

December 16, 2015

Facility	Amount (Rs. Crore)	Rating
Term Loan	6.50	SMERA BB- (Assigned)

SMERA has assigned a rating of '**SMERA BB-**' (read as SMERA double B minus) to the Rs.6.50 crore bank facility of Narsingh Hospital and Heart Institute Private Limited (NHHIPL). The outlook is '**Stable**'. The rating derives comfort from the experienced management, moderate occupancy rate, given its limited track record of operating as a multi-speciality hospital and diversified service profile. The rating also factors in NHHIPL's comfortable financial profile. However, the rating is constrained by its limited track record of operations as a multi-speciality hospital, small scale of operations and geographic concentration risk.

Rating Sensitivity Factors

- Scaling up of operations
- Improvement in profitability
- Improvement in capital structure

Outlook: Stable

SMERA believes that NHHIPL will benefit from the extensive experience of its promoters. The outlook may be revised to 'Positive' in case the hospital registers strong growth in revenues and profitability while achieving improvement in capital structure. Conversely, the outlook may be revised to 'Negative' if the hospital registers lower-than-expected revenues and profitability or deterioration in debt protection metrics on account of capital expenditure.

About the Company

NHHIPL, incorporated in 2006 as a private limited company is promoted by Dr Ramesh Batra, who earlier ran a clinic and nursing home as a general physician. Dr Batra has an MBBS from Rohtak Medical College with post graduate diplomas. The company runs a 100 bed multi-speciality hospital at Murthal Road, Sonipat with several departments including neurology, cardiology, and orthopaedics among others.

For FY2014-15, NHHIPL reported profit after tax (PAT) of Rs.0.31 crore on a total income of Rs.2.54 crore as against PAT of Rs.0.29 crore on total income of Rs.2.29 crore for FY2013-14.

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