

Rating Rationale

Narmada Apna Hospital

4th May 2017

Brickwork Ratings revises the ratings for the Bank Loan Facilities of Narmada Apna Hospital

Particulars

Facility Rated	Amount (Rs. Crs)		Tenure	Rating *	
	Previous	Present		Previous	Present
Fund Based					
Term Loan	8.80	5.84	Long Term	BWR B- (Pronounced as BWR B Minus) Outlook: Stable	BWR B (Pronounced as BWR B) Outlook: Stable
ODTS	1.50	0.00			
Total	10.30	Rs. 5.84 Crores (Rupees Five Crores and Eighty Four Lakhs Only.)			

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

Rating: Long Term Rating Upgraded

Brickwork Ratings upgrades the long term rating to 'BWR B' to the bank loan facilities of Rs. 5.84 Crores of Narmada Apna Hospital.

Rationale/Description of Key Rating Drivers/Rating sensitivities:

The rating has factored, inter alia, promoters' extensive experience of nearly two decades in healthcare sector, revenue growth, additional capital infusion and improved operating profit margin in FY16. However the rating is constrained by limited track record and relatively weak debt protection metrics. The ability of the firm to scale up its operations and to improve its profit margin in an intensely competitive industry will remain the key rating sensitivities.



Rating Outlook: Stable

BWR believes that the business risk profile of Narmada Apna Hospital 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.

About the Firm

M/s Narmada Apna Hospital is a partnership firm, established in 2013 and based in Hoshangabad, Madhya Pradesh. Dr. Rajesh Sharma, Dr. Renu Sharma and Narmada Trauma Centre Private Limited are the three partners of the firm. The firm is managing a hospital namely “Narmada Apna Hospital”, which is located at Hoshangabad, Madhya Pradesh. The hospital is a 111 bedded Multi Specialty Hospital providing services since May, 2014.

Firm’s Financial Performance

Total operating income of the firm has increased from ₹ 9.93 Cr in FY15 to ₹ 13.77 Cr in FY16. The firm has reported operating profit margin of 9.81% in FY16 as against 7.24% in FY15. The debt to tangible net worth of the firm was 0.70 times in FY16 as against 1.87 times in FY15. The tangible net worth of the firm stood at ₹ 9.12 Cr as on March 31, 2016.

As per the information provided by the management, the firm has achieved revenue of ₹ 12.46 Cr in FY17.

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs. Crs)	Rating	2016	2015	Nov 24, 2014
1	Term Loan	Long Term	5.84	BWR B (Pronounced as BWR B) (Outlook: Stable)	-	-	BWR B- (Pronounced as BWR B Minus) (Outlook: Stable)



Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [Short Term Debt](#)

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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

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

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