

March 03, 2016

Facilities	Amount (Rs. Crore)	Rating
Term Loan	95.00	SMERA B+/Stable (Assigned)
Bank Limit (Proposed)	11.50	SMERA B+/Stable (Assigned)

SMERA has assigned long term rating of '**SMERA B+**' (**read as SMERA B plus**) to the above mentioned Rs.106.50 crore bank facilities of Shanti Devi Charitable Trust (SDCT). The outlook is '**Stable**'. The rating draws support from the experienced management. However, the rating is constrained by the society's nascent stage of operations. Further, the rating also notes that the society is yet to receive statutory approval from MCI (Medical Council of India).

### Outlook: Stable

SMERA believes that SDCT will maintain a stable business profile in the medium term owing to extensive experience of the promoters in the education industry. The outlook may be revised to 'Positive' if the society receives statutory approvals from MCI, completes the project as per schedule and generates adequate cash flows while maintaining profitability. Conversely, the outlook may be revised to 'Negative' in case of execution delays resulting in losses and additional debt.

### Rating Sensitivity Factors

- Timely completion of the project
- Accreditation from MCI

### About the Company

SDCT, registered as a public charitable society in 2006 has undertaken a greenfield project to set up a medical college. The proposed 'N C Medical College' has a sanctioned intake capacity of 150 students per year and a 700-bed hospital.

For FY2014–15, SDCT reported net loss of Rs.2.14 crore on operating income of Rs.9.52 crore as compared to net profit of Rs.1.25 crore on operating income of Rs.9.05 crore in FY2013–14. The net worth stood at Rs.53.21 crore as on March 31, 2015, as compared with Rs.68.95 crore a year earlier.

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