

April 17, 2015

Facility	Amount (Rs. Crore)	Rating
Term Loan	14.96	SMERA B-/Stable (Assigned)

SMERA has assigned a long-term rating of '**SMERA B-**' (**read as SMERA single B minus**) to the Rs.14.96 crore bank facility of Synapse Neurocare Private Limited (SNPL). The outlook is '**Stable**'. The rating is constrained by the company's exposure to project commissioning risk. The rating also notes that the company's management does not have experience in running a large-sized hospital. However, the rating draws comfort from the company's well-qualified management.

SNPL, incorporated in 2012, is a Mangalore-based company established to undertake the business of running a hospital. SNPL is setting up a 70-bed multispecialty hospital (named Synapse Neurocare Hospital) in Mangalore. The total cost of the project is Rs.36.72 crore, which is funded through term loan of Rs.25.26 crore and equity capital of Rs.11.46 crore. The project is likely to be commissioned in May 2015, whereas the loan repayments are scheduled to commence from January 2016. SMERA believes delays in project commissioning will have an adverse impact on the debt servicing ability of SNPL.

SNPL's management does not have experience in running a large-sized hospital.

Synapse Neurocare Hospital is the first neuroscience institute in the Mangalore region. The hospital will offer treatment in the fields of neurology, neurosurgery, neuro-rehabilitation and psychiatry. SNPL is poised to benefit from its well-qualified management. Dr. Rajesh Shetty, director of SNPL, is a neurologist with around 15 years of experience in providing neurology treatments.

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.

Outlook: Stable

SMERA believes SNPL will maintain a stable business risk profile over the medium term. The outlook may be revised to 'Positive' in case the company generates healthy cash flows from operations while registering higher-than-expected bed occupancy rate. The outlook may be revised to 'Negative' in case of deterioration in the company's financial risk profile.

About the firm

SNPL, incorporated in 2012, is a Mangalore-based company promoted by Dr. Rajesh Shetty and Dr. Barethyar Shanker Shetty. SNPL is setting up a 70-bed hospital multispecialty (named Synapse Neurocare Hospital) in Mangalore. The proposed hospital will offer treatment in the fields of neurology, neurosurgery, neuro-rehabilitation and psychiatry. The company expects to commence commercial operations in May 2015.

Media / Business Development	Analytical Contacts	Rating Desk
Antony Jose Vice President – Business Development, Mid Corporate Tel: +91-22-6714 1191 Cell: +91 9820802479 Email: anton.y.jose@smera.in	Shripad Nande Manager – Corporate Ratings Tel: +91-22-6714 1329 Email: shripadnande@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.