

EMRI Green Health Services

February 26, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	9.58	CARE A; Stable	Assigned
Long-term bank facilities	17.50 (Reduced from 24.94)	CARE A; Stable	Reaffirmed
Long-term / short-term bank facilities	23.42 (Enhanced from 13.30)	CARE A; Stable / CARE A2+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

In its analysis, CARE Ratings Limited (CARE Ratings) has combined financials of two entities EMRI Green Health Services (EGHS) and EMRI Hyderabad Emergency Response Services Foundation (EHERSF) collectively known as EMRI group

Reaffirmation in ratings assigned to bank facilities of EGHS is driven by improvement in group's revenue to over ₹2217 crore in FY24, while maintaining a healthy financial risk and liquidity profile. The group's operating income is expected to improve further driven by its strong market position in emergency ambulance services across India supported by a fleet of over 12,000 ambulances. The group has expanded its operations to include veterinary and police call centre services, in addition to its flagship ambulance services through 108 emergency services. Apart from this, the group also operates 104 health helpline services and 102 Emergency services. All these services are operated for state governments under a public-private partnership (PPP) model as part of the National Health Mission (NHM).

However, rating strengths are partially offset by significant exposure in term of loans extended to associate societies (especially in Uttar Pradesh) and increasing competition from local hospitals and other private ambulance service providers. The rating is also constrained by risk of appointment of new service provider on expiry of agreement with a state government and regulatory risks associated with the sector.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Surplus before interest and depreciation (SBID) margin improving and sustaining at or above 12% while demonstrating growth in total operating income (TOI) above ₹2500 crore.
- Sustainance of strong financial risk profile and significant improvement in the receivable days resulting in better operating cycle.

Negative factors

- Considerable decline in revenue or profitability falling below 7% on a consistent basis.
- Significant increase in exposure towards associate entities, resulting in moderation in the capital structure.
- Significant stretch in collection leading to high working capital cycle or write-offs, impacting liquidity.

Analytical approach: Combined

CARE Ratings has changed the analytical approach to Combined. For arriving at its ratings, CARE has combined the business and financial profiles of EGHS and EHERSF as both the entities are in the same line of business under common management and have operational and financial synergies. Furthermore, corporate guarantees extended by EGHS to EHERSF for the working capital facilities availed.

Outlook: Stable

CARE Ratings believes that EMRI Group will continue to benefit from its established market position and operational ability in providing emergency ambulance services in the country.

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Detailed description of key rating drivers:

Key strengths

Consistent growth in income despite decline in surplus in FY24

Income for the group consists of grants received, reimbursement of operational expenses from state governments and other income (primarily donations and income from training to health care personnel). Donations received are considered as revenue receipt as both entities are non-profit organisation. The group's total income is including 17 states, two UTs and service income from corporates for providing ambulance and helpline services. The group's income increased by 11% to ₹2217 crore in FY24 from ₹1939 crore in FY23 considering increase in its services backed by adding of new projects with its existing projects. The group has also added ambulances for new projects (mainly on lease). SBID margins declined to 7.26% in FY24 from 12% in FY23 considering donations of ₹154 crore made to GVK EMRI Hospital for constructing 150 bed multi-speciality hospital at Patancheru, Hyderabad. The group's surplus stood satisfactory at 6.91% in FY24. In 9MFY25, the group reported TOI of ₹1855.8 crore with a surplus of ₹70.29 crore.

Healthy financial risk profile

The group's overall gearing remained comfortable and remained at 0.02x as on March 31, 2024, backed by robust net worth of ₹1168 crore. Considering exposure towards the group societies/trust, the adjusted gearing would also look comfortable. The group's total debt to gross cash accruals (TD/GCA) also remained at the same level at 0.13x in FY24. SBID interest coverage ratio continues to be healthy at 23.61x in FY24. Overall financial risk profile is expected to continue at the same level with minimal term loan exposure and moderate working capital (WC) utilisation at less than 50%.

Operating efficiencies resulting in lower expenditure per ambulance

EMRI Group has successfully operated below the state government's budgeted cost per ambulance by conducting detailed studies on location-specific requirements and optimising logistics, leading to lower fuel costs and reduced grant utilisation. Its operational efficiency has enabled the group to secure new contracts across state governments

Pioneer in emergency management services with diversified presence across India

As a not-for-profit professional organisation operating in the PPP model, EMRI Group is one of the largest professional emergency service providers in India. Since inception, the group has made substantial progress in providing emergency response services across the country.

Established board of governing members and senior management

Governing board of the EMRI Group comprises eminent individuals to provide strong thrust to the initiative. G.V. Krishna Reddy, Founder and Chairman of GVK, a diversified business enterprise with interests in a wide range of businesses, including power generation, airport operations and management, roads, urban infrastructure, bioscience, hospitality services and manufacturing sectors is the Chairman of EMRI Group.

Key weaknesses

Significant investment in group companies:

The group has extended advances to its group societies (registered in Uttar Pradesh) Emergency Dhatri Sishu Care Foundation (Formerly Known as GVK Janani Shishu Suraksha (UP), 108 Emergency Medical Transport (East), 108 Emergency Medical Transport (West) and 102 Mother Child Services amounting to ₹203.07 crore in FY24 (PY: ₹250.3 crore). This amount is advanced as unsecured loans and shall be recovered once the group societies obtains the same from respective state government As of March 31, 2024, ₹47.23 crore has been recovered.

Risk of appointment of new service provider upon expiry of agreement

Per memorandum of understanding (MOUs)/ tender signed with state governments, agreements are valid for a set period unless extended further by mutual agreement for MOUs and extendable maximum up to two years in case of tenders, exposing the society to replacement risk.

