

Press Release

23 March, 2017

Moidu's Medicare Private Limited

Rating Assigned

| | |
|--------------------------------------|--------------|
| Total Bank Facilities Rated * | Rs.14.00 Cr. |
| Long Term Rating | SMERA D |

Refer Annexure for details

Rating Rationale

SMERA has assigned long-term rating of '**SMERA D**' (read as **SMERA D**) on the Rs. 14.00 crore bank facilities of Moidu's Medicare Private Limited.

Moidu's Medicare Private Limited (MMPL) incorporated in 1990 was promoted by Mr. K. Moidu, Mr. K.M. Ashik, Mr. K. M. Navas. The company runs a super speciality hospital under the name 'National Hospital' with capacity of 400 beds at Calicut, Kerala.

Key Rating Drivers

Strengths

- **Established track record of operations and experienced management**

The company has been running the aforementioned hospital for the last 26 years. The management includes, Mr. K. Moidu, Mr. K. M. Ashik, Mr. K. M. Navas - the Directors who possess extensive experience in the healthcare industry.

Weaknesses

- **Delays in servicing of debt**

SMERA has observed delays for more than 60 days in the repayment of principal and interest towards the term loan.

- **Competitive and regulated healthcare industry**

The company faces intense competition from other hospitals located in Calicut. Besides, the company is also exposed to the unfavourable changes in regulations by the government.

- **Capital expenditure**

The healthcare industry requires capital for continuous upgrade, maintenance, replacement of medical equipments and expansion.

Analytical Approach

SMERA has taken a standalone view of the financial and business risk profiles of MMPL.

About the Rated Entity - Key Financials

For FY2015-16, MMPL reported net loss of Rs. 0.74 cr on operating income of Rs.16.68 cr as against Profit after tax (PAT) of Rs. 0.11 cr on operating income of Rs.15.23 cr. The networth of the company stood at Rs.1.99 cr as on 31st March, 2016 as against Rs. 2.72 cr in the previous year.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Entities In Services Sector - <https://www.smera.in/criteria-services.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

*Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings/Outlook |
|------------------------|------------------|----------------|----------------|-----------------------------|-----------------|
| Term loans | Not Applicable | Not Applicable | 31-Oct-2021 | 3.98 | SMERA D |
| Term loans | Not Applicable | Not Applicable | 31-Jul-2022 | 6.02 | SMERA D |
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 4.00 | SMERA D |

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ABOUT SMERA

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