

Rating Rationale

05 Mar 2026

Apex Welcare Pvt. Ltd.

Brickwork Ratings assigns the long-term ratings of “BWR BBB+/Stable”, for the bank loan facilities of Rs. 41.51 Cr., upgrades the long-term rating to “BWR BBB+/Stable” from “BWR B-/Stable” and removes the ratings from Issuer not Cooperating category for the bank loan facility of Rs. 19.60 Cr. Simultaneously, BWR also withdraws the rating for the bank loan facility of Rs. 9.89 Cr. of Apex Welcare Pvt. Ltd.

Particulars:

Instruments / Facilities**	Amount Rs Cr.		Tenure	Rating	
	Previous	Present		Previous (19-Feb-25)	Present
Fund Based	9.89	0.00	Long-term	BWR B -/Stable (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)	Withdrawn
	2.00	19.60		BWR B -/Stable (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)	BWR BBB+/Stable (removal from ISSUER NOT COOPERATING* category/Upgraded)
	0.00	41.51		-	BWR BBB+/Stable (Assignment)
Total	11.89	61.11	(Rupees Sixty One Crores and Eleven Lakhs Only)		

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

** Details of Bank Loan facilities is provided in Annexure-I

RATING ACTION / WITHDRAWAL

The company was previously rated by BWR for the Bank loan outstanding facilities of Rs.11.89 Cr. on 19 Feb 2025 by downgrading the long-term ratings to “BWR B-/Stable” from “BWR B/Stable”, with continuation under ISSUER NOT COOPERATING* category. The company has closed certain credit facilities and submitted the No Due Certificate (NDC)/email confirmation of closure of such facilities from all the respective bankers, which are held on record. Hence, in accordance with extant regulatory guidelines and as per BWR Rating Withdrawal Policy, the rating of the said instruments has been withdrawn to an extent of Rs 9.89 Crs.

RATING ACTION / OUTLOOK

Brickwork Ratings has assigned the long-term ratings of “BWR BBB+/Stable” for the bank loan facilities of Rs. 41.51 Cr., upgraded the long-term rating to “BWR BBB+/Stable” from “BWR B-/Stable” and removed the ratings from the Issuer not Cooperating category for the bank loan facility of Rs. 19.60 Cr.

The Rating has factored, inter alia, the experienced management with Long-Stance Market Presence of the company, Healthy Financial Risk Profile, Expert Staff and Offering Comprehensive Service. The rating is constrained by Highly regulated area of operations and Constitution Risk.

Going forward, the ability of the company to improve its scale of operations, maintain efficient working capital management, sustain an adequate liquidity profile, and maintain satisfactory gearing levels will remain the key rating sensitivities.

The rating outlook has been assigned as "Stable" as BWR believes that Apex Welcare Pvt. Ltd., 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 the revenue and profitability margins show sustained improvement. The rating outlook may be revised to 'Negative' if the financial risk profile goes down.

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED

The terms of sanction of the rated facilities include standard covenants normally stipulated for such facilities. Some of these are listed below:

- Non-disposal of share capital with reserves and surplus of Rs. 9704.39 lakh during the currency of SIDBI's loan.
- Any adverse deviation of more than 10% in key financial parameters (DSCR, Interest Coverage Ratio, FACR, Debt/EBIDTA) from the accepted projections will attract a penalty of 50 bps p.a.

KEY RATING DRIVERS

Credit Strengths-:

- **Extensive experience of promoters with Long-Stance Market Presence of the company:** The company is managed by the experienced and qualified management team, who has decades of experience in the healthcare business. Extensive experience, coupled with Long-Stance Market Presence of the company, enhances the competitive position of the company in the industry, which has also helped the company in securing third party agreements, building strong supplier base and achieving financial and operational success.
- **Healthy Financial Risk Profile:** The company has achieved TOI of Rs. 153.92 Cr. in FY2025 which increased from Rs. 123.03 Cr. in FY2024. However, It reported an Operating Profit of Rs. 41.23 Cr. in FY2024 & Rs. 53.72 Cr. in FY2025 which was sufficient enough to cover the interest expenses of Rs. 4.58 Cr. in FY2024 & Rs. 4.56 Cr. in FY2025. Moreover, the company has adequately covered its CPLTD obligation from Net cash accruals in FY2025. The company had strong debt protection metrics with an ISCR of 9.00 times in FY2024 & 11.78 times in FY2025, DSCR of 3.05 times in FY2024 & 3.69 times in FY2025, current ratio stood at 1.26 times & Total debt/TNW stood at 0.44 times at the end of FY2025.
- **Expertise Staff and Offering Comprehensive Service:** The hospital has approximately 75 permanent doctors, who ensure the provision of high-quality and timely services, allowing the hospital to meet the diverse healthcare needs of patients efficiently. A broad range of specialized services (e.g., surgery, oncology, emergency care, etc.) are offered by the hospital which increases the hospital's ability to serve diverse patient needs, making it more attractive to patients.