Risk of penalty being imposed on EMRI Group in tender-based projects

Tender-based projects require the group to achieve trips with efficiency such as availability/ functioning medical equipment, and maintenance of cleanliness among others, failing which, the group faces risk of penalty being imposed by respective state governments (per the contract).

Competition from local hospitals and other private ambulance service providers.

Currently, there is no clear law in India which clearly defines 'ambulance service'. As a result, company/individual can register a vehicle as ambulance if there is a stretcher and oxygen cylinder available on board. Hence, there are numerous local / private service providers. Major healthcare companies are also providing similar services, such as Apollo Emergency Care. However, competition intensity is expected to be low as the group provides this service free of cost to the public through the support of state government, which other private operators may not be able to match.

Liquidity: Strong

The group's liquidity remains strong marked by healthy accruals against zero repayment obligations and cash & liquid investments to the tune of ~₹399 crore (Free cash balance: ₹255 crore and free FDR of ₹144 crore with maturity between 3-12 months) as on March 31, 2024. Its unutilised bank lines are over adequate to meet its incremental working capital needs in the next one year. Liquidity is further supported by current ratio of 2.67x, as on March 31, 2024, and positive cash flow from operations in FY24. The society mainly avails bank guarantees, which are 100% fixed deposit (FD) backed, due to healthy cash available in the books. The cash will be used to build infrastructure for expanding its emergency helpline numbers and to purchase ambulance vehicles. Surplus cash in the books will be allocated to bid for new projects and to secure 100% cash-backed bank guarantees (BGs), which will reduce reliance on bank borrowings. Fund-based limits are majorly utilised for meeting day-to-day expenses and salaries to the staff (medical staff, drivers, support staffs).

Assumptions/Covenants- Not applicable

Environment, social, and governance (ESG) risks - Not applicable

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Hospital](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Utilities	Other utilities	Emergency services

About the group

EMRI Group is one of the largest players in providing free emergency response services to citizens under the PPP model as part of the National Health Mission (NHM) across 17 states and two UTs. The group handles medical, police, fire emergencies through the "108 Emergency services", and other helpline numbers, and operates over 12,000 fleet across India.

EGHS (previously known as GVK Emergency Management and Research Institute [GVK EMRI]) was established in 2005 as a charitable institution /non-profit society registered in Andhra Pradesh as Emergency Management and Research (EMRI), with a vision to provide free emergency response services to citizens under the PPP model. In 2009, the GVK group took over the management responsibility of EMRI. As a not-for-profit professional organisation operating in the PPP model, EGHS is the largest professional emergency service provider in India presently. The entity handles medical, police, fire emergencies through the "108 Emergency services", which is a free service delivered through state-of-the-art emergency call response centres. It also manages helpline numbers, sponsored by the government and acts as a first responders in case of emergencies. EGHS has a fleet of over 11500 ambulances across 17 states and two UTs.

EHERSF is a SPV established in March 2023 as a Section 8 company to offer emergency response services only in Telangana, with operations beginning in August 2023. The company currently provides emergency services through three projects: 102, 108,

and the FHS Project, operating a fleet of 976 ambulances (majority on lease basis). It functions under a PPP model within NHM, with EGHS holding 99% shares.

Brief Financials (₹ crore)- Combined (EGHS and EHERSF)	March 31, 2023 (UA)	March 31, 2024 (UA)	9MFY2025 (UA)
Total operating income	1,938.86	2217.86	1855.86
PBILDT	236.54	160.99	76.94
PAT	235.06	153.26	70.29
Overall gearing (times)	0.03	0.02	NA
Interest coverage (times)	35.51	23.61	33.89

A: Audited UA: Unaudited NA: Not Available; Note: these are latest available financial results

Brief Financials (₹ crore)- Standalone EGHS	March 31, 2023 (A)	March 31, 2024 (A)	9MFY2025 (UA)
Total operating income	1,938.86	2,114.14	1736.70
PBILDT	236.54	162.27	84.96
PAT	235.06	158.45	84.17
Overall gearing (times)	0.03	0.01	NA
Interest coverage (times)	35.51	25.07	49.10

A: Audited UA: Unaudited NA: Not Available; Note: these are latest available financial results

Brief Financials (₹ crore)- Standalone EHERSF	March 31, 2024 (A)	9MFY2025 (UA)
Total operating income	103.72	119.15
PBILDT	-1.28	-7.85
PAT	-5.19	-13.88
Overall gearing (times)	-12.78	NA
Interest coverage (times)	-3.71	-8.58

A: Audited UA: Unaudited NA: Not Available; Note: these are latest available financial results

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-Bank Overdraft		-	-	-	17.50	CARE A; Stable
Fund-based - LT-Term Loan		-	-	20-11-2029	9.58	CARE A; Stable
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	23.42	CARE A; Stable / CARE A2+

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-Bank Overdraft	LT	17.50	CARE A; Stable	-	1)CARE A; Stable (26-Dec-23)	1)CARE A-; Stable (28-Dec-22)	1)CARE A-; Stable (25-Mar-22)
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	23.42	CARE A; Stable / CARE A2+	-	1)CARE A; Stable / CARE A2+ (26-Dec-23)	1)CARE A-; Stable / CARE A2 (28-Dec-22)	1)CARE A-; Stable / CARE A2 (25-Mar-22)
3	Fund-based - LT-Term Loan	LT	9.58	CARE A; Stable				

LT: Long term; LT/ST: Long term/Short 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-Bank Overdraft	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - LT/ ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	EMRI Hyderabad Emergency Response Services Foundation	Full	Operational and Financial linkages

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 for clarifications.

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About us:

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