

Nobel Cancer Hospital Private Limited: Ratings downgraded and moved to 'Issuer Not Cooperating' category with notice of ratings withdrawal

March 04, 2024

Summary of rating action

Instrument (Amount in NPR Million)	Last Rated Amount	Rating Action
Long-Term Loan Limits	1,705.00	[ICRANP] LB "Issuer Not Cooperating"; downgraded from [ICRANP] LB+ and moved to 'Issuer not cooperating' category, with notice of rating withdrawal
Short-Term Loan Limits	11.40	[ICRANP] A4 "Issuer Not Cooperating"; revised from [ICRANP] A4 and moved to 'Issuer not cooperating' category with notice of rating withdrawal
Total	1,716.40	

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

Rating action

ICRA Nepal has downgraded the long-term loan rating of Nobel Cancer Hospital Private Limited (NCHPL) to [ICRANP] LB 'Issuer Not Cooperating' (pronounced ICRA NP L B, Issuer Not Cooperating) from [ICRANP] LB+ (pronounced ICRA NP L B Plus). ICRA Nepal has also revised the company's short-term loan rating to [ICRANP] A4 'Issuer Not Cooperating' (pronounced ICRA NP A four, Issuer Not Cooperating) from [ICRANP] A4 (pronounced ICRA NP A four). The rating action has been taken in accordance with Credit Rating Regulations 2011, following limited cooperation from NCHPL for rating information despite multiple follow-ups. The ratings have also been put on notice for withdrawal.

Rationale

The ratings downgrade/revision is mainly on account of the company's modest financial profile with high debt burden, along with recent negative changes in the project's expected revenue pattern and hence likely subpar debt servicing metrics during the stabilisation phases, as and when the project starts operations.

ICRA Nepal assesses whether the information available about the entity is commensurate with its rating and reviews the same as per Credit Rating Regulations 2011 as well as ICRA Nepal's '[Withdrawal/Suspension Policy](#)' available at www.icranepal.com.

As a part of its process and in accordance with its rating agreement with NCHPL, ICRA Nepal has been trying to seek information from the entity to monitor its performance, but despite repeated requests by ICRA Nepal, the entity's management has remained non-cooperative. In absence of cooperation from NCHPL and in line with the aforesaid policy of ICRA Nepal, a rating view has been taken on the entity based on the best available information.

Analytical approach: For arriving at the ratings, ICRA Nepal has applied its rating methodology as indicated below.

Link to the applicable criteria:

[Corporate Credit Rating Methodology](#)

Link to the previous rating rationale:

[Rationale_NCHPL_BLR Surveillance_August 2022](#)

About the company

Incorporated in June 2020, Nobel Cancer Hospital Private Limited is undertaking the construction of a specialised cancer treatment hospital in Biratnagar of Eastern Nepal. Promoted by Nobel Medical College and Teaching Hospital Private Limited (NMCTH), this specialised hospital is proposed to have an initial capacity of 25 beds (approval being sought for 100 beds, which will be added gradually) and will be located adjacent to the current operational hospital of NMCTH.

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About ICRA Nepal Limited:

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