

CASE STUDY OF BANKS AND FINANCIAL INSTITUTIONS FOR KEY HEALTHCARE SPECIFICS and PRE SANCTIONING EVALUATION OF MEDICAL EDUCATION PROJECT.

CLIENT :

Large Public sector Bank evaluating a Proposal from Kolkatta on behalf of a Charitable Trust to establish a Medical Education Institute at A Total Cost of INR 263 crores

SITUATION:

The proposed project location was around 60 KMS from Kolkatta with the 300 bedded hospital constructed thro margin money by the promoters and the dilemma for the Bank was to assess the feasibility of the proposed hospital and evaluate the projections forwarded by the promontory in TEF and DPR reports on project specifics .

We were preferred due to our previous experience of regulatory norms as well as the project planning and implementation experience of medical education projects.

INTERVENTION :

1. The documents were evaluated and key areas required for Medical education projects like planned CAPEX with continued fund flow during long project gestations, revenue challenges
2. Project visioning to last thro all project phases from Planning till PG inception including Procurement of Finance.
3. Assessment to evaluate project concept to avoid the hospital becoming a liability and drain on resources as is common with PRIVATE MEDICAL ECUCATION INSTITUTIONS.IN THE LONG RUN.
4. A Site visit to have a complete first hand assessment of project stage as well as management interviews to asses the capacity of promoters and understand their vision and mission for the project . It was also evaluated whether they are prepared for longer break evens and slow and low ROI in near term which is hallmark of Medical education projects.

IMPACT:

Bank was rewarded with an expert assessment of compliance of regulatory norms as well as impressions on where the project stands on the parameters of Medical council of India, State Govt norms and fee fixation norms

It was forwarded a very comprehensive assessment of the forwarded TEF and DPR to guide the project finance unit of the bank.

Clear recommendations for improving project viability right from planning stage going through entire project gestation could be forwarded to help the Financier as well as borrower.

The SARATHY ADVISORY and it's expert team is able to do complete end to end handholding for a Medical Education project till the Regulatory recognition is achieved. This experience helped the financial institutions in identifying key shortfalls in project projections and later helps both the stake holders in successfully navigating through the long gestation and develop USPs and Value additions in the longer term so that even if Survival of the Fittest principle applies in long term, they would not feel any stress for not just survival but they become the preferred destinations for Medical aspirants..