

**RATING RATIONALE**

**5 August 2020**

**ASARFI HOSPITAL LTD**

**Brickwork Ratings Downgrades the long term rating and reaffirms the short term rating for the Bank Loan Facilities aggregating Rs. 6.56 Crs. of Asarfi Hospital Ltd (“AHL” or the “Company”) while retaining the ratings in the “Issuer Not Cooperating” category based on best available information, as the issuer did not cooperate. Accordingly the ratings for the said instruments are as under**

Facilities*	Amount (Rs.Crs)		Tenure	Rating#	
	Previous	Present		Previous Jan, 2018	Present
<b>Fund Based</b>	<b>5.66</b>	<b>5.66</b>	<b>Long Term</b>	<b>BWR B, Stable, Downgrade, Issuer Not Cooperating**</b>	<b>BWR B-, Downgrade, Issuer Not Cooperating**</b>
<b>Non-Fund Based</b>	<b>0.90</b>	<b>0.90</b>	<b>Short Term</b>	<b>BWR A4, Reaffirmed, Issuer Not Cooperating**</b>	<b>BWR A4, Reaffirmed, Issuer Not Cooperating**</b>
<b>Total</b>	<b>6.56</b>	<b>6.56</b>	<b>INR Six Crores and Fifty-Six Lakhs Only</b>		

# Please refer to the BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for the definition of the ratings.

\* Details of Bank facilities are provided in Annexure-I  
Ratings migrated to RNR category on 28th Dec 2016.

\*\*Issuer did not cooperate, based on best available information.

**RATING ACTION: Downgrade and Reaffirmation**

Brickwork Ratings has downgraded the long term rating and reaffirmed the short term rating for bank loan facilities of Asarfi Hospital Ltd aggregating Rs. 6.56 crores to **BWR B-, Stable and BWR A4** respectively, and has retained them in the “**Issuer not Cooperating**” category, based on best available information as the issuer did not cooperate.

## NATURE OF NON-COOPERATION

The rating was due for review in Dec 2016. Due to lack of cooperation from the issuer despite continued follow up to enable us to carry out a review, the ratings were moved to “Issuer Not Cooperating” category in January 2018. On further follow up recently with the client for surveillance, BWR was advised by them to withdraw the rating, for which the client was requested to furnish a “No Objection Certificate” from their banker, as well as a formal request letter from them. Despite our requests, the required documents were not provided. Mails sent to the banker requesting for feedback on the account also remained unresponded. Further, the company has not been furnishing the required No Default Statements (NDS) since long.

Thus, due to lack of management cooperation for furnishing the minimum required information/documents required for assessing the present status of the company, their lack of response to the requests of BWR to provide documents to proceed with the withdrawal of the ratings, and non submission of the No Default Statements for a prolonged period of time, BWR is unable to assess the performance of the company or its ability to service its debt and maintain a valid rating. Accordingly, the rating continues to remain in the “Issuer Not Cooperating” category. The rating downgrade is based on the lack of feedback and up to date information on the company either from them or from their bankers - in the absence of which we are unable to process their withdrawal request or to carry out a surveillance rating exercise.

## LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, non cooperation by the rated entities to provide the required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of the information required for a review of the rating.

## KEY FINANCIAL INDICATORS [AS AVAILABLE WITH BWR as on October 2014]:

Key Financial Indicators	Units	FY 2014	FY 2013
Result Type		Audited	Audited
Net Sales/Revenues	₹ Cr	5.48	3.64
EBITDA	₹ Cr	1.17	0.25
PAT	₹ Cr	0.18	0.15
Tangible Net Worth	₹ Cr	3.03	2.85
Total Debt/Tangible Net Worth	Times	1.24	1.42
Current Ratio	Times	2.44	1.95

**COMPANY’S PROFILE (Information as available in October 2014)**

Asarfi Hospital Limited (AHL) was incorporated on 04th October, 2005 as a Private Limited Company. The constitution of AHL was changed to a limited company during the year 2012. The Registered Office of the Company is located at Phularitand Kharkharee P.S. - Madhubani District, Dhanbad, Jharkhand. AHL renders health care services and nursing education. It is a 100 bed premium private general medical facility offering advanced medical care and emergency services. The directors of the company are Mr. Gopal Singh, Mr. Sukanti Kumar Das, Ms. Madhuri Singh and Mr. Uday Pratap Singh.

**NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA**

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

S . N o	Name of Instru ment	Current Rating- Aug 2020			Chronology of Rating History for the past 3 years along with outlook/watch, if applicable												
		Type(Long term/ Short Term)	Amount Outstanding (Rs. in Crs.)	Rating	Date(s) & rating(s) assigned in year 2019	Date(s) & rating(s) assigned in year 2018	Date(s) & rating(s) assigned in year 2017										
1	Bank Loan Facility	Long Term	5.66	BWR B-Stable, Downgraded Issuer Not Cooperating*	-----	24-01-18 <table border="1"> <tr> <td>F B</td> <td>05.66</td> <td>BWR B Stable, Downgraded Issuer not cooperating*</td> </tr> <tr> <td>N F B</td> <td>0.90</td> <td>BWR A4 Reaffirmed Issuer not cooperating*</td> </tr> <tr> <td>Total</td> <td>06.56</td> <td></td> </tr> </table>		F B	05.66	BWR B Stable, Downgraded Issuer not cooperating*	N F B	0.90	BWR A4 Reaffirmed Issuer not cooperating*	Total	06.56		----
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N F B	0.90	BWR A4 Reaffirmed Issuer not cooperating*															
Total	06.56																
<b>Total</b>			<b>6.56</b>		<b>INR Six Crores and Fifty-Six Lakhs Only</b>												

\*Issuer did not cooperate, based on best available information.

The initial rating of the company was on 29 October 2014 and the rating assigned was B+, Stable/A4. No surveillance rating took place thereafter.

Rating migrated to “Rating Not Reviewed” on 28th Dec, 2016

## COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

### Hyperlink/Reference to applicable Criteria

- **General Criteria**
- **Approach to Financial Ratios**
- **Short Term Debt**
- **What constitutes Non-Cooperation**

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### ANNEXURE I-Asarfi Hospital Ltd

#### Details of Bank Loan Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [Rs. Crs]	Short Term [Rs. Crs]	Total [Rs. Crs]
1	State Bank of India	Cash Credit	1.00	-	1.00
2		Term Loan	4.45	-	4.45
3		Corporate Loan	0.21	-	0.21
4		Bank Guarantee	-	0.90	0.90
<b>TOTAL INR Six Crores and Fifty-Six Lakhs Only</b>					6.56



**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.

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**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 reason.