



**Press Release**  
**YASHODA FOUNDATIONS**  
**March 12, 2025**  
**Rating Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	330.00	ACUITE BB-   Stable   Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	330.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has reaffirmed its long-term rating of ‘**ACUITE BB-**’ (read as **ACUITE Double B Minus**) on Rs. 330.00 Cr. bank facilities of Yashoda Foundations (YF). The outlook is ‘**Stable**’.

**Rationale for Reaffirmation**

The rating reaffirmation considers the strong background of the trustees in the health care sector, absence of any offtake/demand risk and low implementation risk. The rating also factors in increasing demand for healthcare services and better affordability on the back of increasing awareness and penetration level of health insurance in India. These strengths are however, partly offset by the intense competition from other players operating in the catchment area, restricting the pricing flexibility, which exerts pressure on the trust’s profitability. The ratings continue to be impacted by the regulatory risks in terms of restrictive pricing regulations by the Central and the State Governments, which could constrain the profit margins. Further, recruitment and retention of doctors/consultants remain key challenges for the entity, given the stiff competition in the healthcare industry.

**About the Company**

M/s Yashoda Foundations is a trust, incorporated on 2<sup>nd</sup> September, 1999 at Ghaziabad with the intention to establish a 635 bed Super speciality Medical Centre in the name of Yashoda Medicity at Shakti Khand II, Indirapuram, Ghaziabad. The trust was founded by Dr. P.N. Arora. The total cost of the project is Rs.602.34 Cr. (Revised) and the Commercial Date of operation is September 2025 (Revised).

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has considered the standalone business and financial risk profile of Yashoda Foundations (YF) to arrive at this rating.

**Key Rating Drivers**

**Strengths**



**Experienced Management**

M/s Yashoda Foundation is a trust which was incorporated on 2nd September 1999 under the leadership of Mr. Prem Narayan Arora, Upasana Arora and other trustees, who are specialized doctors and have long standing experience of running hospitals and medical units. Apart from this, management runs a hospital under the name of Yashoda Super Speciality Hospitals Private Limited, Kaushambi unit. The vast experience of the trustees in



efficiently managing the hospitals has helped them to maintain healthy relations with reputed client like Aarogya PRP Health Care Services, Aditya Birla Health Insurance Company Limited, AIR India, BHEL and others.

#### **No offtake or demand risk**

Based on the offerings for diverse patients' base along with focus on Radiology, Maternity, Orthopaedics, Cardiology-OPD etc., demand will be generated for the Hospital. Also, the effort to keep the competitive pricing against the peer hospitals will mitigate the demand risk.

#### **Low Implementation Risk**

The trust has incurred ~83% of the total revised project cost as of February 2025. Further, the revised DCCO is of September 2025, however, the management expects to operationalise the hospital by April 2025. Acuite believes that the trust's ability to timely complete the remaining work without cost overruns will be a key rating sensitivity.

### **Weaknesses**

#### **Expected leveraged capital structure**

The Trust is setting up a 635-bed Super Speciality Medical Centre named Yashoda Medicity at Shakti Khand II, Indirapuram, Ghaziabad. The project started in August 2021 & commercial date of operations was set for September 2023. However, the project has been granted an extension as the Trust has decided to make the facility fully operational rather than opening it in phases. Consequently, the Date of Commencement of Commercial Operations (DCCO) has been extended the second time by another 12 months to September 2025, from the previously extended DCCO of September 2024. Additionally, the commencement of debt repayment has been extended to March 2026, from March 2025. The total project cost was Rs.419.99 Cr., however, the project cost has now been revised to Rs.602.34 Cr, with funding through a Rs.375 Cr term loan and Rs.227.34 Cr as an unsecured loan and promoter's contribution. In this project, up to Feb 2025, the trust has incurred Rs.501.58 Cr. Acuite believes that going forward the financial risk profile of the trust is expected to remain average due to leveraged capital structure over the near to medium term.

### **Rating Sensitivities**

- Timely completion of the project without any cost overrun
- Timely stabilisation of operations

### **Liquidity Position Adequate**

The Trust's adequate liquidity position is expected to support debt servicing in the near-to-medium term on account of generation of adequate cash accruals post completion and commencement of hospital's operations. The promoters have infused capital in the form of unsecured loans to support the business. However, timely completion of pending work and generation of expected cash accrual will be key rating sensitivity factors.

### **Outlook: Stable**

#### **Other Factors affecting Rating**

None



## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	20.93	45.97
PAT	Rs. Cr.	20.59	45.61
PAT Margin	(%)	98.39	99.21
Total Debt/Tangible Net Worth	Times	3.34	0.72
PBDIT/Interest	Times	6728.66	15318.36

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

Not Applicable

**Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)**

**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>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité 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](http://www.acuite.in).



### Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
13 Dec 2023	Term Loan	Long Term	330.00	ACUITE BB-   Stable (Assigned)



**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Quantum (Rs. Cr.)</b>	<b>Complexity Level</b>	<b>Rating</b>
Punjab National Bank	Not avl. / Not appl.	Term Loan	23 Nov 2022	Not avl. / Not appl.	31 Mar 2034	330.00	Simple	ACUITE BB-   Stable   Reaffirmed



## Contacts

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### About Acuité Ratings & Research

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