

Press Release

Jeevan Sumyuktha Hospitals Private Limited

June 19, 2018



Rating Assigned

Total Bank Facilities Rated*	Rs. 8.00 Cr.
Long Term Rating	ACUITE B- / Outlook: Stable

* Refer Annexure for details

Rating Rationale

Acuité has assigned long-term rating of '**ACUITE B-**' (**read as ACUITE B minus**) on the Rs.8.00 crore bank facilities of Jeevan Sumyuktha Hospitals Private Limited. The outlook is '**Stable**'.

Established in 2016, Jeevan Sumyuktha Hospitals Pvt. Ltd. is engaged in running a multi-specialty hospital in Chengalpattu (Tamil Nadu). The hospital is promoted by Dr. O.V. Jayakumar who has 35 years of experience in medical practice.

Key Rating Drivers

Strengths

- **Experienced management and reputed clientele**

Incorporated in 2016, JSHPL is offering healthcare services as a multi-specialty hospital. JSHPL is promoted by Dr. O.V. Jayakumar who has more than 35 years of experience in medical practice. The hospital has currently 40 beds with occupancy rate of 40-50 percent.

Weaknesses

- **Small scale of operation**

JSHPL has small scale of operations marked by revenue of Rs.1.40 crore with a profit after tax (PAT) of Rs.0.12 crore in FY2018 (Provisional) due to the early stage of operations. ACUITE believes that the scale of operations will increase over the medium term on account of increase in tie ups with corporates.

- **Competitive industry**

North Tamil Nadu has a number of well-established players and the market is intensively competitive due to small players such as Balaji Hospital, Sri Renga Hospital and established hospital such as Chengalpattu Government College and Chettinad Hospital.

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of JSHPL to arrive at the rating.

Outlook: Stable

Acuité believes that JSHPL will maintain a 'Stable' outlook over the medium term on the account of experienced management. The outlook may revised to 'Positive' in case of significant growth in revenues while improving its profitability and capital structure by equity infusion. Conversely, the outlook may revised to 'Negative' in case of any stretch in its liquidity owing to less-than-expected cash accruals on account of subdued occupancy levels and revenue generation.

About the Rated Entity - Key Financials

	Unit	FY18 (Provisional)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	1.40	0.61	0.00
EBITDA	Rs. Cr.	0.28	0.02	0.00
PAT	Rs. Cr.	0.12	-0.01	0.00
EBITDA Margin	(%)	19.82	3.71	0.00
PAT Margin	(%)	8.31	-2.36	0.00
ROCE	(%)	4.56	-0.29	0.00
Total Debt/Tangible Net Worth	Times	3.31	1.81	0.00
PBDIT/Interest	Times	1.57	11.64	0.00
Total Debt/PBDIT	Times	18.31	87.11	0.00
Gross Current Assets (Days)	Days	592	340	0

Any other information

Not Applicable

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Service Entities - <https://www.acuite.in/view-rating-criteria-8.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.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
Overdraft	Not Applicable	Not Applicable	Not Applicable	0.55	ACUITE B- / Stable
Term loans	Not Applicable	Not Applicable	Not Applicable	5.17	ACUITE B- / Stable
Term loans	Not Applicable	Not Applicable	Not Applicable	0.78	ACUITE B- / Stable
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE B- / Stable

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About Acuité Ratings & Research:

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