



Yatharth Hospitals & Trauma Care Services Private Limited

Instruments	Amount	Rating action
Term Loans	Rs. 37.50 crore	[ICRA]D; Downgraded
Cash Credit	Rs. 1.50 crore	[ICRA]D; Downgraded
Unallocated	Rs. 2.20 crore	[ICRA]D; Downgraded
Total	Rs. 41.20 crore	

ICRA has downgraded its long-term rating on the Rs. 41.20 crore fund based limits of Yatharth Hospitals & Trauma Care Services Private Limited (YHIPL)* from [ICRA]BB+ (pronounced ICRA double B plus) (Stable) to [ICRA]D (pronounced ICRA D).

ICRA's rating downgrade factors in the delays in debt servicing in the Q4 of FY15 due to stretched liquidity on account blockage of funds in working capital. While the revenues of YHIPL increased from Rs. 30.4 crore in FY2014 to Rs. 58.1 crore in FY2015 on the back of improving operating metrics, however significant funds were blocked in receivables as reflected in debtors of Rs. 17.85 crore as on March 31, 2015 compared to Rs. 7.00 crore as on March 31, 2014. As a result, the company delayed in repayments in some of the months.

Going forward, timely debt servicing, the ability of the company to efficiently manage its working capital and improvement in operating metrics will be the key rating sensitivities.

Company Profile

YHIPL was formed in the year 2008 as a private limited hospital by Dr Ajay Tyagi, Dr Kapil Tyagi, Dr Neena Tyagi and Dr Manju Tyagi. It has one 150 bed hospital in Greater Noida and other 340 bed hospital in Noida. The Greater Noida hospital is well reputed in its catchment area, as reflected by its growing occupancy levels which stood at 70% in FY15. The company commenced a super specialty hospital in Noida Sector 110 in January 2014. The new hospital is able to achieve 45% of occupancies in its first year of operation i.e. in FY15.

The hospitals currently specialize in services such as Obstetrics and Gynaecology, General Medicine, Paediatrics and Neonatology, General Surgery, ENT, Microbiologist and Pulmonology.

Recent Results

As per audited results for FY14, the company reported a net profit of Rs 2.9 crore on an Operating Income (OI) of Rs 30.4 crore. According to provisional financials, the Operating Income (OI) for FY15 was Rs 58.1 crore with net profit of Rs. 2.75 crore.

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* For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.



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