

## Yans Healthcare Private Limited

February 19, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	80.00	CARE BB-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The rating assigned to the bank facilities of Yans Healthcare Private Limited (YANS) continues to be constrained by the entity being in project stage with the residual execution and implementation risk associated with the ongoing project. The ratings, however, derives comfort from the vast experience of the promoters in the healthcare industry, favourable location of the proposed hospital and completion of debt tie up for the project which largely mitigates the execution risk.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Completion of the project within time and cost estimates
- Scaling up of operations as envisaged

#### Negative factors

- Any delay in scaling up of operations as envisaged

### Analytical approach: Standalone

#### Outlook: Stable

CARE Ratings Limited believes that the company would be able to generate stable revenue once it commences its operation, aided by the experience of the promoters in the hospital industry.

### Detailed description of key rating drivers:

#### Key weaknesses

##### Project execution risk

The company is setting up a hospital under the name "Yans Medical Institute" which is a 150 bed multi-specialty hospital being set up in a total area of 2 acres (80.11 are) in Attingal, Trivandrum by Dr. Y A Nazer and his wife, Mrs. Nazeema Nazer. There has been delay in execution of the project due to increase in bed capacity to 275 beds which would be operational from phase - 2 and external factors such as monsoon affecting the project progress. The total revised project cost for the proposed project is Rs.159 crores which is to be funded by term loan of Rs 80 cr and Rs. 79 cr from equity infusion from promoters. Dr. Raja Mohan Chakrapani, an eminent physician from Pittsburgh, U.S.A. and his wife Mrs. Amritha Chakrapani has a combined stake of 26% in the entity. As of December 31, 2024, the company has achieved approx. 70% of financial progress translating into a total of Rs. 106 crores of total cost incurred with Rs. 51 crores of contribution from the promoters and balance from the term debt. Given that almost 30% of the project is yet to be completed, the company remains exposed to implementation risk and subsequent stabilization of operations. The hospital is expected to commence operations by April 2025.

#### Competition and reliance on scarcely available medical professionals

Presence of qualified medical professionals such as Doctors, paramedical staff and support staff is one of the important requisites of a hospital to be successful and to get continued patronage from the local population. This industry requires specialized doctors to be associated with a hospital for a longer tenure. Further, YANS also faces competition from existing players in the region and a large number of private clinics. Given the increasing competition and the scarcity of medical specialists, the ability of the company to source renowned pool of doctors would be a key differentiator.

### Key strengths

#### Vast Experience of the promoters in hospital industry

Dr. Y.A. Nazer is a renowned Cardiac Surgeon known for pioneering multiple first-time surgeries in India and South India along with establishing various Cardiac Centers, private Hospitals and teaching hospitals across Middle East and India. Through experience and a strong network developed over the years across Middle East and India, Dr. Nazer was instrumental in setting

<sup>1</sup>Complete definition of ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Limited's publications.

up KIMS Health and Trivandrum Medical College which are one of the renowned hospitals in Trivandrum. His wife, Dr. Nazeema Nazer is also one of the leading dermatologists in Kerala who also runs a clinic nearby the proposed hospital. Out of the total equity funding of Rs. 78.50 crores towards the project, the promoters and other shareholders have already infused around Rs. 67 crores till December 2024.

### **Favourable location of the proposed Hospital**

The Hospital site is situated in Attingal which is an important hub in the district of Trivandrum. Its proximity to highways and railway stations makes it more accessible to the visiting patients. Currently, locals are highly dependent on hospitals in Trivandrum for specialty treatments and absence of any multi-specialty hospitals in the vicinity makes it an optimal location for the entity.

### **Financial closure completed.**

The term loan funding for the project is Rs. 80 crore which has been tie up with the State Bank of India. The completion of the debt tie up mitigates the execution risk to a large extent.

### **Liquidity: Stretched**

There is no cashflows as the company yet to start commercial operations of hospital business. As per the sanction of bank, term loan has a repayment period of 171 months with 27 months of initial holiday period. The term loan repayment is scheduled to start from April 2025 with a ballooning payment mechanism which is expected to give adequate cushion to the company in terms of stabilization of operations and also promoters are expected to infuse funds for repayment as need be.

### **Applicable criteria**

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Hospital](#)

[Project Stage Entities](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

### **About the company and industry**

#### **Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Healthcare Services	Hospital

Yans Medical Institute, a 150 bed multi-speciality (to be increased to 275 beds in phase -II) is being set up in a total area of 2 acres in Attingal, Trivandrum by Dr.Y A Nazer who is one of the renowned cardiac surgeons based out of Trivandrum, Kerala. The directors currently run a dermatology clinic in the same premises for the last two years. The total project cost for the proposed project is Rs.158.50 crores which is to be funded by term loan of Rs 80 Crore and Rs. 78.50 crore from equity infusion from promoters. As of December 2024, the company has achieved almost 70% of financial progress which includes land acquisition and civil constructions. Dedicated doctors have been appointed and the operations is expected to start from April 2025.

**Brief Financials:** Not applicable since entity is in its project stage.

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	31-03-2037	80.00	CARE BB-; Stable

**Annexure-2: Rating history for last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	80.00	CARE BB-; Stable	-	1)CARE BB-; Stable (15-Dec-23)	1)CARE BB-; Stable (04-Oct-22)	-

LT: Long term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

**Annexure-5: Lender details**To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

## Contact us

<b>Media Contact</b>  Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a>	<b>Analytical Contacts</b>  Priti Agarwal Senior Director <b>CARE Ratings Limited</b> Phone: +91-33-4018 1621 E-mail: <a href="mailto:priti.agarwal@careedge.in">priti.agarwal@careedge.in</a>
<b>Relationship Contact</b>  Pradeep Kumar V Senior Director <b>CARE Ratings Limited</b> Phone: 044-28501001 E-mail: <a href="mailto:pradeep.kumar@careedge.in">pradeep.kumar@careedge.in</a>	Sandeep P Director <b>CARE Ratings Limited</b> Phone: +91-44-2850 1002 E-mail: <a href="mailto:sandeep.prem@careedge.in">sandeep.prem@careedge.in</a>
	Ali Monish P E Assistant Director <b>CARE Ratings Limited</b> E-mail: <a href="mailto:alimonish.p@careedge.in">alimonish.p@careedge.in</a>

### About us:

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