

RATING RATIONALE

27 April 2026

Charnock Hospitals Pvt Ltd

Brickwork Ratings Assigns and Reaffirms the long term rating of BWR BBB+ with Stable outlook for the bank loan facility of Rs.77.58 Crs of Charnock Hospitals Pvt Ltd. BWR also withdraws the long term rating of BWR BBB+/Stable rating assigned to Yes Bank on the basis of closure of the same facility.

Particulars

Facilities**	Amount (Rs.Crs.)		Tenure	Rating#	
	Previous	Present		Previous (5 Feb 2025)	Present
Fund Based	51.03	53.13	Long Term	BWR BBB +/Stable Reaffirmation	BWR BBB+/Stable/ Reaffirmation
		12.45			BWR BBB+/Stable/ Assignment
Non Fund Based	4.00	8.00	Short Term	BWR A2/ Reaffirmation	BWR A2/Reaffirmation
		4.00			BWR A2/Assignment
Grand Total	55.03	77.58	(Rupees Seventy Seven Crores and Fifty Eight Lakhs Only)		

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

**Bank Loan facility details are furnished in Annexure - I

RATING ACTION / OUTLOOK

Brickwork Ratings has reaffirmed and assigned the rating of BWR BBB+/Stable for the long term bank loan facilities of Rs.77.58 Crores of Charnock Hospitals Pvt Ltd (CHPL).

The current rating action includes withdrawal of rating of Yes Bank loan ratings based upon " Closure Letter" provided by the Yes banks. The action also includes assigning fresh bank loan ratings to the loans availed from ICICI Bank and reaffirming the HDFC Bank outstanding term loan exposure.

The ratings for the bank facilities of CHPL continue to drive strength from experienced management with a long track record of operations in the service sector. The rating also factors in improvement in its operational performance and CHPL's satisfactory financial risk profile marked by improvement in total operating income, comfortable gearing and moderate debt coverage metrics and steady operating and net surplus generated by its operations. However, these rating strengths are partially offset due to its presence in a highly competitive sector with exposure to high regulatory risks associated with the stringent compliance requirements of relevant regulatory authorities.

OUTLOOK: STABLE

BWR believes that the business and financial risk profile of CHPL 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 operating profits show sustained improvement. The rating outlook may be revised to 'Negative' if the operating profits decrease and margins remain lower than expected.

KEY RATING DRIVERS**Credit Strengths:-**

- **Experienced management with a long track record of CHPL:** The promoters Mr.Raj Kumar Misra and Mr.Susil Kumar Misra hold overall experience of more than three decades. The Managing Director Mr.Prashath Sharma has more than a decades experience and looks over overall Hospital operation and function. He is supported by a Committee of doctors and the medical superintendent in the day to day activities of the hospital. The hospital is managed by a panel of renowned medical experts, backed by cutting-edge technology. Its dialysis unit is currently the second largest in the city. It also has a dedicated team of highly experienced finance professionals.
- **Improvement in operational performance :** Charnock Hospitals Pvt. Ltd. has demonstrated consistent revenue growth, with total operating income increasing from Rs 151.21 crore in FY 24 to Rs 175.44 crore in FY 25 (audited) . This reflects robust operational performance, driven by higher bed occupancy, an increase in surgeries, and diversified medical services. ROCE improved from 13.97 % in FY 24 to 14.74% in FY 25 highlighting enhanced profitability and operational efficiency.
- **Satisfactory financial risk profile :** The Hospital has reported a satisfactory financial risk profile as depicted by improvement in gearing to 1.16 times as on March 31, 2025 on account of repayment of loans and accretions of surplus resulting in increase in net worth. However operating and surplus margins remained steady at 10.74% and 3.90% respectively in FY25.The interest coverage and Debt service ratio are at 2.84 times and 1.74 times for FY25. CHPL's debt protection measures are expected to remain at similar levels over the medium term.

Credit Risks:-

- **Working Capital Management :**
As the hospital is also dealing with cashless treatment on behalf of insurance companies, third-party administrators, public sector undertakings, the Central Government Health Scheme, Employees State Insurance, etc., reimbursements from some of these agencies get delayed, and therefore the receivable days are elongated, resulting in elongated days receivables, which stood at 104 days in FY 23-24 and improved slightly to 102 days in FY 24-25. reflecting delays in payment collections.
- **High Competition :**
With the increased demand for medical facilities in the city, the situational advantage offered by the locality, and the healthy track record of the business of multi specialty hospitals, there is the possibility of new hospital groups coming in and establishing themselves somewhere nearby. It is understood that a major hospital group is already planning along these lines, in which case future competition would intensify.

ANALYTICAL APPROACH - Standalone

BWR has taken a standalone approach for the bank loan rating review of the Hospital. BWR has applied its rating methodology as detailed in the Rating Criteria (hyperlinks provided at the end of this rationale).

RATING SENSITIVITIES

Going forward, the ability of the Hospital to report healthy enrolment ratios and steady growth in student strength, improvement in overall credit risk profile and efficient management of working capital requirements would be the key rating sensitivities.

