



Rating Rationale

Asclepius Hospitals & Health Care Private Limited

15th Feb 2017

Brickwork Ratings reaffirms/assigns the ratings for the Bank Loan Facilities of Asclepius Hospitals & Health Care Private Limited (AHH CPL or the ‘Company’)

Particulars

Facility Rated	Amounts (Rs. Crs)		Tenure	Ratings ^	
	Previous	Present #		Previous	Present
Fund Based	60.00	60.00	Long Term	BWR BB- Outlook: Stable	BWR BB- (Pronounced BWR Double B Minus) Outlook: Stable (Re-affirmation)
Non-Fund Based	-	(27.00)	Short Term	-	BWR A4 (Assigned)
Total	60.00	60.00 (Rupees Sixty Crores Only)			

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

Details of the present rated amounts in Annexure-I

Rating Reaffirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financials of the Company up-to FY16, project report of the Hospital (prepared by Hosmac India Private Limited) and publicly available information and information/clarifications provided by the management.

The Ratings continue to factor in promoters’ experience in Healthcare Industry, reputed doctors on board, association with financially sound Kayal Group and also a reputed hospital consultant ‘Hosmac India Private Limited’, locational advantage and modest capital structure. The Ratings also take cognizance of the status of the Project, which is in line with scheduled cost and time parameters; with promoters’ infusion and Bank’s release as on Jan, 2017 being at ~70% against planned. The ratings are however constrained by the project execution/stabilization risks; with the commercial operations yet to start and potential competition from upcoming/existing hospitals in the region.



Rating Outlook: Stable

BWR believes the Asclepius Hospitals & Health Care Private Limited's business/operational 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' seeing the progress in the project. The rating outlook may be revised to 'Negative' if there are undue time/cost escalations in the project.

About the Company

Asclepius Hospital & Health Care Private Limited (AHCPL) was incorporated in May, 2005. The Company's registered office at Ulubari, Guwahati.

The Company was incorporated to establish a 168 bedded Multi-Specialty Hospital, offering high quality medical services. The main objective of the Company is to construct, run and manage a hospital, diagnostic centre, nursing home, private laboratory, tertiary care hospital, paramedical and nurses training centres etc. The location of the upcoming hospital is Paschim Boragaon, NH-37, Guwahati. It is ~1 Km from Jalukbari point and ~3 Kms from ISBT (Inter State Bus Terminal), Guwahati.

The upcoming hospital is proposed to have 168 Beds, 5 Operation Theaters, 4 Surgical suites, 2 Casualty rooms, 20 OPD Rooms and 1 Cathlab. It will have specialties across Cardiology, General Medicine, General Surgery, Orthopaedics, Gynecology & Obstetrics, Pediatrics, Dental, ENT Clinic, Neurology, Ophthalmology, Physiotherapy, Dermatology, Emergency Care and others and to be equipped with latest medical equipment and state of the art infrastructure.

The Promoter Directors have more than nine years of experience in running a day care unit by the name of "Excel Care Centre" in Ulubari, Guwahati. Backed by their experience, the promoters of 'Excel Care Centre' joined hands with a financially sound business group 'Kayal Group', having diversified business interests, to promote Asclepius Hospitals & Health Care Private Limited.

Company Financial Performance

The estimated project cost is ~Rs. 103.38 Crs; part-financed by term debt (Rs. 60.00 Crs), under consortium arrangement and Rs. 43.38 Crs by the Promoters. As on Jan, 2017, Promoters' infusion stands at Rs. 30.75 Crs and Bank's release at Rs. 40.17 Crs (Rs. 27.29 Crs as TL and Rs. 12.88 Crs as LC). Expenses incurred till Jan, 2017 stands at Rs. 72.47 Crs. The civil construction started in April, 2015 and the Project is in line with the estimated cost and time parameters. As informed by the Management, the Project is likely to commence before planned COD of April, 2018.



Rating History for the last three years:

Sl No	Instrument/ Facility	Current Rating (Feb, 2017)			Rating History		
		Type	Amount (Rs. Crs)	Rating	2016	28 th July, 2015	2014
1.	Fund Based	Long Term	60.00	BWR BB- (Outlook: Stable) <i>(Re-affirmed)</i>	Not Reviewed	BWR BB- (Outlook: Stable)	-
2	Non Fund Based	Short Term	(27.00)	BWR A4 <i>(Assigned)</i>	-	-	-

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Due to non-availability of information, the Rating was moved to 'Rating Not Reviewed' category in Dec, 2016

Hyperlink/Reference to applicable Criteria:

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

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**Asclepius Hospitals & Health Care Private Limited
Annexure I**

Bank Facilities	Type of Facility	Tenure	SBI (Lead) (Rs. Crs)	PNB (Rs. Crs)	Canara Bank (Rs. Crs)	United Bank of India (Rs. Crs)	Total Amount to be Rated (Rs. Crs)
TL	Fund Based	Long Term	30.00	14.00	7.00	9.00	60.00
(LC)*	Non-Fund Based	Short Term	(15.00)	(5.60)	(3.60)	(2.80)	(27.00)
Total Amount to be Rated							60.00

*Sublimit of TL

For print and digital media

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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.