



March 3, 2010

ICRA reaffirms LA/ A1 rating for bank facilities of Super Religare Laboratories Limited; assigns stable outlook

ICRA has reaffirmed LA (pronounced L A) rating for the Rs. 465.93 million bank facilities of Super Religare Laboratories Limited (SRL). ICRA has also reaffirmed A1 (pronounced A one) rating for the Rs.215.93[†] million bank facilities of SRL[†]. ICRA has also assigned "Stable" outlook to the long term rating.

The assigned rating takes into account established presence of the company in the organized diagnostics market, the company's ability to expand its reach, and strong financial support and commitment of the promoters. SRL's operating profitability has experienced a sharp decline during 9m, 2009-10 on account of the revenue loss and relocation expenses related to its Mumbai reference laboratory and recruitment of manpower to gear up for higher revenue streams. The company is in the process of making further investments to strengthen its infrastructure related to reference laboratories and addition of imaging services. SRL's financial profile continues to be stretched with interest bearing debt of Rs. 628 million as on Sep'09 (from the Group Companies) on its books and large capital requirements for ambitious expansion plans in the medium to long term. Despite weak operating performance in nine months largely on account of one-time expenses, ICRA continues to draw comfort from the demonstrated commitment of SRL's promoters in the past and their plans to infuse further equity.

Recent Results: As per the provisional financials, SRL reported total revenues of Rs. 1202.7 million in 9 months 2009-10 and a loss before tax of Rs. 91.2 million

About the Company:

SRL was set up as Specialty Ranbaxy Laboratories Limited in 1997 as a 50:50 joint venture between Ranbaxy Laboratories and Specialty Laboratories, US. Subsequently the Singh family, of Religare Group, bought the stake of Specialty Laboratories in 2004. Presently, the company is 100% owned by the Singh family with its management being integrated with Religare Enterprises Limited (REL), promoted by the Singh family. SRL is a provider of diagnostic/pathological services, operating through a network of 49 pathology laboratories and 931 collection centers.

For further details please contact:

Analyst Contacts:

Mr. Subrata Ray, (Tel. No. +91 22 30470027)
subrata@icraindia.com

Relationship Contacts:

Mr. Vivek Mathur, (Tel. No. +91-124-4545310)
vivek@icraindia.com

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

[†] For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.

[†] Facilities amounting to Rs. 200.93 million (part of long term facilities amounting to Rs. 465.93 million) are interchangeable between long term and short term facilities such that the total utilization does not exceed Rs. 200.93 million. These facilities have been rated on both long term and short term scales.

PRESS RELEASE

Disclaimer: ICRA Ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA Ratings are subject to a process of surveillance, which may lead to revision in ratings. Please visit our website (www.icra.in) or contact any ICRA office for the latest information on ICRA Ratings outstanding.