Positive:

- Revenue , EBITDA and PAT to be in excess of the projected amount by a minimum of 10% with improvement in their OPM and NPM margins.
- Current Ratio to be maintained at levels of 1.50x and above .

Negative:

- Lower than projected revenue of 25% and profitability of 20% resulting in stretched liquidity
- ISCR of below 1.50x and DSCR of below 1.0x on a sustained basis.
- Current Ratio below 1.00x.

LIQUIDITY INDICATORS - Adequate

The Company maintains adequate liquidity, supported by a stable cash conversion cycle and an EBITDA that comfortably covers its debt obligations. In FY25, the company generated healthy cash accruals of Rs. 11.85 Crs. This positive trend is projected to continue in the short to medium term, providing more than sufficient coverage for upcoming debt obligations of Rs. 4.11Crs. The current ratio stood at a satisfactory 1.11x as of March 31, 2025, and is expected to improve in the coming year. Furthermore, the utilization of fund-based working capital facilities remains manageable—averaging around 85% for HDFC Bank and under 30% for ICICI Bank—leaving ample headroom for operational requirements. Overall, liquidity is expected to remain robust over the medium term, underpinned by stable cash generation from low leverage, and moderate capital expenditure needs.

ABOUT THE ENTITY

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

Charnock Hospitals Pvt Ltd (CHPL) was incorporated in 1999 and is presently managed by Mr Susil Kumar Misra, Mr. Raj Kumar Misra and Mr. Prashant Sharma. The Hospital is located at New Town, Kolkata. CHPL is a part of the SKM-Group, which is a diversified conglomerate with business interests in Iron Ore mining, Education, Agro-business management, Healthcare and Manufacturing.

CHARNOCK HOSPITAL is a 300 bedded NABH Accredited Super Speciality Hospital near Kolkata Airport with a clear focus on high end Tertiary & Quaternary care treatments like, Cardiac Sciences, Neuro Sciences, Gastro Sciences, Renal Sciences, Pulmonary and Organ Transplant etc. having state-of-the-art infrastructure including 100 ICU beds, Modular OTs, world class German and American medical equipments, Full Time consultants and Beautiful Ambience. The hospital motto is Patient First and every care giver at Charnock Hospital strives to give the best care possible.

CHPL is enlisted with various government and non government bodies for its services, and has also tied up with various third party administrators for providing “Cash-Less Services” to the Mediclaim policy holders. The Hospital provides multi-speciality services and is equipped with the latest technology. It has been accredited by NABL (National Accreditation Board for Testing and Calibration Laboratories). It has also received NABH accreditation .

ESG Profile

The Hospital demonstrates an adequate ESG profile based on its environmental, social, and governance practices. For educational institutions, governance is a key factor influencing the overall ESG assessment.

Environmental: The Hospital has entered into an agreement for the disposal of Bio-Medical Waste with a Society duly authorized and specified by the Pollution Control Board. As per the guidelines and directions of the Pollution Control Board, the bio-medical waste generated at CHPL premises is properly segregated at source using color-coded dustbins. The segregated waste is then collected in corresponding color-coded bags and handed over to the authorized agency for safe transportation and disposal in accordance with the prescribed environmental norms.

Social: Ensuring the safety and well-being of patients, staff, and the community is paramount in healthcare waste management. By prioritizing proper handling procedures, facilities can significantly reduce the risk of spreading infections and diseases. To achieve this, it is essential to conduct regular training and awareness programs for healthcare staff that focus on effective waste segregation and disposal. Furthermore, safeguarding the broader community requires strict protocols to prevent public exposure to hazardous materials, while occupational safety must be strictly maintained by mandating the use of Personal Protective Equipment (PPE), such as gloves and masks, for all waste handlers.

Governance: Governance considerations highlight the institution’s adherence to regulatory and ethical standards.

KEY FINANCIAL INDICATORS (Standalone)

Key Parameters	Unit	FY 24	FY 25	9MFY26
Result Type		Audited	Audited	UnAudited
Operating Income	Rs. Crs	151.21	175.44	144.89
EBITDA	Rs. Crs	17.12	18.84	16.11
PAT	Rs. Crs	6.63	6.84	12.04
Tangible Net Worth	Rs. Crs	37.94	43.89	NA
Total Debt/Tangible Net Worth	Times	1.24	1.16	NA
Current Ratio	Times	1.24	1.11	NA

KEY COVENANTS OF THE FACILITY RATED

The terms of sanction include standard covenants normally stipulated for bank loan facilities. Certain specific financial covenants stated in HDFC latest sanction letter include:

1. Debt equity not more than 1 times
2. DSCR more than 2x times
3. DEBT to EBITDA not more than 3x times
4. Topline for the FY 26 of Rs200.00 Crs and FY27 of Rs 236.00 Crs - Remains to be a key monitorable
5. TNW to be maintained at Rs 5868 Lacs (as on 31-Mar-2026) - To be monitored

