

MARCH 23, 2016

CARE ASSIGNS 'CARE A+' AND 'CARE A1+' RATINGS TO THE BANK FACILITIES OF DAYANAND MEDICAL COLLEGE AND HOSPITAL MANAGING SOCIETY

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	4.90	CARE A+ (Single A Plus)	Assigned
Short-term Bank Facilities	15.00	CARE A1+ (A One Plus)	Assigned
Total Facilities	19.90 (Rupees Nineteen crore and Ninety lakh only)		

Rating Rationale

The ratings derive strength from the long track record of operations of Dayanand Medical College and Hospital Managing Society (DMCH), its increasing scale of operations and comfortable solvency position. The ratings further derive strength from the comfortable liquidity position and growing demand of healthcare services in India. The ratings are, however, constrained by the competitive nature of the industry and the geographical concentration risk associated with the single hospital.

Going forward, the ability of the society to profitably scale up its operations and its ability to retain its qualified staff members will remain the key rating sensitivities. Furthermore, any new capex and funding mix for the same will also remain a key rating consideration.

Background

DMCH Ludhiana, Punjab, is a 1,500-bed tertiary care teaching hospital. The society provides healthcare facilities to its patients and also provides training to the undergraduate and postgraduate students. The society started by the name Arya Medical School, in 1934, by providing medical care to general public. In 1964, a full-fledged MBBS college by the name- Dayanand Medical College & Hospital was formed. The society is duly recognized by Medical Council of India for the MBBS course as well as several specialty and super specialty courses offered. The college is affiliated to the Baba Farid University of Health Sciences, Faridkot, Punjab. DMCH provides several post graduate courses including Anatomy, Biochemistry, Physiology, Pathology, Pharmacology, Medicine, among others.

In FY15 (Audited; refers to the period April 01 to March 31), DMCH reported a PAT of Rs.65.34 crore on the total income of Rs.517.02 crore as against a PAT of Rs.91.43 crore on the total income of Rs.455.94 crore in FY14.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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