

## Rating Rationale

### Brickwork Ratings assigns rating for Amritsar Health & Hospitality Services (AHHS) for the existing and proposed Bank Loan facilities aggregating ₹ 6.78 Cr

Brickwork Ratings assigns **Rating<sup>1</sup>** for the bank loan facilities of **Amritsar Health & Hospitality Services (AHHS or the ‘Firm’)** as follows:

Facility	Tenor	Amount Rated (₹ Cr)	Rating Assigned
Fund Based (FB) CC	Long Term	0.50	<b>BWR B+</b> <b>Pronounced as BWR B Plus</b> <b>Outlook:Stable</b>
Term Loan		4.53	
Proposed Term Loan		1.75	
<b>Total Limits</b>		<b>6.78</b>	<b>INR Six Crores and Seventy Eight Lakhs Only</b>

\* Entire facilities are sanctioned and availed.

<sup>2</sup>Term Loans represents outstanding as on date.

BWR has principally relied upon the audited results upto FY15 and provisional financials for FY 16, publicly available information and information/clarifications provided by the Firm’s management.

Amritsar Health & Hospitality Services (AHHS or the ‘Firm’) provides healthcare services at Amritsar. BWR has taken into account the experience of doctors, who are also the partners in the Firm, and location advantage of the hospital. However, the rating remains constrained by a modest scale of operations, and inherent risks to a partnership firm.

#### Background:

Amritsar Health & Hospitality Services was established as a partnership firm in 2013. Partners include Dr. HS Pannu, having an experience of over 23 years in managing and running different hospitals in various capacities, Dr. Sukhdev Gaur Garewal and Dr. Jaswinder Singh, both of whom have considerable experiences in the healthcare sector. The hospital is operating with a 30 bed capacity, and is located at Shakti Nagar, Amritsar (Punjab).

#### Financial Performance:

As per audited financials for FY16, AHHS achieved a Total Operating Income (TOI) of Rs. 3.88 crore with an operating profit of Rs. 1.19 crore, with a Tangible Net worth of Rs 6.21 crore.

#### Rating Outlook:

The outlook is expected to be stable for the current year. Ability to improve the scale of

<sup>1</sup> Please refer to [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the Ratings

operations by adding bed capacity, improving profitability margins and sustaining competition are the key rating sensitivities.

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