



## Press Release

### Arete Institute of Medical Science Private Limited

April 29, 2024

#### Ratings

Facilities	Amount (INR crore)	Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facilities	80.00	IVR B+/ Negative ISSUER NOT COOPERATING* (IVR B plus with Negative outlook Issuer Not Cooperating)	Downgraded from IVR BB- / Stable (IVR double B minus with Stable outlook) and moved to ISSUER NOT COOPERATING category	Simple
<b>Total</b>	<b>80.00 (Rs. eighty crores only)</b>			

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

#### Details of Facilities are in Annexure 1

#### Detailed Rationale

Infomerics has downgraded the long-term rating and moved the rating assigned to the bank facilities of Arete Institute of Medical Sciences Private Limited (AIMSPL) to ISSUER NOT COOPERATING category because of lack of adequate information for rating review from the company and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

#### Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities vide e-mail communications dated April 09, 2024, April 10, 2024, and April 11, 2024, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted all the essential details required for detailed review of the assigned ratings.



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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 rating for the bank loan facilities aggregating to INR 80.00 crore of Arete Institute of Medical Sciences Private Limited shall be moved to 'ISSUER NOT COOPERATING' category by Infomerics and the ratings will be noted at 'IVR B+/ Negative ISSUER NOT COOPERATING'; based on best available information (IVR B plus with negative outlook Issuer not cooperating; based on best available information).

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Service Sector companies](#)

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

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Criteria of Rating Outlook](#)

### **About the company**

Arete Institute of Medical Sciences Private Limited (AIMSPL) was incorporated on June 25, 2021, and has set up a greenfield project for 142 beds Multi-Speciality Hospital under the brand name of "Arete Hospitals" in Hyderabad, Telangana. The proposed project cost for setting up a 142 bedded Multi-Specialty Hospitals has been estimated at Rs.117.30 Cr. which has been funded through a term loan of Rs.45 cr from UBI and from HDFC bank of Rs.30 crore and Promoters Contribution of Rs.40.30 Crores as Equity. Further the entity has Rs.5.00 crore cash credit limits from UBI for the smooth functioning of the hospital on day-to day basis. The Company has entered registered lease agreement on August 26, 2022. There is total 4 lease agreements for the total Building (consisting of 3 Cellars+2 Stilts + Upper 12 floors). The entity is in project stage and proposes to commence its commercial operation from July 2023.

### **Financials (Standalone)**

**(INR Crore)**

<b>For the year ended* / As On</b>	<b>31.03.2021</b>	<b>31.03.2022</b>
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	NA	0.00
EBITDA	NA	-0.02
PAT	NA	-0.02
Total Debt	NA	7.62
Tangible Net worth	NA	0.03
EBITDA Margin (%)	NA	NM



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PAT Margin (%)	NA	NM
Overall Gearing Ratio (x)	NA	254.00

\* NA: Not available, NM: Not meaningful

\*Classification as per Infomerics' standards

**Status of non-cooperation with previous CRA: NA**

**Any other information: Nil**

### Rating History for last three years:

Sl. No.	Name of Instrument / Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount Outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23 Mar 28, 2023	Date(s) & Rating(s) assigned in 2021-22
1.	Term Loan	Long Term	45.00	IVR B+/ Negative ISSUER NOT COOPERATING*	-	IVR BB-/ Stable	-
2.	Term Loan	Long Term	30.00	IVR B+/ Negative ISSUER NOT COOPERATING*	-	IVR BB-/ Stable	-
3.	Cash Credit	Long Term	5.00	IVR B+/ Negative ISSUER NOT COOPERATING*	-	IVR BB-/ Stable	-

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

### Name and Contact Details of the Rating Analyst:

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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).



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

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](http://www.infomerics.com)

**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 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
Term Loan I	-	-	Nov 2029	45.00	IVR B+/ Negative ISSUER NOT COOPERATING*
Term Loan II	-	-	Nov 2032	30.00	IVR B+/ Negative ISSUER NOT COOPERATING*
Cash Credit	-	-	-	5.00	IVR B+/ Negative ISSUER NOT COOPERATING*

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

**Annexure 2: Facility wise lender details:** Not Applicable



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**Annexure 3: List of companies considered for consolidated analysis:** Not Applicable

**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](http://www.infomerics.com)

