



Press Release

Med Freshe Private Limited

June 02, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	31.00	IVR BB/Stable (IVR Double B with Stable Outlook)	-	Assigned	Simple
Short Term Bank Facilities	59.00	IVR A4 (IVR A Four)	-	Assigned	Simple
Total	90.00	Rupees Ninety Crore Only			

Details of Facilities/Instruments are in Annexure 1.

Facility wise lender details are at Annexure 2.

Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Valuation and Rating Limited (Formerly Infomerics Valuation and Rating Private Limited) (IVR) has assigned its rating for long term facility as IVR BB with stable outlook and short-term facility as IVR A4 for the bank facilities of Med Freshe Private Limited (MFPL).

The rating draws comfort from the experienced promoters, improvement in scale of operations, moderate profitability margins and comfortable capital structure. However, these strengths are partially offset by elongated operating cycle, competitive nature of the industry and foreign exchange risk.

The 'Stable' outlook indicates a low likelihood of rating change over the medium term. IVR believes that MFPL's business & financials risk profile will be maintained over the medium term on the back of experienced promoters and operational track record in the business.

IVR has principally relied on the audited financial results of MFPL up to FY24 (refers to period from April 01 to March 31) and projected financials for FY25, FY26 and FY27, along with publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities:



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Upward Factors

- Significant growth in scale of business with TOI above Rs 200.00 crore and improvement in profitability metrics thereby leading to overall improvement in cash accruals.
- Significant increase in the net worth along with sustenance of gearing at comfortable level with TOL/TNW below 3.00x.

Downward Factors

- Significant decline in revenues and/ or moderation in profitability impacting the debt coverage indicators.
- Deterioration in the capital structure and/or deterioration in debt protection metrics.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced promoters

Established in the year 1980, the operations of the company are currently being managed by Mr. Praveen Kumar Narula and Mr. Harshil Narula. They both have experience of decades in the industry through their association with this firm and other family run businesses. They are in turn supported by a team of experienced professionals managing the company's day-to-day operations. MFPL is having a considerable track record in the business, which has resulted in the long-term relationships with its suppliers and customers.

Improved scale of operations and moderation in profitability margins

The company have achieved a TOI of Rs. 169.71 crore in FY24 against Rs. 146.98 crore in FY23. The increase of 15.46% is attributed to the higher execution of orders. The EBITDA margins of the company stood at 5.43% in FY24 as compared to 5.37% in FY23. The PAT margins of the company stood at 2.70% in FY24 as compared to 2.29% in FY23.

Comfortable capital structure

As of March 31, 2024, the company's capital structure comprises of term debt of Rs. 2.09 crore and working capital borrowing of Rs.19.60 crore as against tangible networth base of Rs. 23.84 crore. The capital structure of the firm remains comfortable and improved marginally as marked by overall gearing of 0.91x as of March 31, 2024 as against 1.22x as of March 31, 2023, primarily on account of decline in debt levels. The overall gearing is expected to remain below unity over the medium term. However, TOL/TNW stood high at 4.77x as of March 31,



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2024, improved marginally from 5.76x as of March 31, 2024. This is primarily due to the company's standard practice of providing warranties on its medical devices, which results in a significant warranty provision being included in total liabilities.

Key Rating Weaknesses

Elongated operating cycle

The operations of the company are working capital intensive in nature as marked by elongated operating cycle of 158 days in FY24, deteriorated from 147 days in FY23 on account of high average collection period. The company's collection period remains elongated due to sales made to government clientele to whom the credit period extended is higher than the private segment clients. The ability of the company to improve the collection period will be a key rating sensitivity.

Competitive nature of the industry

The medical device industry is highly competitive and fragmented, with the presence of many large and small players, who compete based on price, quality, product differentiation, and customer service. Due to low entry barriers, it is largely clustered and unorganised. Bargaining power of the company with customers is also restricted and intense competition put pressure on profitability of the existing as well as new players.

Foreign exchange risk

The company imports ~30% of the equipment from the international market, while its export sales remain minimal. With initial outlay in foreign currency and inflows in domestic currency, the company is exposed to volatility in foreign exchange rates. Further, the company doesn't have any formal hedging policy.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Trading Companies](#)

[Criteria on assigning rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Financial Ratios & Interpretation \(Non- Financial Sector\)](#)



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Liquidity: Adequate

The liquidity profile of the company is expected to remain adequate marked by its satisfactory cash accrual of Rs. 5.36 crore as against debt repayment obligation of Rs. 1.00 crore in FY24. Further, the company is expected to earn GCA of Rs. 6.84- Rs. 10.03 crore in FY25-27 as against debt repayment obligation of Rs. 1.82 crore- Rs. 0.10 crore for the same period. The average working capital utilisation of the company remained high at 91% during the past 12 months ended March 2025. Current ratio stood at 1.14x as of March 2024.

About the Company

Med Freshe Private Limited, established in 1980, is based in Delhi, India. The company specializes in the trading and installation of healthcare equipment, including Modular Operation Theatres, ICUs, Emergency Rooms, and OT Integration systems. The company offers a comprehensive range of approximately 17 specialized services. In addition, MFPL provides end-to-end Waste Management Solutions for infrastructure projects. It has successfully completed projects for a wide range of medical institutions across both government and private sectors. The company is managed by Mr. Parveen Kumar Narula and Mr. Harshil Narula.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	146.98	169.71
EBITDA	7.89	9.22
PAT	3.37	4.59
Total Debt	23.09	21.69
Tangible Net Worth	18.96	23.84
EBITDA Margin (%)	5.37	5.43
PAT Margin (%)	2.29	2.70
Overall Gearing Ratio (x)	1.22	0.91
Interest Coverage (x)	3.64	2.62

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Crisil, Brickworks and CARE Ratings vide press release dated December 26, 2024, June 06, 2024 and March 04, 2025, respectively,



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has classify the case under Issuer Not Cooperating on account of non-submission of relevant information.

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-2026)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-2025	Date(s) & Rating(s) assigned in 2023-2024	Date(s) & Rating(s) assigned in 2022-2023
1.	Fund Based	Long Term	31.00	IVR BB/ Stable	-	-	-
2.	Non Fund Based	Short Term	59.00	IVR A4			

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About Infomerics:

Infomerics Valuation and Rating Limited (Infomerics) (Formerly Infomerics Valuation and Rating Private Limited) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.



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Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	-	31.00	IVR BB/Stable
BG/LC	-	-	-	-	23.00	IVR A4
Forward Contract	-	-	-	-	0.90	IVR A4
BG	-	-	-	-	29.00	IVR A4
Proposed BG/LC	-	-	-	-	6.10	IVR A4

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-MedFreshe-jun25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.