



Press Release
Harshitha Hospitals Private Limited
December 18, 2023
Rating Downgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	40.00	ACUITE D Downgraded	-
Total Outstanding Quantum (Rs. Cr)	40.00	-	-

Rating Rationale

Acuite has downgraded its long-term rating to **Acuite D (read as ACUITE D)** from **ACUITE BB- (read as ACUITE double B minus)** on Rs.40 Cr bank facilities of Harshitha Hospitals Private Limited (HHPL).

The downgrade in rating is on account of a delay in servicing debt obligations of HHPL as confirmed by its banker.

About the Company

Harshitha Hospitals Private Limited(HHPL) is based out of Madurai, Tamil Nadu. Established in the year 2009 and commenced operations in 2011, HHPL offers clinical excellence through experienced doctors, high-end infrastructure and transparent patient care. Hospital's facility is a NABH-accredited advanced tertiary care facility with 100-beds and state-of-the-art infrastructure. The hospital is owned by the Harshitha Hospitals Private Limited which worked both as a COVID Centre and Hospital.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered standalone business and financial risk profile of Harshitha Hospital Private Limited(HHPL).

Key Rating Drivers

Strengths

Established regional player aided by strong pedigree in Madurai region

Started by Dr. C.N Ilanakumar in 2009, Harshitha Hospital Private Limited(HHPL) is well known hospital chain in Madurai city. Initially HHPL started its operations at East marret street in Madurai city, later in 2017 HHPL shifted its premises to Avaniyapuram which is at close proximity to Madurai airport. Currently HHPL operates 100 beds hospitals at Avaniyapuram. It offers a comprehensive range of healthcare services in various fields s cardiology, Neurology, Orthopaedic, nephrology, gastroenterology, Gynaecology & Obstetrics, Paediatric, and others. It offers a comprehensive range of healthcare services across 10+ specialties and super specialties.

Weaknesses

Instance of delay in servicing of debt obligation

HHPL has delayed in servicing of debt obligation since 23rd, October 2023 as per the feedback received from its banker.

Rating Sensitivities

Timely servicing of debt-repayment obligations.

All Covenants

Not Applicable

Liquidity Position**Poor**

Liquidity is marked poor as there has been a delay in servicing the debt repayment obligation by the company.

Outlook: Not Applicable**Other Factors affecting Rating**

Not Applicable

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	35.79	28.40
PAT	Rs. Cr.	1.92	1.14
PAT Margin	(%)	5.37	4.02
Total Debt/Tangible Net Worth	Times	9.18	15.45
PBDIT/Interest	Times	2.45	2.15

Status of non-cooperation with previous CRA (if applicable)

Not Applicable.

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
20 Apr 2023	Term Loan	Long Term	31.67	ACUITE BB- Stable (Assigned)
	Cash Credit	Long Term	8.33	ACUITE BB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	8.33	ACUITE D Downgraded
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	31.67	ACUITE D Downgraded

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About Acuité Ratings & Research

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