

Dr. Namjoshi Hospital Private Limited

March 04, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	229.81	CARE BB+; Stable; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has been seeking information from Dr. Namjoshi Hospital Private Limited (DNHPL) to monitor the rating(s) vide e-mail communications dated December 03, 2024, December 12, 2024, January 07, 2025, January 24, 2025, February 02, 2025, among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings has reviewed the rating on the basis of the best available information which, however, in CARE Ratings' opinion is not sufficient to arrive at a fair rating. The rating on DNHPL's bank facilities will now be denoted as CARE BB+; Stable; Issuer Not Cooperating*.

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

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects the stability in business backed by its track record of operations and expected stabilisation in its new hospitals.

Detailed description of key rating drivers:

At the time of last rating on May 30, 2024, the following were the rating strengths and weaknesses.

Key weaknesses

Growing scale of operation however stood moderate:

DNHPL has four hospitals located in Mumbai, first in Juhu, second in Andheri East each with a capacity of 100 beds each, third one in Kurla with a capacity of 245 beds and fourth one in Malad with current operational capacity of 110 beds. For the hospital located at Malad, DNJPL had acquired 50% stake in Clublink (India) Pvt Ltd. which was a club located in Malad and was renovated by the company into new hospital facility. This hospital became operational since February 2023. The hospital located at Kurla was acquired from Kohinoor hospital in Kurla and the hospital became operational since December 2021 under DNHPL. Over the years of its establishment, the company has shown growth in its revenues during the period FY19 to FY24 with the Total Operating Income stood in the range of Rs. 106.92 crore and Rs. 282.54 crore during the period. Further, the revenue grew at a CAGR of 36.66% during past three years ending Mar 31, 2024 wherein the TOI improved by 30.33% in FY24 and stood at Rs. 282.54 crore in FY24 vis-à-vis Rs. 216.78 crore in FY23. The increase in the revenue can be attributed to addition of the hospital at Malad. The occupancy level for its old hospitals at Juhu and Andheri, are 60% to 75%. For Kurla hospital which started in FY22, the occupancy level ranges from 30 to 50% and for Malad hospital, which started in FY23, the current occupancy level is 23%.

Geographic concentration in revenue:

Operations are localized in MMR region, compared with corporate hospitals which have presence across India. All four hospitals of the company are located in Mumbai, hence susceptible to the dynamics of a specific market.

Leveraged capital structure and weak debt coverage indicators:

The capital structure of the company marked by overall gearing ratio remained leveraged on the back of high debt levels against moderate net worth base. The overall gearing of the company remained leveraged at 3.94x as on Mar 31, 2024 vis-à-vis 4.90x as on Mar 31, 2023, which has shown improvement on account of improvement in the tangible net worth base from Rs. 46.98 crore as on Mar 31, 2023 to Rs. 60.04 crore as on Mar 31, 2024. Further, the debt coverage indicators marked by Total Debt to GCA stood weak at 8.39x as on Mar 31, 2024 vis-à-vis 12.89x as on Mar 31, 2023. However, the TD/GCA has significantly improved

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

in FY24 owing to increase in cash accruals by 58% in FY24 over FY23 backed by growth in net profit. Further, the interest coverage ratio stood moderate at 2.20x in FY24 vis-à-vis 1.73x in FY23.

Intense competition from other established players and capital-intensive nature of industry:

Given the new wave of opportunities created by the COVID-19 pandemic, the rising self-awareness among masses and the increasing insurance penetration, there is high competition in the healthcare sector. However, comfort is drawn from the sizeable presence and established position of Criticare Hospitals. Going forward, DNHPL's prospects will depend upon its ability to improve its profitability, continued scale-up of operations, and to manage the competitive pressures in the sector by diversifying into other geographies. Furthermore, hospital industry is a highly fragmented and capital-intensive industry with relatively long gestation period. Generally, new hospital takes around 2-3 years' time frame to breakeven at operational level. Further, the maintenance capex required for the hospital industry also remains high owing to regular replacement of equipment, non-reusable pharmaceutical and surgical products and to update the latest technology. The industry also faces challenges with respect to hiring on-role and/or off-role doctors, nurses and other staff. Hence dependence on human resources is high and is employed and deployed as per requirement. Thus, differentiating factors like range of services offered, quality of service, pedigree of doctors, success rate in treatment of critical / complex diseases, etc. will be crucial to attract patients and increase occupancy.

Regulatory/ event risk associated with hospitals:

Hospitals operate in a regulated industry. In India, hospitals are governed by various laws such as Indian Medical Council Act 1956, The Clinical Establishments (registration and regulation) Act 2010, Indian Medical Council Regulations 2002 etc. Given the importance of healthcare facilities, Government of India has been taking various steps towards increasing the affordability and coverage of healthcare services in the country by putting price restriction on pharmaceutical entities, medical equipment manufacturers and hospitals services. Various state governments have also implemented the Clinical Practice Establishment Act, bringing in accountability on how hospitals price their cost of services to patient, and penal provisions for violations. Healthcare is a highly sensitive sector where any mistake on a critical case or negligence on part of any doctor and/or staff of the unit can lead to distrust among the masses. Thus, all the healthcare providers need to monitor each case diligently and meticulously to avoid the occurrence of any unforeseen incident which can damage the reputation of a hospital.

