SOUTH APOLLO MEDICAL COLLEGE & HOSPITAL LIMITED

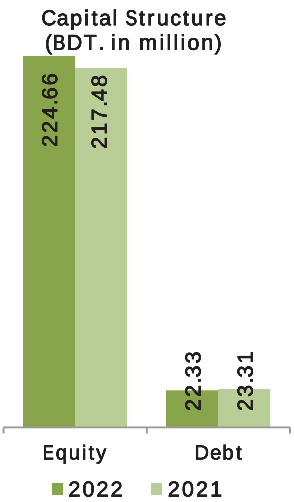
Ref. no.: FR/2023/033863

Report Contents:

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	57.82	40.01
EBIT	5.25	2.86
Net Profit	4.19	2.28
Total Assets	247.00	240.79
Total Equity	224.66	217.48
Total debt	22.33	23.31
Net Profit Margin (%)	7.2	5.7
ICR (X)	197.88	108.39



Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB+	ST 3	Stable	26 September 2023	25 September 2024

BDT. In Million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount as on 21.09.2023	Bank Loan Rating
Pubali Bank Ltd.	Term Loan	50.00	-	blr BBB+
	HBL (Com)	100.00	50.00	
	OD	50.00	21.00	blr ST 3
	Total	**200.00**	**71.00**	

**blr – Bank Loan Rating*

Methodology: *SME rating methodology published on the WCRCL website at www.wasocreditrating.com*

RATING RATIONALE

WCRCL has assigned 'BBB+' (pronounced as Triple B Plus) rating for the Long Term and 'ST 3' (pronounced Short Term Three) rating for Short Term to 'South Apollo Medical College & Hospital Limited (hereinafter referred to as 'SAMCHL' or 'The Company'), based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration. WCRCL has also assigned 'blr BBB+' (pronounced as bank loan rating Triple B Plus) rating to the long term loan outstanding and 'blr ST 3' (pronounced as Bank Loan Rating Short Term Three) rating to the aggregate short term loan limit.

The above ratings have been assigned based on the fundamentals of the company which include financial and operational flexibility, experience of promoter in healthcare, college and pharmaceuticals industries, strong brand image, large pool of professionals, most transactions are in cash and satisfactory banking relationship.

However, the above factors are low disclosure of the financial statement, tight liquidity position i.e. low current and quick ratio, low Coverage position and highly levered capital structure.

The long-term rating is subject to medium credit risk and considered medium grade and as such may possess certain volatile characteristics. The short term rating implies that the company has acceptable ability to repay short term debt obligations from internal sources. However, it is expected to rely on external sources of committed financing due to downturn in economic or industry circumstances, WCRCL believes that the issuer may require covenant relief in order to maintain orderly access to funding lines.

WCRCL also viewed the company with "Stable" outlook and believes that SAMCHL will be able to maintain its good fundamentals in the foreseeable future.

This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.