



Rating Rationale

Tripathi Hospital Private Limited

12 October 2017

**Brickwork Ratings assigns ratings for the Bank Loan facilities aggregating Rs. 23.41 Crores
Tripathi Hospital Private Limited**

Particulars:

Facility	Current Limit(Cr)	Amount to be rated(Cr)	Tenure	Rating Recommended
Fund Based				
Term Loan	22.41	22.41	Long Term	BWR B+ (Pronounced as BWR Single B Plus) Outlook: Stable
Cash Credit	1.00	1.00		
Total	23.41	23.41		INR Twenty Three Crore Fourty One Lakh Only

^ Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results of upto FY16, Provisional for FY-17 and Projections upto FY-19, publicly available information and information/ clarifications provided by the company.

The rating draws comfort from the experience of the promoters in healthcare sector. The ratings are however, constrained by High Gearing, Low Tangible Networth, Negative Profit Margins and Weak Debt Protection Metrics.

Key Rating Drivers

Credit Strengths

- **Experienced promoters** – The promoters and directors in the Company have been involved in the business of Healthcare Industry for more than a decade and have gained thorough knowledge of the market.
- Increasing awareness of healthcare among people.

Credit Weakness

- **High Gearing:** Gearing Level(TOL/TNW) has increased from 6.27X times in FY-16 to 7.11 X in FY-17 .



- **Low Tangible Networth:** Tangible Networth increased from Rs 3.40 Cr as on 31.03.2016 to Rs 3.69 Cr as on 31.03.2017 (Provisional) due to issue of new shares but still it is considered Low.
- **Negative Margins:** Company reported net loss of Rs 7 Lakh as on 31.03.2017.
- **Weak Debt Protection Metrics:** ISCR and DSCR decreased from 1.53X and 1.17X in FY-16 to 1.49X and 1.19 respectively in FY-17 (Provisional).

Rating Outlook: Stable

BWR believes the Tripathi Hospital Private Limited business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case there is a sustained improvement in the revenues and profits of the company. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figure.

About the Company

Tripathi Hospital Pvt Ltd was incorporated by Dr. Birandera Kumar Tripathi and Dr. Nidhi Tripathi in the year 2001 and till the year 2014 company operated as a clinic. Tripathi hospital Pvt Ltd is situated at NH-1A, Sector -119, Noida (UP) and It's registered office is located at H-27 Sector-22, Noida, U.P.

Tripathi Hospital is a 100 Bedded Multi Speciality Hospital. Hospital has 3 Major Operation Theaters with Hepa Filters and Laminar Flow to cater major surgeries like Joint Surgeries, Spinal-Surgeries, Micro, Neuro, Pediatrics and Laparoscopic Surgeries. The hospital has back support of ICU s such as Neuro ICU, Pediatrics ICU, Trauma ICU, Neonatal ICU with Ventilators, Defibrillator, Pulse Oximetre, Monitor and all other advanced health care facilities like Endodcopy, Colonoscopy, Broncoscopy, Laryngoscopy, Laparoscopy.

The hospital has is its specialist OPD with over 34 specialists and super specialist in various fields, chemist shop, fleet of Ambulance with wireless network, Casualty, Emergency Services, Lab and Diagnostic Services etc all available round the clock and 365 days a year

Company Financial Performance

Key Parameters	Units	FY-16(Audited) Cr	FY-17(Provisional) Cr
Operating Income	Cr	4.04	5.35
EBITDA	Cr	2.07	2.7
Tangible Networth	Cr	3.40	3.69
D/E (TOL/TNW)	Times	6.27	7.11
Current Ratio	Times	0.23	0.46
PAT	Times	0.09	-0.07



Status of non-cooperation with previous CRA: NA

Rating History for the last three years (including withdrawn/suspended ratings):

Facility	Amount to be rated(Cr) 2017	Tenure	Rating Recommended	2016	2015	2014
Fund Based						
Term Loan	22.41	Long Term	BWR B+ (Pronounced as BWR Single B Plus)	NA	NA	NA
Cash Credit	1.00		Outlook: Stable			
Total	23.41	INR Twenty Three Crore Forty One Lakh Only				

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Service](#)
- [Short Term Debt](#)

For any other criteria obtain hyperlinks from website

Analysts	Media
Mr. S.K. Ghakar Deputy General Manager - Ratings analyst@brickworkratings.com	media@brickworkratings.com
	Relationship Contact
	bd@brickworkratings.com
Phone: 1-860-425-2742	

For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA& the



Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.