

Rating Rationale

Plus Medicare Hospitals Private Limited

17th Mar 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Plus Medicare Hospitals Private Limited

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Fund Based Term Loan	35.00	Long Term	BWR BB- Outlook: Stable
Total	Rs. 35.00 Crores (Rupees Thirty Five Crores Only.)		

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results of FY14-FY16, publicly available information and information/clarification provided by the company's management.

The rating has factored, inter alia, highly qualified and experienced management and benefits expected from the appointment of Fortis Healthcare Limited as an operations and management (O&M) partner.

The Rating is however constrained by highly competitive and past reputation sensitive nature of industry.

Rating Outlook: Stable

BWR believes the **Plus Medicare Hospitals Private Limited** 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.

About the Company

Plus Medicare Hospitals Private Limited (PMHPL) was established in 2011 and promoted by Mr. Satender Pal Chhabra, Mr. Mahendra Pal Singh Chhabra, and Mr. Sanjeev Modi, PMHPL has set up a multi-speciality hospital and neurology centre at Udaipur (Rajasthan) which started its commercial operations on February 2017. It has appointed Fortis Healthcare Limited (FHL) as O&M agency for the hospital.

Company Financial Performance

Total cost of the project (Hospital) was Rs. 62.91Cr which was funded by Rs. 35.00Cr of Term loan and Rs. 27.91Cr of promoters fund. In FY16, Tangible Net Worth of the company stood at Rs. 0.11Cr.

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	NA	NA	NA
1	Term Loan	Long Term	35.00	BWR BB- (Outlook: Stable)	NA	NA	NA

Hyperlink/Reference to Applicable Criteria

- [General Criteria](#) · [Service Sector](#)
- [Approach to Financial Ratios](#)
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Analytical Contacts	Media
Bal Krishna Piparaiya CGM	media@brickworkratings.com
analyst@brickworkratings.com	Relationship Contact
	bd@brickworkratings.com
Phone: 1-860-425-2742	



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.