

Manav Sevarth Trust

March 11, 2025

Facilities/ Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	18.00	CARE B+; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING* category and Downgraded from CARE BB-; Stable

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated March 20, 2019, placed the rating of Manav Sevarth Trust (MST) under the 'issuer non-cooperating' category as MST had failed to provide information for monitoring of the rating for the rating exercise as agreed to in its Rating Agreement. MST continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter dated November 16, 2024; November 26, 2024, and March 04, 2025. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders, and the public at large) are hence requested to exercise caution while using the above rating.

The ratings have been revised and continue to place the rating under the 'issuer non-cooperating' category considering single location hospital, fragmented & highly competitive industry and as the trust had failed to provide information for monitoring of the rating as agreed to in its rating Agreement. However, Ratings derives strength from the experienced promoter group, comfortable financial profile as latest available.

Analytical approach: Combined

CARE has followed a combined approach for the rating of Manav Sevarth Trust (MST) and Lala Munni Lal Mange Ram Charitable Trust (LMLT) as both the trusts are under a common management with common trustees between the trusts. LMLT runs a multi-specialty hospital while MST runs a Cancer hospital with both the hospitals located in the same premises in adjacent buildings having operational linkages with common infrastructure.

Outlook: Stable

Detailed description of key rating drivers:

CARE has not received any information. Thus, the ratings are based on best available information. Following were the strengths and weaknesses considered at the time of last rating exercise i.e. December 22, 2023.

Key Weaknesses

Single location hospital and fragmented and highly competitive industry:

The hospitals face geographical concentration risk with both the hospitals located at a single location in Delhi. The hospital sector is highly fragmented with few large players in the organized sector and numerous small payers in the unorganized sector leading to high level of competition in the sector.

Key Strengths:

Experienced Promoters group:

The trusts are a part of the Action group which was founded in 1972 by Lala Mange Ram Aggarwal. The hospitals are managed by the part of the Action Group which is led by Mr. Raj Kumar Gupta. The promoter has presence in manufacturing of footwear and PVC Flex. The promoters have continuously supported the hospitals by way of donations into the trusts.

Comfortable financial risk profile:

The combined income from operations of the hospitals has grown at a CAGR of 6.87% in the period FY16 to FY18 to Rs. 332.53 crore. The PBILDT margin was 14.40% in FY18 as compared to 14.54% in FY17. The overall gearing remains comfortable at 0.01

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

times as on March 31, 2018 (PY: 0.15 times). Liquidity Profile The liquidity position of the trust is comfortable and marked by strong gross cash accruals. Current ratio and cash & bank balance stood at 2.51x and Rs.22.67 crore respectively as on March 31, 2018. However, CARE doesn't have the latest information & financials for FY19 in order to comment upon the current liquidity position of trust.

Liquidity: Not applicable

Assumptions/Covenants: Not applicable

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

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Factoring Linkages Parent Sub JV Group](#)

[Policy in respect of non-cooperation by issuers](#)

[Rating Outlook and Rating Watch](#)

[Hospital](#)

[Financial Ratios – Non financial Sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Healthcare Services	Hospital

Lala Munni Lal Mange Ram Charitable Trust (LMLT) was set up in 1992 by Mr. Raj Kumar Gupta and his family to provide charitable medical support. The promoters had begun with small ventures like a charitable dispensary in Shahazadabad, New Delhi, a day-care OPD at Sarai Rohilla, New Delhi, Charitable Balaji Ashram, Vrindavan and a 150-bed hospital in Hissar, Haryana. In August 2004, the trust set up a 300-bed multi-speciality hospital, Sri Balaji Action Medical Institute (SBAMI), in Paschim Vihar, Delhi. In 2010, Mr. Raj Kumar Gupta set up a cancer specialist hospital, Action Cancer Hospital (ACH), under the Manav Sevarth Trust. This is a 100-bed hospital which is adjacent to SBAMI in Paschim Vihar, New Delhi. Both the hospitals have strong operational synergies with them being in the same location and as well as sharing of some of the common infrastructure and facilities

Brief Financials- Combined (₹ crore)	March 31, 2017 (UA)	March 31, 2018 (UA)
Total operating income	290.03	332.53
PBILDT	42.18	47.88
PAT	27.49	34.66
Overall gearing (times)	0.15	0.01
Interest coverage (times)	13.35	27.35

UA: Unaudited; Note: these are latest available financial results

Basis of combination: The numbers have been combined through row-by-row addition of all line items of all the entities mentioned under Analytical approach after excluding intra-group investments and loans and advances.

Brief Financials - Standalone (₹ crore)	March 31, 2017 (A)	March 31, 2018 (A)
Total operating income	85.77	111.90
PBILDT	13.37	20.00
PAT	8.02	15.25
Overall gearing (times)	0.08	0.03
Interest coverage (times)	15.33	60.74

A: Audited ; 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: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	-	-	-	Not Available	18.00	CARE B+; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument / Bank Facilities	Current Ratings			Rating History			
		T Y P E	Amount Out-standing (₹ 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	18.00	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (22-Dec-23)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (03-Oct-22)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (13-Jul-21)

*Issuer did not cooperate; based on best available information.

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 for clarifications.

Contact us

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About us:

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