

December 31, 2019

Sree Lakshmi Gayatri Hospitals Pvt Ltd: Rating downgraded based on best available information; Continues to remain under ‘Issuer Not Cooperating’ category

Summary of rated instruments

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund Based Term Loan Limits	160.00	160.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING; Rating downgraded from [ICRA]BB-(Stable) and Rating continues to remain under ‘Issuer Not Cooperating’ category
Total	160.00	160.00	

**Issuer did not cooperate; based on best available information.*

^Instrument details are provided in Annexure-1

Rationale

The rating downgrade is because of lack of adequate information regarding Sree Lakshmi Gayatri Hospitals performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its “Policy in respect of non-cooperation by the rated entity”. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Sree Lakshmi Gayatri Hospitals, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity’s management has remained non-cooperative. In the absence of requisite information and in line with SEBI’s Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA’s Rating Committee has taken a rating view based on the best available information.

The previous detailed rating rationale is available on the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology
Parent/Group Support	Not applicable
Consolidation / Standalone	Consolidation

About the company

Incorporated in 2011, Sree Lakshmi Gayatri Hospitals Private Limited (SLGHPL) is setting up a 775-bed multi specialty namely "SLG Hospital" in Bachupally, Hyderabad. In the same premises, the company is also setting up a 120-room hotel to facilitate the longer stay requirements at the hospital and promote medical tourism. The total estimated cost of the project is Rs 235.00 crore which is to be funded by debt of Rs 160.00 crore, promoters' equity of Rs 67.00 crore and unsecured loans of Rs 8.00 crore. As on May 31,2018, SLGHPL has incurred cost of Rs 100.42 crore funded by Rs 39.36 3 crore of equity, Rs 19.89 crore unsecured loans from promoters, Rs 40.95 crore term loans and remaining from project creditors. The commercial operations date(COD) of the hospital is March 31, 2019. Mr. Dandu Sivarama Raju and family are the main promoters of the hospital and they currently operate a hotel named "Katriya hotels & towers(KHT)" in Somajiguda, Hyderabad through group company Sri Lakshmi Gayatri Hotels Pvt. Ltd.

Key Financial Indicator: Not Applicable

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

All figures in Rs. crore

Instrument	Current Rating (FY2020)				Rating History for the Past 3 Years		
	Type	Amount Rated	Amount Outstanding	Rating 31-December-2019	FY2019 17-September-2018	FY2018 12-July-2018	FY2018
1 Fund Based Term Loan Limits	Long Term	160.00	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]BB-(Stable); ISSUER NOT COOPERATING	[ICRA]BB-(Stable); Assigned	-

*Issuer did not co-operate; based on best available information

Complexity level of the rated instrument:

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

Annexure-1 Instrument Details

ISIN No	Instrument	Type	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund Based Term Loan Limits	Long Term	August 2016	-	March 2029	160.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING

Source: Sree Lakshmi Gayatri Hospitals Pvt Ltd

Annexure-2: List of companies considered for consolidated analysis: Not applicable

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