

August 20, 2015

Facility	Amount (Rs. Crore)	Rating
Term Loan	08.92	SMERA B/Stable (Assigned)

SMERA has assigned a long-term rating of '**SMERA B' (read as SMERA B)** to the Rs.08.92 crore bank facility of USM Healthcare (UHC). The outlook is '**Stable**'. The rating is constrained by the hospital's nascent stage of operations and intense competition in the healthcare industry. However, the rating draws support from the diversified services on offer, experienced management and the brand image of Indian Red Cross Society.

Rating Sensitivity Factors

- Occupancy levels and profitability
- Working capital management

Outlook: Stable

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

About the Firm

UHC, incorporated in 2009, is a Bhopal-based firm promoted by Dr. Subodh Varshney, Mr. Upmanyu Trivedi and Mr. Rajiv Gupta. The firm, in a joint venture with Indian Red Cross Society (Madhya Pradesh state, branch Bhopal) runs a multispecialty hospital - Siddhanta Red Cross Super Speciality Hospital with a capacity of 59 beds offering multiple services including pathology, pharmacy, blood bank, neurosurgery to name a few. UHC commenced commercial operations on May, 2015.

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