Credit Risks-:

- **Highly regulated area of operations:** Both Healthcare And Education Sectors Are Highly regulated sectors in India. Hence,regulatory challenges continue to pose a significant risk to private healthcare and educational institutions as they are highly susceptible to any changes in the regulatory framework.
- **Concentration Risk:** Over the past few years, a significant portion of the company's revenue

(approximately 40% on average during the last two years) has been generated from the Ayushman Bharat and ECHS schemes. Although these government schemes typically settle claims within 15 to 30 days, the revenue contribution from government schemes/departments and third-party agreements increased in 9M FY2026 compared to FY2025. This exposes the company to the risk of delays in claim reimbursements.

ANALYTICAL APPROACH - Standalone

For arriving at these ratings, BWR has considered the standalone performance of Apex Welcare Pvt. Ltd. BWR has applied its rating methodology.

RATING SENSITIVITIES

The company's ability to improve its scale of operations, maintain efficient working capital management, sustain an adequate liquidity profile, and maintain satisfactory gearing levels will remain the key rating sensitivities.

Upward:

- The company achieving revenue in excess of its projected figures for FY 26 and FY 27, while maintaining operating profit margins of above 32% and net profit margin of more than 15%, on a sustained basis.
- TNW in excess of Rs. 150.00 Cr. and Total Debt/TNW below 0.45 times.
- Current ratio above 1.50 times.

Downward:

- The ratings could be downgraded if there is a decline in the revenue by more than 10% from FY 2025 levels, operating profit margins going below 28% and net profit margin going below 12%.
- DSCR below 2.00 times along with current ratio diminishing to less than 1.10 times.
- Substantial increase in the receivable of more than 6 months from Ayushman Bharat and ECHS Scheme impacting the liquidity shall be a credit negative

LIQUIDITY INDICATORS - Adequate

The company has adequately covered its interest and CPLTD obligations with sufficient EBITDA and Net Cash Accruals in the recent years. It has also maintained strong debt protection metrics, with an ISCR of 11.78 times and a DSCR of 3.69 times in FY2025, which improved from ISCR of 9 times and a DSCR of 3.05 times in FY2024. The current ratio increased to 1.26 times in FY2025 from 1.11 times in FY2024. As per the projected financials, the company is well-positioned to service its financial obligations with sufficient internal cash accruals in the coming years. The company has recorded an average utilization of 95.00% of its working capital limit over the last one year and the unutilized working capital limits will serve as an additional buffer which will help in tiding over short-term cash flow mismatches. Considering all these factors, the company's liquidity position is assessed as "**Adequate**".

ABOUT THE ENTITY:

Apex Welcare Pvt. Ltd was incorporated in the year 1997, running a hospital and paramedical Institute in Varanasi, Uttar Pradesh and is founded by Dr. S K Singh. Apex Hospital is a NABH and NABL certified, ISO 9001:2015 certified, 300-bedded, multi-disciplinary and super-speciality healthcare, life-saving referral, and research hospital. Apex College of Nursing and Paramedical Institute established in 2008, Approved by U.P. Government, Indian Nursing Council (INC), New Delhi, and U.P. State Medical Faculty. The institute was founded to build an efficient healthcare workforce capable of adequately handling medical and surgical emergencies. Directors of Apex Welcare Pvt. Ltd. are Dr.

Santosh Kumar Singh (MBBS, MS), Smt. Krishna Kumari Singh (PhD), and Dr. Swaroop Patel.

Macro Economic Indicator	Sector	Industry	Basic Industry
Healthcare	Healthcare	Healthcare Services	Hospital

ESG Profile: The company demonstrates an “Adequate” ESG profile based on its environmental, social, and governance practices.

Environmental: The Institution is committed to conducting its healthcare and educational operations in an environmentally responsible and sustainable manner. It ensures efficient utilization of natural resources, including water and electricity, by leveraging groundwater resources in compliance with applicable regulations, adopting solar energy systems, and utilizing government-supported utility infrastructure where available. Continuous efforts are undertaken to optimize energy consumption and reduce the overall carbon footprint. A comprehensive waste management framework has been implemented in line with statutory requirements. Biomedical waste generated from hospital operations is segregated, handled, transported, and disposed of strictly in accordance with applicable healthcare waste management rules. General solid waste and recyclable materials are processed through authorized vendors to ensure responsible disposal and recycling practices. Pollution control measures, including effluent treatment systems and air quality monitoring mechanisms, are maintained to minimize environmental impact.

