

June 17, 2014

Facility	Amount (Rs. Crore)	Rating
Proposed Term Loan	128.00	SMERA B-/Stable (Assigned)

SMERA has assigned a rating of '**SMERA B-**' (**read as SMERA single B minus**) to the abovementioned bank facility of Nav Uday Educational and Charitable Society (NUECS). The outlook is '**Stable**'. The rating is constrained by project implementation risk inherent in the society's upcoming hospital-cum-medical college. However, the rating draws comfort from the society's experienced management.

NUECS, incorporated in 2006, is a Gwalior-based society founded by Mr. Ajit Gupta. NUECS is setting up a 815-bed hospital-cum-medical college in Gwalior, Madhya Pradesh. The project cost is estimated at ~Rs.215.00 crore, which is likely to be funded through term loan of ~Rs.128.00 crore and equity capital of Rs.87.00 crore. NUECS is exposed to significant project implementation risk as construction of the hospital-cum-medical college is at a nascent stage. The society has incurred ~Rs.8.00 crore (funded through equity capital) towards the project till March 2014. NUECS's project is also exposed to funding risk as the term loan is yet to be sanctioned.

NUECS is poised to benefit from its experienced management. Mr. Ajit Gupta and Mr. Nilesh, members of NUECS, have around two decades of experience in the healthcare sector.

Outlook: Stable

SMERA believes the outlook on NUECS's rated facility will remain stable over the medium term on the back of the society's experienced management. The outlook may be revised to 'Positive' in case the society generates healthy cash flows from operations post timely completion of the ongoing project. Conversely, the outlook may be revised to 'Negative' in case of deterioration in the society's financial risk profile on account of delays in project execution.

About the society

NUECS, established in 2006, is an educational and charitable society engaged in setting up a 815-bed hospital-cum-medical college (with student intake capacity of 150) in Gwalior, Madhya Pradesh. NUECS is likely to complete the project by May 2015. The society's net worth stood at Rs.6.84 crore as on March 31, 2014.

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.

Contact List:

Media/Business Development	Analytical Contacts	Rating Desk
Mr. Sanjay Kher Head – Sales, Corporate Ratings Tel : +91 22 6714 1193 Cell: +91 98191 36541 Email: sanjay.kher@smera.in Web: www.smera.in	Mr. Umesh Nihalani, Head – Corporate Ratings Tel: +91-22-67141106 Cell: +91 9833651336 Email: umesh.nihalani@smera.in	Tel: +9122-67141128 Email: ratingdesk@smera.in

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.