

## Maha Durga Charitable Trust

Instrument	Amount in Rs. Crore <sup>^</sup>	Rating Action
Fund-Based Facilities	49.00	[ICRA]B; reaffirmed

ICRA has reaffirmed its long term rating of [ICRA] B (pronounced ICRA B)<sup>1</sup> on the Rs. 49.00 crore bank facilities of Maha Durga Charitable Trust (MDCT).

The rating reaffirmation takes into account the delay of over one year in the execution of the hospital project due to the impediment in civil construction and excavation which, in turn, resulted in an increase in the budgeted project cost. The rating is further constrained by the highly competitive scenario as a large number of hospitals are situated in the National Capital Region and the ability of MDCT to attract reputed doctors and medical staff would be critical. ICRA also takes into account the high reliance on debt funding for the proposed hospital with a debt to equity ratio of 1.73:1 which would have an adverse impact on the capital structure and credit protection metrics in the near term. However, ICRA continues to favourably consider the extensive experience of the trustees in the healthcare industry with a number of specialities/departments proposed to be headed by the specialized doctors. The rating also factors in the good catchment area of the hospital as it is located in the high population density area of Mukherjee Nagar (New Delhi), with a number of colonies and institutions in the vicinity.

Going forward, timely completion of the project and satisfactory scaling up of operations will be critical to enable timely debt servicing.

### Trust's Profile

Maha Durga Charitable Trust (MDCT) was established in 1995 to set up a 130 bed hospital viz. Mahadurga Hospital in Mukherjee Nagar area in New Delhi. The proposed hospital would provide services in various domains such as neurology, radiology, general surgery, angiography, angioplasty, ophthalmology, dental services and various others. The major trustees of MDCT are members of the Makhija family - Dr. Satish Makhija holding the position of Secretary with the other members of the trust being Dr. Ashok Makhija, Dr. Kamlesh Makhija, Mr. Suresh Makhija and Mr. Naresh Makhija. Both Dr. Satish and Dr. Ashok have more than 25 years of medical experience and are also involved in running a 15 bed hospital by the name of Durga Hospital in Mukherjee Nagar, New Delhi.

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<sup>^</sup> 100 lakh = 1 crore = 10 million

<sup>1</sup> For complete rating scale and definitions, please refer to ICRA's Website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications

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