

Press Release

Glocal Healthcare Systems Private Limited

May 23, 2019

Ratings

Instrument / Facility	Amount (Rs. crore)	Ratings	Rating Action
Long-Term Debt- Term Loan	30.00	IVR B+/Stable Outlook ISSUER NOT COOPERATING* (Rating moved to Issuer Not Cooperating category from IVR BB/Stable)	Moved to ISSUER NOT COOPERATING Category and revised from IVR BB with Stable Outlook
Long Term Fund based facilities- Cash Credit	5.00	IVR B+/Stable Outlook ISSUER NOT COOPERATING* (Rating moved to Issuer Not Cooperating category from IVR BB/Stable)	Moved to ISSUER NOT COOPERATING Category and revised from IVR BB with Stable Outlook
Long Term Fund based facilities- Bank Guarantee	5.00	IVR B+/Stable Outlook ISSUER NOT COOPERATING* (Rating moved to Issuer Not Cooperating category from IVR BB/Stable)	Moved to ISSUER NOT COOPERATING Category and revised from IVR BB with Stable Outlook
Total	40.00		

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

Details of Facility are in Annexure 1

Detailed Rationale

Availability of information from the client is a key factor in the assessment of credit risk. However, no operational or financial information has been provided by the company. Based on information available at the time of last review/surveillance, the ratings have been migrated to 'IVR B+/Stable Outlook (IVR Single B Plus with Stable Outlook) ISSUER NOT COOPERATING '.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data & annual report for FY18 to monitor its assigned rating to the bank facilities, vide E-mail communications dated December 12, 2018, February 1, 2019, March 1, 2019, May 3, 2019 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details. Further, the company has

also not submitted 'NO DEFAULT STATEMENT' for the past three months. Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long- term ratings for the bank loan facilities of Glocal Healthcare Systems Pvt Ltd aggregating to Rs.40.00 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR B+/Stable: Issuer Not Co-operating; Based on best available information. (IVR B Plus/Stable: Issuer Not Co-operating; Based on best available information). Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

Analytical Approach & Applicable Criteria

Financial Ratios & Interpretation – (Non-financial Sector)

Guidelines on what constitutes Non-Cooperation by clients

About the Company

Incorporated in 2010, Glocal Healthcare Systems Private Limited (GHSPL) is a healthcare venture, promoted by former chairman of SEBI, Mr. Meleveetil Damodaran & Dr. Syed Sabahat Azim, former Secretary to the Honourable Chief Minister of Tripura.

GHSPL currently has 11 operational hospitals. The first 5 hospitals set up in West Bengal started in the first two years of its operation. In 2015, it has successfully set up 6 more hospitals in the Limited Liability Partnership model in various parts of the country including West Bengal, Odisha, Uttar Pradesh, and Bihar. All these hospitals have around 100 bed capacity. Further, 6 hospitals are under construction in the eastern region. GHSPL intends to set up 20X100 bed modernised hospitals by 2020, in the un-served/underserved urban, semi-urban and rural parts of India.

Apart from the hospital business GHSPL, has set up 120 Digital Dispensaries which provide virtual healthcare services of premium doctors, as well as diagnostic tests & medicines - all powered and backed by a Clinical Decision Support System which reduces chances of human error. GHSPL intends to set up 2628 Digital Dispensaries in the span of 12-15 months.

Financials (Standalone)
(Rs. Crore)

For the year ended* / As On	31-03-2016	31-03-2017
	Audited	Audited
Total Operating Income	34.04	51.63
EBITDA	-13.26	-15.08
PAT	-20.73	-34.45
Total Debt	125.22	138.03
Tangible Net worth	25.83	3.36
EBITDA Margin (%)	-38.94	-29.20
PAT Margin (%)	-65.15	-73.55
Overall Gearing Ratio (x)	4.85	41.07

**Based on Infomerics classification*

Status of non-cooperation with previous CRA: CARE has flagged its rating to 'Issuer not co-operating' vide press release dated Mar 07, 2018 on account of failure of the borrower to submit information as required by CARE.

Any other information: Nil

Rating History for last three years:

S. No.	Name of Instrument/Facilities	Current Rating (Year 2019-20)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18	Date(s) & Rating(s) assigned in 2016-17
1.	Long-Term Debt-Term Loan	Long Term	30.00	IVR BBB-/Stable Outlook (IVR Triple B Minus with Stable Outlook) ISSUER NOT COOPERATING*	IVR BB / Stable Outlook(I VR Double B with Stable Outlook) (June 5, 2018)	--	--
2.	Long Term Fund based facilities-Cash Credit	Long Term	5.00	IVR BBB-/Stable Outlook (IVR Triple B Minus with Stable Outlook) ISSUER NOT COOPERATING*	IVR BB / Stable Outlook(I VR Double B with Stable Outlook) (June 5, 2018)	--	--

3.	Long Term Fund based facilities-Bank Guarantee	Long Term	5.00	IVR A3 (IVR A Three) ISSUER NOT COOPERATING*	IVR BB / Stable Outlook(I VR Double B with Stable Outlook) (June 5, 2018)	--	--
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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.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long-Term Debt-Term Loan	March-2017	12.30%	Dec-2024	30.00	IVR B+/Stable Outlook (IVR Single B Plus with Stable Outlook) ISSUER NOT COOPERATING*
Long Term Fund based facilities-Cash Credit	-	-	-	5.00	IVR B+/Stable Outlook (IVR Single B Plus with Stable Outlook) ISSUER NOT COOPERATING*
Long Term Fund based facilities-Bank Guarantee	-	-	-	5.00	IVR B+/Stable Outlook (IVR Single B Plus with Stable Outlook) ISSUER NOT COOPERATING*