

**November 24, 2015**

Facility	Amount (Rs. Crore)	Rating
Term Loan	7.23	SMERA BB-/Stable (Assigned)

SMERA has assigned a long term rating of '**SMERA BB-**' (read as **SMERA double B minus**) to the above mentioned bank facility of Sri Lakshmi Medical Centre & Hospital (SMCH). The outlook is '**Stable**'. The rating derives comfort from the promoter's extensive industry experience, moderate financial risk profile marked by healthy debt protection metrics. However, the rating is constrained by the firm's modest scale of operations.

Outlook: Stable

SMERA believes SMCH outlook will remain stable owing to the moderate financial risk profile. The outlook may be revised to 'Positive' if the firm is able to achieve higher than expected occupancy levels or improved realisations while maintaining the business risk profile. Conversely, the outlook may be revised to 'Negative' in case of further increase in competition, deterioration in capital structure or lower than expected net cash accruals.

Rating Sensitivity Factors

- Increasing occupancy levels and profitability
- Future capital expansion and its funding profile.

About the Firm

Established in 2009 by Dr. D. Suresh Kumar, SMCH is a proprietorship firm that runs a 125 bed multispecialty hospital at Coimbatore, Tamil Nadu. The hospital has ISO 9001 – 2008 certification.

For FY2014-15, the firm reported net profit of Rs.1.75 crore on operating income of Rs.12.21 crore as compared with net profit of Rs.2.67 crore on operating income of Rs.11.22 crore for FY2013-14.

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.



SMERA RATINGS LIMITED

SRI Lakshmi Medical Centre & Hospital (SMCH)

*Rating
Rationale*

Contact List:

Media/Business Development	Analytical Contact	Rating Desk
Antony Jose Vice President – Business Development Tel: +91-22-6714 1191 Cell: +91-98208 02479 Email: antony.jose@smera.in Web: www.smera.in	Mohit Jain Vice President – Rating Operations Tel: +91-22-6714 1105 Email: mohit.jain@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.