<a href="mailto:analyst@brickworkratings.com">analyst@brickworkratings.com</a>	<a href="mailto:bd@brickworkratings.com">bd@brickworkratings.com</a>
<b>Phone</b>	<b>Media Contact</b>
<b>1-860-425-2742</b>	<a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a>

**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.