

Rating Rationale

Brickwork Ratings assigns ‘BWR B’ for the Bank Credit Facilities aggregating ₹ 33.65 Cr of Aashka Hospitals Pvt Ltd.

Brickwork Ratings (BWR) has assigned the following **Rating¹** for the Bank Credit facilities of Aashka Hospitals Pvt. Ltd (“AHPL” or “the Company”).

Facility	Limits in Amount (₹ Cr)	Tenure	Rating
Term Loan	33.15	Long Term	BWR B Outlook: Stable
Clean Cash Credit	0.50		
Total Limits	33.65 (INR Thirty Three Crores & Sixty Five Lakhs only)		

The rating takes comfort from, experienced management team of doctors, strong promoter’s reputation, locational advantage, full service multi-speciality hospital, favourable industry outlook and promoters ability to infuse funds as per business requirement.

The rating is however constrained by limited track record of operations, project execution risk as hospital is under construction, high capital intensive & regulated industry, occupancy risk associated with the project, company’s ability to meet its projected revenue & profitability, inability to attract quality doctors and medical professionals and highly fragmented & competitive nature of industry.

Project Details

Aashka Hospitals Private Limited is incorporated on 09th November, 2012 under the provisions of the Companies Act, 1956 in Ahmedabad as a Private Limited Company.

The Company proposes to set up a multi-specialty tertiary hospital named as Aashka Hospital (‘project’) in Gandhinagar. The proposed hospital will provide services to the tertiary and apical care level in super specialty branches of medicines. In addition, the hospital will also provide support services especially for the care of the critically ill in the form of support of internal medicine, trauma, cardiology, cardio-surgery, neuro-surgery, gastroenterology, nephrology, etc. minimum beds will be one hundred and fifty having all the required facilities for tertiary and advance medical and surgical care. The facilities proposed will be comparable to the best not only in the region but will be of national standards. The Site of the proposed project is located on the road leading to Mahatma Mandir. It is located at the heart of major IT companies such as TCS, Info City where more than 50000 IT professional are working.

¹ Please refer to www.brickworkratings.com for definition of the Rating

Aashka Hospital will be a 150 bed hospital having standards rooms with a total of 40 beds, twin sharing rooms with a total of 20 beds, special rooms with a total of 30 beds, deluxe rooms with a total of 14 beds, suites & VIP rooms with a total of 6 beds, ICU Rooms with a total of 40 beds. The hospital has received major statutory approvals and clearances required for the project. The project is expected to be completed and hospital will be fully functional by October-2014. Total cost of the projects is expected to be Rs. 50.16 Cr out of which Rs. 33.16 Cr will be funded from bank loan and Rs. 17 Cr from promoter's contribution. Till Date promoters has brought almost Rs. 9.50 Cr and have utilized Rs. 6.50 Cr from bank facilities

Outlook

Going forward, company's ability to complete the project on time without any cost escalation and achieve revenue and profitability as envisaged and also its ability to attract quality doctors and medical professionals would be key rating sensitivities for the firm. The outlook is expected to be stable over the coming year and the performance is estimated to be steady and in line with past performance.

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