

Maha Durga Charitable Trust

12 July, 2019

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of ₹. 61.61 Crs. of Maha Durga Charitable Trust.

Particulars

Facility	Amount (₹ Crs)	Tenure	Rating*
Fund based	61.61	Long Term	BWR B (Pronounced as BWR single B) Outlook: Stable
Total	61.61	INR Sixty One crores and Sixty One lacs only	

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

Rationale:

BWR has essentially relied upon audited financials of the company up to FY18, provisional financials of FY19, publicly available information and information/clarifications provided by the company's management.

The rating factors in the long experience of promoters in the medical field and a good catchment area near the location of the hospital, in Mukherjee Nagar, New Delhi.

The rating takes into account the deferral of COD for a couple of times and the associated cost overrun. Rating is also constrained by intense competition from established players in the market and no track record financial/business performance of the newly started venture.

Going forward, achieving the projected revenues and timely servicing of the debt would be the key rating sensitivities.

Description of Key Rating Drivers

- Credit Strengths:**

Vintage of the Promoters :- The hospital project is promoted by a group of doctors who are active medical practitioners for more than 2 decades. They have also been successfully running a 20 bedded hospital in the same locality, since 1995. Promoters have 14 doctors in the family.

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Current Status of Project and Investment of Promoters :- The hospital already became operation on 1st April,19. Project completion certificate has been obtained from DDA. As per FY18 (Audited), the capital into the venture stood at Rs. 14.09 crs. and the members of the trust , promoters and family member have lent Rs. 11.25 crs as unsecured loans for the venture.

Location of the Project :- The hospital is located in a well established thickly populated area , with numerous residential , commercial and institutional establishments.

- **Credit Risks:**

Totally New Venture with insufficient Track Record - The hospital got recently operational in April, 2019 , with a couple of deferrals from the initial COD. So, there isn't any track record to verify the business and financial performance.

Stringent Government regulations- Pricing of medicines , medical devices , solid waste management , rigorous approval process for expansion or installing new facility.

Highly Competitive Domain - There is a cut-competitive scenario in the medical field, both in terms of attracting patients or the talent pool of top doctors and trained staff.

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

Rating Outlook: *Stable*

BWR believes the **Maha Durga Charitable Trust** 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 revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

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About the Company:-

M/S MAHA DURGA CHARITABLE TRUST (MDCT) , is registered under the Societies Registration Act on 22nd March, 1995 with registered office at 711, Dr. Mukherjee Nagar, Delhi ;with one of the prime purposes to promote medical facilities by establishing / constructing /maintaining hospital , dispensaries ,clinics, etc . Promoters have 14 specialist doctors in family & have experience of running 20 bedded hospital, named , **Durga Hospitals Private Limited** in the same area for the past 30 years. **Mahadurga Charitable Trust** has constructed a super-speciality hospital at 4C institutional Area, North Ex, Model Town, Delhi – 110009 on land provided by Delhi Govt. at an estimated project cost of Rs. 115.30 crs. of which Rs. 72.64 crs. have been funded by debt and Rs. 42.66 crs is the promoter’s contribution.

The multi speciality hospital is to be equipped with all ultra modern medical facilities including departments of Radiology ,Cardiology,Nephrology,Plastic,Surgery,Dermatology,Psychiatry,Oncology, OPD , etc.The hospital will have a total of bed capacity of 220 , 7 ICUs , 11 Operation Theatres , 19 OPD Rooms , 1 Cath Lab , 10 Dialysis unit, 1 General ward and all major speciality departments.The hospital has got all necessary approvals related to Fire , Pollution , Water , Sewer.

Key Financial Indicators

Key Parameters	Units	2018	2017
Result Type		Audited	Audited
Operating Revenue	₹ Cr	0.46	0.82
EBITDA	₹ Cr	-0.19	0.06
PAT	₹ Cr	-0.15	0.1
Tangible Net worth(analysed)*	₹ Cr	25.15	12.36
Total Debt/Tangible Net worth (analysed)*	Times	2.38	2.98
Current Ratio	Times	0.28	0.08

- Including unsecured loans as quasi equity.

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Rating History for the last three years

S.No	Instrument /Facility	Current Rating (2019)			Rating History		
		Type	Amount (₹ Crs)	Rating	2018	2017	2016
1.	Fund Based	Long Term	61.61	BWR B (Pronounced as BWR single B) Outlook: Stable	NA	NA	NA
	Total		61.61	INR Sixty One crores and Sixty One lacs only			

Details of Issuer Not Cooperating :-

ICRA had moved the rating to 'ISSUER NOT COOPERATING' category on 16 Oct, 2018.

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Short Term Debt](#)
- [Services Sector](#)

For any other criteria obtain hyperlinks from website

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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

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BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

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