Key strengths

Experienced management and long track record of operations:

DNHPL was founded by Dr. Deepak Namjoshi (Director), who is a Cardiologist and Chest Physician. Dr. Namjoshi has an extensive experience of over 3 decades as a cardiologist and is also actively involved in the day-to-day activities of the hospitals. The company also has around 190 visiting and inhouse doctors with an extensive experience across various specialities. Also, with the establishment of four hospitals across Mumbai, the company has created its foothold as a reputed hospital with a good brand name 'Criticare Asia Multispeciality Hospital & Research Centre' which has 4 hospitals in Mumbai, Maharashtra under the brand name 'Criticare', with total 555 beds out of which operational beds are 350 and is one of the well-established hospitals in Mumbai.

Healthy profitability margins:

The profitability margins of the company remained above average in the range of 17.66% to 25.22% during the period FY19 to FY24. The operating margin improved marginally and stood at 17.79% in FY24 vis-à-vis 17.66% in FY23. The same was lower at 17.66% in FY23 vis-à-vis 19.52% in FY22 on account of higher overheads such as higher consumables of medicines, vaccines and surgical products, employee cost, salaries, fees to doctors and other miscellaneous expenses being incurred at existing hospitals as well as at newly started Malad hospital. The PAT margin improved and remained at 4.63% in FY24 vis-à-vis 2.96% in FY23. CARE Ratings expects that the improvement in occupancy level of the Kurla and Malad hospitals will improve the profitability going forward.

Established presence in central and western Mumbai:

DNHPL manages a chain of four hospitals under the name of 'Criticare Asia Multispeciality Hospital & Research Centre' located across Mumbai region (Juhu, Andheri, Kurla and Malad). The hospitals in Mumbai are strategically located across Mumbai Central – Kurla and Mumbai Western – Andheri, Juhu, Malad and have been operating since 2003 (Andheri), Juhu (2014) and Kurla and Malad (2021 and 2023) respectively. All the hospitals have multi-speciality facility offering healthcare facilities under various therapeutic segments. The hospitals are favourably located.

Liquidity: Adequate

Liquidity is adequate marked by sufficient projected gross cash accruals of Rs. 37.00 crore in FY25 against repayment obligations of Rs. 12.09 crore in FY25. Free cash stood at Rs. 3.90 crore as on Mar 31, 2024, with free FDs of Rs. 8.67 crore. The utilization of working capital limits was 50% to 60% for the past 12 months ending April 2024 and provides liquidity backup. The current

ratio remained at 1.52 times with quick ratio of 1.51 times as on Mar 31, 2024, vis-à-vis current and quick ratio of 1.04 times as on Mar 31, 2023. Net CFO stood positive at Rs. 33.86 crore as on Mar 31, 2024, vis-à-vis Rs. 35.39 crore as on Mar 31, 2023. Going forward, with sufficient cash accruals and free cash in hand, the company shall be in a position to fund its business operations.

Applicable criteria

[Definition of Default](#)

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

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

[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

Established in 1999, Dr. Namjoshi Hospital Private Limited (DNHPL) is a multispecialty hospital in Mumbai owned by Mr. Deepak Namjoshi and Dr. Masumma Namjoshi. DNHPL has four hospitals located in Mumbai, first in Juhu with capacity of 100 beds, second in Andheri East with capacity of 100 beds, third in Kurla with capacity of 245 beds and fourth in Malad with capacity of 110 beds. All these hospitals operate in the name of Criticare Multispeciality Hospital and provide medical treatments for various specialities ranging from Transplant, Cardiology, Orthopaedics, Neuro, Oncology, Urology, General Surgery, Plastic Surgery, Nephrology, Gynaecology and Paediatrics, Ophthalmology, Dental, Intensive Care and emergency department, trauma care, etc.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	9MFY25 (UA)
Total operating income	216.78	299.36	NA
PBILDT	38.28	53.61	NA
PAT	6.42	16.60	NA
Overall gearing (times)	4.90	3.56	NA
Interest coverage (times)	1.73	2.11	NA

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	-	-	-	-	17.64	CARE BB+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	-	-	-	May 2046	212.17	CARE BB+; 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			
		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	212.17	CARE BB+; Stable; ISSUER NOT COOPERATING*	1)CARE BB+; Stable (30-May-24)	-	-	-
2	Fund-based - LT-Bank Overdraft	LT	17.64	CARE BB+; Stable; ISSUER NOT COOPERATING*	1)CARE BB+; Stable (30-May-24)	-	-	-

*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-Bank Overdraft	Simple
2	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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Disclaimer:

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