STATUS OF NON-COOPERATION WITH PREVIOUS CRA - NIL

ANY OTHER INFORMATION

NA

RATING HISTORY FOR THE LAST THREE YEARS (including withdrawal & suspension)

Instrument /Facilities		Current Rating (2026)		2025		2023		2023	
Type	Tenure	Amount (Rs. Crs.)	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based	Long Term	53.13	BWR BBB+ /stable/Reaffirmation	5 Feb 2025	BWR BBB+ /Stable/ Reaffirmation	15 Nov 2023	BWR BBB+/ Stable/ Reaffirmation	7 April 2023	BWR BBB-/ Stable/Down grade/Issuer Not cooperating
		12.45	BWR BBB+ /stable/Assignment				BWR A2/ Reaffirmation		
Non Fund Based	Short Term	8.00	BWR A2/Reaffirmation	5 Feb 2025	BWR A2/ Reaffirmation	6 Oct 2023	BWR BB+/ Stable/ Issuer Not Cooperating Category/ Downgraded	7 April 2023	BWR A3/ Downgrade/ Is suer Not Cooperating
		4.00	BWR A2/Assignment				BWR A4+/ Issuer Not Cooperating Category /Downgraded		
Grand Total		77.58	Seventy Seven Crores and Fifty Eight Lakhs Only.						

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Short Term Debt](#)
- [Service Sector Company](#)
- [BWR Withdrawal Policy](#)

Analytical Contacts

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Charnock Hospitals Pvt Ltd
Annexure 1
Bank facilities

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	ICICI	Term Loan-Out-standing	0.60		0.60	Simple##
2	HDFC	Term Loan-Out-standing	13.94		13.94	Simple##
3	HDFC	Term Loan-Out-standing	1.25		1.25	Simple##
4	HDFC	Term Loan-Out-standing	2.94		2.94	Simple##
5	ICICI	Term Loan-Out-standing	6.46		6.46	Simple##
6	ICICI	Term Loan-Out-standing	0.15		0.15	Simple##
7	ICICI	OD	1.00		1.00	Simple##
8	HDFC	CC	20.00		20.00	Simple##
9	HDFC	DLOD	15.00		15.00	Simple##
10	HDFC	ODFD	2.00		2.00	Simple##
11	ICICI	Derivate		0.00	1.00	Simple##
12	HDFC	BG		4.00	8.00	Simple##
13	ICICI	BG		0.00	3.00	Simple##
14	ICICI	Term Loan-Out-standing	0.06		0.06	Simple##
15	ICICI	Term Loan-Out-standing	1.98		1.98	Simple##
16	ICICI	Term Loan-Out-standing	0.20		0.20	Simple##
Total					77.58	
TOTAL (Rupees Seventy Seven Crores and Fifty Eight Lakhs Only)						

##BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com /download / ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf). Investors' queries can be sent to info@brickworkratings.com.

ANNEXURE-II

Instrument	Issue Date	Amount (Rs.Crs)	Coupon Rate (%)	Maturity Date	ISIN Particulars	Complexity of the Instrument
Nil	Nil	Nil	Nil	Nil	Nil	Nil

INSTRUMENT DETAILS

ANNEXURE-III
List of entities consolidated

Name of Entity	% Ownership	Extent of consolidation	Rationale for consolidation
Nil	Nil	Nil	Nil

List of instruments and regulators As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Instrument/Activity	Regulator
Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) ¹	SEBI
Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)- ¹	SEBI
Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)- ¹	RBI
Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs - ²	RBI
External Commercial Borrowings and other similar borrowings	RBI
Certificates of Deposit	RBI
Fixed Deposits raised by NBFC's, Banks, HFCs, Fis	RBI
Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, Fis	MCA
Inter Corporate Deposits/Loans extended by Corporates	MCA
Borrowing programme - ³	-
Issuer Ratings ⁴	-
Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
Listed Security Receipts	SEBI
Unlisted Security Receipts	RBI
Independent Credit Evaluation (ICE)	RBI
Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	RBI
Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) - ¹	Investor-side Regulator, such as IRDAI, PFRDA ⁵
Monitoring Agency	SEBI
Research activities, incidental to rating, such as research for Economy, Industries and Companies ⁶	NA

Includes securitisation transactions involving assignee payout, acquirer's payout.

- Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
- The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), BWR shall separately capture the rated quantum details along with names of respective regulators.

- There is no instrument being rated and hence, Regulator of the Instrument is not applicable.
- These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side regulators have been included.
- Permitted by SEBI vide SEBI Master Circular for CRAs

Grievance Management: For any grievances relating to rating of instruments regulated by SEBI, please contact sebigrievance@brickworkratings.com.

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Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI]. BWR is the 5th agency to get a credit rating registration in India in 2009 and its corporate office in Bengaluru. It has a country-wide presence with representatives in 150+ locations. Canara Bank is Brickwork's strategic partner and promoter. Brickwork offers credit ratings of Bank Loan, Non-convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has also rated NGOs, Educational Institutions, Hospitals, Urban Local Bodies and Municipal Corporations.

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