

## Fortis Healthcare Limited

November 27, 2019

### Ratings

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long term Bank Facility	-	-	Reaffirmed at CARE BBB- (Triple B Minus) (Credit watch with Developing Implications) and Withdrawn*
ST Facilities-Fund Based (Overdraft)	-	-	Reaffirmed at CARE A3 (A Three) (Credit watch with Developing Implications) and Withdrawn*

*Details of facilities in Annexure-1*

\*At the request of the company vide email dated November 26, 2019 along with 'No Objection Certificate' dated October 03, 2019 for part of the facilities and No Dues Certificate dated June 27, 2019 for the remaining facilities, we hereby withdraw the outstanding rating of 'CARE BBB- (Triple B Minus) (Credit watch with Developing Implications) and CARE A3 (A Three) (Credit watch with Developing Implications) assigned to the bank facilities of the company with immediate effect.

### Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has reaffirmed and withdrawn the outstanding ratings of 'CARE BBB- (Triple B Minus) (Credit watch with Developing Implications)/ CARE A3 (A Three) (Credit watch with Developing Implications)' assigned to the bank facilities of Fortis Healthcare Limited (FHL) with immediate effect. The above action has been taken at the request of FHL and 'No Objection Certificate/ No Dues certificate' received from the bank(s) that have extended the facilities rated by CARE.

**Analytical approach:** Not Applicable

### Applicable Criteria

[Policy on Withdrawal of ratings](#)

### About the Company

FHL, incorporated in 1996, is a leading healthcare player with presence in multiple verticals spanning diagnostics, primary care, day care specialty and hospitals. The group operates 43 healthcare facilities with approximately 4,100 operational beds. FHL also operates one of the largest private diagnostic centres in India through its subsidiary SRL Ltd. Its network comprised of 368 laboratories, more than 1,000 collection centres with over 5,000 direct clients. In November 2018, IHH, through its subsidiary - Northern TK Ventures Pte Ltd had infused equity in FHL leading to holding of ~31.1%. A brief of the consolidated results have been shown below:

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	4717	4562
PBILDT	441	323
PAT	-934	-224
Overall gearing (times)	0.62	0.59
Interest coverage (times)	1.71	0.96

A: Audited

Figures are rounded off to the nearest decimal place

### About IHH:

IHH has vast experience in healthcare sector in Malaysia, Singapore, Brunei, China, Turkey and UAE. The majority shareholder of IHH is Khazanah Nasional Berhad, the sovereign wealth fund of Malaysia. Through its operating subsidiaries, the group has more than 10,000 licensed beds in 50 hospitals across 9 countries. The group offers the full spectrum of integrated healthcare services like primary care, secondary and tertiary care, quaternary care and medical education.

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

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

## Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Term Loan-Long Term	-	-	-	-	Withdrawn
Fund-based - ST-Bank Overdraft	-	-	-	-	Withdrawn

## Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Term Loan-Long Term	LT	-	-	1)CARE BBB- (Under Credit watch with Developing Implications) (04-Apr-19)	1)CARE C (11-Apr-18)	1)CARE BBB+ (Under Credit watch with Negative Implications) (06-Mar-18) 2)CARE A- (Under Credit watch with Negative Implications) (13-Feb-18) 3)CARE A+ (Under Credit watch with Developing Implications) (24-Nov-17) 4)CARE A+ (Under Credit watch with Developing Implications) (09-Nov-17) 5)CARE A+ (Under Credit watch with Developing Implications) (27-Jul-17) 6)CARE A+; Stable (20-Apr-17)	1)CARE A+ (04-May-16)
2.	Fund-based - ST-Bank Overdraft	ST	-	-	1)CARE A3 (Under Credit watch with Developing Implications) (04-Apr-19)	1)CARE A4 (11-Apr-18)	1)CARE A2 (Under Credit watch with Negative Implications) (06-Mar-18) 2)CARE A2+	1)CARE A1+ (04-May-16)

							(Under Credit watch with Negative Implications) (13-Feb-18) 3)CARE A1+ (Under Credit watch with Developing Implications) (24-Nov-17) 4)CARE A1+ (Under Credit watch with Developing Implications) (09-Nov-17) 5)CARE A1+ (Under Credit watch with Developing Implications) (27-Jul-17) 6)CARE A1+ (20-Apr-17)	
3.	Commercial Paper	ST	-	-	-	1)Withdrawn (29-Mar-19) 2)CARE A4 (11-Apr-18)	1)CARE A2 (Under Credit watch with Negative Implications) (06-Mar-18) 2)CARE A2+ (Under Credit watch with Negative Implications) (13-Feb-18) 3)CARE A1+ (Under Credit watch with Developing Implications) (24-Nov-17) 4)CARE A1+ (Under Credit watch with Developing Implications) (09-Nov-17)	-

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

### Disclaimer

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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