

February 03, 2016

Facilities	Amount (Rs. Crore)	Rating
Term Loan I	3.65	SMERA B/Stable (Assigned)
Term Loan II	3.60	SMERA B/Stable (Assigned)
Cash Credit	0.50	SMERA B/Stable (Assigned)
Proposed Facility	4.25	SMERA B/Stable/SMERA A4 (Assigned)

SMERA has assigned ratings of '**SMERA B**' (read as **SMERA single B**) and '**SMERA A4**' (read as **SMERA A four**) to the Rs.12.00 crore bank facilities of Leena Multispecialty Hospital (Leena Multispecialty). The outlook is '**Stable**'. The ratings are constrained by the short track record of operations, small scale of business and intense competition in the healthcare industry. However, the ratings draw support from the experienced promoters and diversification across various specialties.

Rating Sensitivity Factors

- Scaling up of operations
- Improving profitability

Outlook: Stable

SMERA believes that Leena Multispecialty 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 Firm

Leena Multispecialty, established in 2015 is a Bangalore-based firm promoted by Dr. Rajashekhar and Dr. Shashikala. The firm runs a 50 bed multispecialty hospital that offers treatments across specialities including orthopaedic, neurosurgery, cardiology among others.

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SMERA RATINGS LIMITED

Leena Multispecialty Hospital (Leena Multispecialty)

Rating Rationale

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