



Press Release

Jai Ambey Emergency Services Pvt. Ltd.

March 10 , 2022

Ratings

Instrument Facility	Amount (Rs. Crore)	Ratings	Rating Action	Complexity Indicator
Long term Bank Facilities – Term Loan	6.54	IVR BB+/Positive Outlook (IVR Double B Plus With Positive Outlook)	Assigned	Simple
Short Term Bank Facilities - Overdraft	7.00	IVR A4+ (IVR A Four Plus)	Assigned	Simple
Short term Bank Facilities – BG	3.46	IVR A4+ (IVR A Four Plus)	Assigned	Simple
Total	17.00 (Seventeen Crores Only)			

Details of Facilities are in Annexure 1

Detailed Rationale

The ratings assigned to the bank facilities of Jai Ambey Emergency Services Private Limited (JAESPL) derive strength from experience of its promoters, established track record and reputed clientele. However its operation constrained on account of its moderate scale of operations and profitability coupled with leveraged capital structure and moderate debt coverage indicators. The ratings further consider its presence in highly fragmented and competitive Emergency Ambulance Services industry.

Key Rating Sensitivities:

Upward Factors

- Significant growth in scale of business with improvement in profitability metrics thereby leading to overall improvement in debt protection metrics, cash accruals and liquidity on a sustained basis
- Improvement in receivable management
- Sustenance of the capital structure



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Downward Factors

- Dip in operating income and/or profitability impacting the debt coverage indicators on a sustained basis
- Deterioration in receivable position impacting the liquidity
- Moderation in the capital structure

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced management and long track record of operation**

The director Mr. Jogendra Singh has an experience of more than a decade in logistic & transportation business. He look after sales and marketing of the company by exploiting his wide contacts and relations. His is well supported by Mr. Amendra Singh Thakur and Mr. Dharmendra Singh who are experienced in similar line of business.

- **Scale of Operations**

Incorporated in June 2015, the scale of operations has remained moderate at Rs 62.14 Cr in FY21 against 21.47 in F.Y 20. This is mainly because the company has received a tender from the Director of Health Service, CG in December 2019 for 5 years for Operation and management of 108 Sanjeevani Express at a price of Rs 1.91 Lakhs per ambulance per month reflects the visibility of sales of Rs 72.00 from FY21 onwards.

- **Satisfactory order book position indicating a near-term revenue visibility**

The group has a satisfactory order book position, the value of o/s orders in hand stands at ~ Rs. 377.94 crore which is ~ 6x the combined net sales of FY21.

- **Reputed Clientele**



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The clients of the group consist of reputed players from both Private & public sectors. The present order book consists orders from reputed entities like Vedanta Hospital, NTPC, Govt. of Jharkhand, Directorate Health Services – Raipur.

- **Comfortable Financial Risk Profile**

Coverage ratios with DSCR and ISCR are adequate at 4.23x and 4.46x in FY21. Profitability in FY21 has improved compared to FY20 with NPM of 3.74%. The Net Worth of companies stands at INR 9.52 Cr as on 31st March, 21 marginally improved. Going forward, Infomerics believes the financial risk profile to remain comfortable as the group has lower reliance on external debt and maintained a conservative capital structure.

Key Rating Weaknesses

- **Tender based nature of operations and competition from organized and larger number of unorganized private players:**

JAESPL receives majority of its revenue from the government contracts which are tender based and are required to be renewed every 5 years. Further, the Company faces stiff competition from a large number of small private players who provide ambulances to hospitals.

- **Risk of delay in project execution**

JAESPL business is susceptible to financial loss arising out of delay in project execution, as generally there exists a penalty clause for delay in contract execution.

- **Exposed to execution challenges due to regulatory risks associated.**

Company related operations remain exposed to regulatory risks, which can lead to potential closure in case of violation of statutory norms. Company derives its major revenue from the



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State/central Government entities which can result in stretch as bill verification process could get elongated.

Analytical Approach: Standalone

Applicable Criteria :

[Rating Methodology for Services entities](#)

[Financial Ratios & Interpretation Non- Financial Sector](#)

Liquidity – Adequate

Liquidity position of the Comp. is expected to remain adequate marked by expected gross cash accruals in the range of Rs.15.62-19.33 crore in FY22-FY24 as compared to debt obligation in the range of Rs 9.50 – 3.55 crore. Further, with a gearing of 3.72x times as of March 31, 2021, the JAESPL has sufficient gearing headroom, to raise additional debt for its capex though the company has no near term major capex or debt availment plan. Further, the average utilization of fund based bank limit was around ~56.12 % during the last 12 months ending Dec 31, 2021 indicating a moderate liquidity buffer.

About the Company

JAES was incorporated in June 2015 and is involved in Medical and Emergency Services i.e. providing ambulance services. JAES has received LOA from Directorate of Health services, Department of Health & family Welfare, Atal Nagar, Chhattisgarh for providing 300 ambulances. The total amount of work is Rs.377.94 crores for 5 years.

Financials (Standalone):

For the year ended* As on	(Rs. crore)	
	31-03-2020	31-03-2021
	Audited	Audited
Total Operating Income	21.47	62.14
EBITDA	4.41	15.23
PAT	0.47	2.34
Total Debt	17.41	33.47
Tangible Net worth*	7.03	9.52
EBITDA Margin (%)	20.55	24.51
PAT Margin (%)	2.18	3.74
Overall Gearing Ratio (x)	2.71	3.72



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**as per Infomerics standards*

Status of non-cooperation with previous CRA : NIL

Any other information: Nil

Rating History for last three years:

Sl. No.	Name of Instrument / Facilities	Current Rating (Year 2021-22)			Rating History for the past 3 years		
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19
1.	Term Loan	Long Term	6.54	IVR BB+/Positive Outlook (IVR Double B Plus With Positive Outlook)	-	-	-
2	Overdraft	Short Term	7.00	IVR A4+ (IVR A Four Plus)			
3	BG	Short Term	3.46	IVR A4+ (IVR A Four Plus)	-	-	

Name and Contact Details of the Rating Analyst:

Name: Mr. Tarun Jain Tel: (011) 24601142 Email: Tarun.jain@infomerics.com	Name: Mr. Om Prakash Jain Tel: (011) 24601142 Email: opjain@infomerics.com
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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.



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Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit www.infomerics.com

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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities- Term Loan	-	-	-	6.54	IVR BB+/ Positive Outlook
Short Term Bank Facilities- Overdraft				7.00	IVR A4+ (IVR Single A Four Plus)
Short Term Bank Facilities- BG	-	-	-	3.46	IVR A4+ (IVR Single A Four Plus)

Annexure 2: List of companies considered for consolidated analysis: Not Applicable.

Annexure 3: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/Jai-Ambey-Emergency-lenders-mar22.pdf>

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com