

Press Release

Ankush Medicare Private Limited

January 30, 2019

Rating Assigned



Total Bank Facilities Rated*	Rs. 10.60 Cr.
Long Term Rating	ACUITE B+ / Outlook: Stable

* Refer Annexure for details

Rating Rationale

Acuite has assigned long-term rating of '**ACUITE B+**' (read as **ACUITE B plus**) on the Rs. 10.60 crore bank facilities of Ankush Medicare Private Limited. The outlook is '**Stable**'.

Incorporated in 2008, Ankush Medicare Private Limited (AMPL) is a Kolkata based company promoted by Dr Vishnu Bhartia and Dr Abhishek Bhartia. The company has set up a super specialty hospital and a diagnostic centre with a capacity of 74 beds and testing and laboratory facilities including polyclinic, cardiology, pathology, radiology, and ultrasonography and haematology department. The company commenced operation from July 2018.

Analytical Approach

For arriving at the rating, ACUITE has considered the standalone business and financial risk profiles of AMPL.

Key Rating Drivers

Strengths

- **Benefits derived from promoters' support:**

The key promoter, Mr. Vishnu Bhartia has more than thirty years of experience in the healthcare industry through employment with reputed hospitals and diagnostic centers. The extensive experience of promoter in the field of healthcare is expected to provide support to the company.

Weaknesses

- **Risks related to stabilisation of operations:**

The operations of AMPL are in nascent stage with hospital becoming functional since July 2018. Hence, the company is exposed to risks related to stabilization of operations and risks related to demand for diagnostic healthcare services in the region. As of December, 2018 the company has registered revenue of Rs 3.00 Crore (provisional).

- **Funding gaps expected to arise in initial years given the gestation period**

The company remains exposed to funding gaps in the initial stage given the gestation period prevalent in the healthcare industry. The ability of promoters to fund the liquidity deficit in the initial stage will remain a key sensitivity monitorable.

Outlook: Stable

ACUITE believes that the company will maintain a Stable outlook over the medium term owing to its promoter's extensive experience in the industry. The outlook may be revised to 'Positive' in case of stabilisation of operations and more than expected accruals. Conversely, the outlook may be revised to 'Negative' in case of longer than expected gestation thus leading to liquidity mismatch.

Liquidity Position

AMPL has a stretched liquidity position. The net cash accruals of the company in its first year of operations are estimated to remain low while maturing debt obligation stands at Rs 0.60 Crore in FY2018-2019 and Rs 1.40 Crore in FY2019-2020. Acuite believes that the promoters would support the company till stabilisation of operations in the hospital. Acuite believes that the liquidity of the company is likely to remain stretched over the medium term on account of nascent stage of operations and will

rely on the ability of promoters to fund the liquidity deficit in the initial stage of operations.

About the Rated Entity - Key Financials

Not Applicable as the company is its commenced operations since July, 2018.

Any other information

Not Applicable

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Entities In Services Sector - <https://www.acuite.in/view-rating-criteria-8.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	0.35	ACUITE B+ / Stable
Term loans	Not Applicable	Not Applicable	Not Applicable	10.25	ACUITE B+ / Stable

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About Acuité Ratings & Research:

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