Social: As per historical records and independent auditors’ reports, there have been no material litigations or regulatory actions that could adversely impact its operations or social standing. The Institution is dedicated to delivering accessible, high-quality healthcare services and academic programs. It promotes inclusive practices by ensuring non-discriminatory policies in admissions, employment, and patient care. Various community outreach initiatives, health camps, awareness programs, and educational workshops are periodically conducted to benefit underserved sections of society.

Governance: The Institution is governed by a Board comprising experienced and qualified professionals with expertise in healthcare and education. The Board provides strategic oversight and ensures that operations are conducted in a transparent, accountable, and ethical manner. Robust internal control systems and compliance frameworks have been established to ensure adherence to statutory requirements, regulatory guidelines, and industry best practices. Periodic internal and external audits are conducted to maintain financial integrity and operational transparency.

KEY FINANCIAL INDICATORS

Key Parameters	Units	FY 22 - 23 (Audited - Annual)	FY 23 - 24 (Audited - Annual)	FY 24 - 25 (Audited - Annual)
Operating Revenue	Rs.Crs.	88.42	123.03	153.92
EBITDA	Rs.Crs.	24.78	41.23	53.72
PAT	Rs.Crs.	10.60	17.53	25.20
Tangible Net Worth	Rs.Crs.	79.50	97.04	122.23
Total Debt / Tangible Net Worth	Times	0.62	0.51	0.44
Current Ratio	Times	0.82	1.11	1.26

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY:

CRISIL rating vide its press release dated 20th Feb 2025 has reaffirmed the long-term rating at CRISIL B+/Stable with continuation of ratings under the issuer not cooperation category.

ANY OTHER INFORMATION:

NONE

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

Facilities		Current Rating (2026)		2025		2024		2023	
Type	Tenure	Amount (Rs.Crs.)	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based	LT	0.00	Withdrawn	19 Feb 2025	BWR B - /Stable Continues to be in ISSUER NOT COOPERATING *category/Downgraded	08 Feb 2024	BWR B Stable (Continues to be in ISSUER NOT COOPERATING *category/Downgraded)	03 Jan 2023	BWR B+Stable (ISSUER NOT COOPERATING*/Downgrade)
Fund Based	LT	0.00	Withdrawn	-	-	-	-	-	-
Fund Based	LT	19.60	BWR BBB+/Stable (removal from ISSUER NOT COOPERATING*category/Upgraded)	-	-	-	-	-	-
Fund Based	LT	34.51	BWR BBB+/Stable (Assignment)	-	-	-	-	-	-
Fund Based	LT	7.00	BWR BBB+/Stable (Assignment)	-	-	-	-	-	-

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to financial ratios](#)
- [BWR Withdrawal Policy](#)
- [Education Sector](#)
- [Services Sector](#)
- [Policy on Issuer Non- Cooperation](#)

Analytical Contacts

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Apex Welcare Pvt. Ltd.

ANNEXURE I

Details of Bank Loan Facilities rated by BWR

Sl. No.	Name of the Bank/Lender	Type of Facilities	Long Term (Rs.Crs.)	Short Term (Rs.Crs.)	Total (Rs.Crs.)	Complexity of the instrument*
1	Baroda UP Bank	Term Loan - Outstanding	0.00	-	0.00	Simple##
2	State Bank Of India (SBI)	Term Loans -Outstanding	0.00	-	0.00	Simple##
3		Overdraft - Sanctioned	0.00	-	0.00	Simple##
4	HDFC Bank	Dropline OD - Sanctioned	0.00	-	0.00	Simple##
5		Term Loan -Outstanding	0.00	-	0.00	Simple##
6	Central Bank of India	Overdraft - Sanctioned	19.60	-	19.60	Simple##
7	State Bank of India	Term loan - 1 under Aarogyam Scheme - Outstanding	11.18	-	11.18	Simple##
8		Term loan - 2023 - Outstanding	0.53	-	0.53	Simple##
9		Open Term loan - 2023 - Outstanding	2.88	-	2.88	Simple##
10		New Term loan 2025 - Sanctioned	7.00	-	7.00	Simple##
11	SIDBI	Term loan - 1 - Outstanding	4.24	-	4.24	Simple##
12		Term loan - 2 - Outstanding	1.70	-	1.70	Simple##
13		Term loan - 3 - Outstanding	4.46	-	4.46	Simple##

14		Term loan - 4 - Outstanding	3.27	-	3.27	Simple##
15		Term loan - 5 - Outstanding	2.00	-	2.00	Simple##
16	Union Bank of India	Term loan - Outstanding	4.25	-	4.25	Simple##
TOTAL			61.11	-	61.11	
Rupees Sixty One Crores and Eleven Lakhs Only						

*For more information visit: www.brickworkratings.com/download/ComplexityLevels.pdf

ANNEXURE II
INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS

NIL

ANNEXURE III
List of entities consolidated

NIL

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