



**Press Release**  
**HEALTHPLUS RESEARCH AND MEDICENTRE LLP**  
**December 19, 2023**  
**Rating Assigned**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	50.00	ACUITE B   Stable   Assigned	-
Total Outstanding Quantum (Rs. Cr)	50.00	-	-

**Rating Rationale**

Acuite has assigned its long term rating of '**ACUITE B**' (read as **ACUITE B**) on the bank facilities of Rs.50 Crore of Healthplus Research and Medicentre LLP. The outlook is '**Stable**'.

**Rationale for Rating**

The rating assigned reflects the modest scale of operations, poor liquidity, stretched working capital operations and below averages financial risk profile. However, these are partly off-set by the extensive experience of the partners in the industry.

**About the Company**

Healthplus Research and Medicentre LLP was set up in October 2015 as a partnership firm. It is operating a 100+bed multi-speciality hospital at Lucknow in Uttar Pradesh. Dr Anubha Yadav and Mr Aditya Yadav are the partners.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has taken the standalone view on the business and financial risk profile of Healthplus Research and Medicentre LLP.

**Key Rating Drivers**

**Strengths**

**Experienced management**

The Partners of the firm are Dr. Anubha Yadav and Mr. Aditya Yadav and UP Healthcare Private Limited. Dr.Anubha Yadav has an experience of more than a decade in the healthcare industry. Acuite believes that HRML will continue to benefit from the experience of its promoters and will improve its business risk profile over the medium term.

**Weaknesses**

**Modest Scale of operations and reporting of losses**

The firm have achieved a turnover of Rs.31.06 Crore in FY23 against Rs.20.93 Crore in FY22 and Rs.1.85 Crore in FY21. The increase in the revenue is on an account of increase in the occupancy percentage on y-o-y basis. Also, the number of beds have also increased on y-o-y basis. Further, the EBITDA margins of the firm stood at 9.57% in FY23 against 12.03% in FY22. The firm have also turned out in losses due to higher depreciation charged which resulted into PAT which stood at (14.71%) against (25.06%).

### **Average Financial Risk Profile**

The financial risk profile of the firm is marked by below average adjusted net-worth of Rs.11.52

Crore as on 31 st march 2023 against Rs.16.08 Crore. The adjusted net-worth is taken into consideration due to firm have shown losses under the head of Other current assets. Further, the total debt of the firm stood at Rs.43.62 Crore as on 31 st March 2023 against Rs.41.05 Crore as on 31 st March 2022. Also, the adjusted gearing ratio of the company stood at 3.79 times as on 31 st march 2023 against 2.55 times as on 31 st march 2022. The TOL/TNW ratio stood at 4.52 times as on 31 st march 2023 against 3.11 times as on 31 st march 2022. The interest coverage ratio and debt service coverage ratio of the firm stood at 1.15 times and 0.73 times respectively as on 31 st march 2023 against 0.97 times and 1.58 times respectively as on 31 st march 2022. Acuite believes that financial risk profile of the firm will remain in the same range.

### **Intensive Working capital operations**

The working capital operations of the firm marked by GCA days which stood at 292 days as on 31 st march 2023 against 305 days as on 31 st march 2022. Also, the inventory and debtor days of the firm stood at 9 days and 18 days respectively as on 31 st march 2023 against 4 days and 18 days respectively as on 31 st march 2022. Debtors days are stretched as firm has registered with most of the TPA's in the industry as well as caters to government agencies and now the payments are made in the given time frame. The creditor of the firm stood at 1910 days as on 31 st march 2023 against 1379 days as on 31 st march 2022. Acuite believe that working capital operations of the firm will remain in the same range.

### **Competitive nature of business**

The hospital will face competition from several players located in the vicinity apart from large players posing stiff competitions in terms of the price range for facilities provided, thus limiting the price flexibility for the firm.

### **Rating Sensitivities**

- Ability of the hospital to scale up operations with sustaining operating margins.
- Ability to increase the occupancy level.
- Elongation of working capital cycle leading to further stretched liquidity.

### **All Covenants**

None.

### **Liquidity Position**

#### **Poor**

The liquidity profile of the company is poor. The firm is not able to generate sufficient net cash accruals against the debt repayment obligations. The firm generated net cash accruals of Rs.2.60 Crore against the debt repayment obligations of Rs.5 Crore in the same year. The current ratio of the firm stood at 1.15 times as on 31st March 2023. The average bank limit utilization of the firm stood at 70.42% in last five months ending October 2023.

### **Outlook: Stable**

Acuite believes that the company will maintain 'Stable' outlook over the medium term from the industry experience of its management. The outlook may be revised to 'Positive' if there is a substantial and sustained improvement in company's operating income or profitability while improving its financial risk profile. Conversely, the outlook may be revised to 'Negative' in case of further weakening of its capital structure and debt protection metrics.

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	31.06	20.93
PAT	Rs. Cr.	(4.56)	(5.24)
PAT Margin	(%)	(14.69)	(25.06)
Total Debt/Tangible Net Worth	Times	1.63	1.53
PBDIT/Interest	Times	1.15	0.97

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

HRML flagged as issuer non-cooperating from Brickworks resulted into downgrade in rating at BWR B+/Stable on 08/08/2023.

### Any other information

Not applicable.

### 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, 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](http://www.acuite.in)

### Rating History :

Not applicable.

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	7.26	ACUITE B   Stable   Assigned
Union Bank of India	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	5.00	ACUITE B   Stable   Assigned
Union Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	7.00	ACUITE B   Stable   Assigned
Union Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	5.00	ACUITE B   Stable   Assigned
Union Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	25.74	ACUITE B   Stable   Assigned

## Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 <a href="mailto:mohit.jain@acuite.in">mohit.jain@acuite.in</a>  Depanshi Mittal Analyst-Rating Operations Tel: 022-49294065 <a href="mailto:depanshi.mittal@acuite.in">depanshi.mittal@acuite.in</a>	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a>

### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

**Disclaimer:** An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.