

May 21, 2014

Facility	Amount (Rs. Crore)	Rating
Term Loan	10.00	SMERA B+/Stable (Assigned)

SMERA has assigned a rating of **'SMERA B+' (read as SMERA single B plus)** to the abovementioned bank facility of Aggarwal Hospital & Research Services Private Limited (AHR SPL). The outlook is **'Stable'**. The rating is constrained by company's nascent stage of operations in a highly competitive healthcare industry. However, the rating is supported by the company's experienced management and established brand image. The rating is also supported by the strategic location of the company's hospital.

AHR SPL is engaged in running a 250-bed hospital (under the brand name 'Park Hospital') in Faridabad, Haryana. The company commenced commercial operations in January 2014. AHR SPL faces intense competition from several players in the healthcare industry.

AHR SPL's hospital is in proximity to major cities (Noida, Gurgaon and Delhi) in the Delhi National Capital Region. The company benefits from its experienced management. Dr. Ajit Gupta and Dr. Ankit Gupta, directors of AHR SPL, have around three decades of experience in the healthcare industry. AHR SPL's group entities are engaged in running hospitals (under the brand name of Park Hospital) in Gurgaon and New Delhi. The company is thus poised to benefit from the established brand image of Park Hospital.

Outlook: Stable

SMERA believes AHR SPL will maintain a stable business risk profile in the medium term on account of its experienced management. The outlook may be revised to 'Positive' in case the company registers higher-than-expected growth in revenues and net cash accruals while achieving healthy debt protection metrics. Conversely, the outlook may be revised to 'Negative' in case the company registers lower-than-expected growth in revenues and profitability, or in case of deterioration in the company's financial risk profile.

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About the company

AHR SPL, incorporated in 2011, is a Faridabad-based company promoted by Dr. Ajit Gupta and Dr. Ankit Gupta. AHR SPL is running a 250-bed hospital in Faridabad, Haryana. The company is a part of the Park Group of Hospitals.

The company's net worth stood at Rs.4.38 crore as on December 31, 2013.

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