



Press Release

Genesis Institute of Medical Science Private Limited

September 17, 2024

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Term Loans	47.01	IVR BBB- (CE)/ Negative ISSUER NOT COOPERATING** (IVR Triple B Minus [Credit Enhancement] * with Negative Outlook Issuer Not Cooperating)	IVR BBB (CE)/ Stable (IVR Triple B [Credit Enhancement] * with Stable Outlook)	Downgraded and moved to Issuer Not Cooperating category	Complex
GECL	18.23	IVR BBB- (CE)/ Negative ISSUER NOT COOPERATING** (IVR Triple B Minus [Credit Enhancement] * with Negative Outlook Issuer Not Cooperating)	IVR BBB (CE)/ Stable (IVR Triple B [Credit Enhancement] * with Stable Outlook)	Downgraded and moved to Issuer Not Cooperating category	Complex
Bank Guarantee	1.65	IVR A3 (CE) ISSUER NOT COOPERATING** (IVR A Three [Credit Enhancement] * Issuer Not Cooperating)	IVR A3+ (CE) (IVR A Three Plus [Credit Enhancement] *)	Downgraded and moved to Issuer Not Cooperating category	Complex
Equipment Finance Loan	2.13	IVR B+/ Negative ISSUER NOT COOPERATING** (IVR B Plus with Negative Outlook Issuer Not Cooperating)	IVR BB-/ Stable (IVR Double B Minus with Stable Outlook)	Downgraded and moved to Issuer Not Cooperating category	Simple
Proposed Overdraft	10.00	IVR A4 ISSUER NOT COOPERATING** (IVR A Four Issuer Not Cooperating)	IVR A4 (IVR A Four)	Reaffirmed and moved to Issuer Not Cooperating category	Simple
Total	79.02 (INR seventy nine crore and two lakh only)				



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**CE rating based on corporate guarantee provided by Baby Memorial Hospital Limited.*

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

	Ratings	Previous Ratings
Unsupported Rating*	IVR B+/ Negative ISSUER NOT COOPERATING** (IVR B Plus with Negative Outlook Issuer Not Cooperating)	IVR BB-/ Stable (IVR Double B Minus with Stable Outlook)

**Unsupported rating does not factor in the explicit credit enhancement*

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

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The bank facilities of Genesis Institute of Medical Science Private Limited (GIMSPL) has received an unconditional, irrevocable, and enforceable corporate guarantee, which has been extended by Baby Memorial Hospital Limited (BMHL) for the bank facilities of GIMSPL aggregating to INR66.89 crore, based on which the rating of the said facilities is IVR BBB-(CE)/ Negative ISSUER NOT COOPERATING based on best available information (IVR Triple B Minus [Credit Enhancement] with Negative outlook Issuer Not Cooperating based on best available information) and IVR A3 (CE) ISSUER NOT COOPERATING based on best available information (IVR A Three [Credit Enhancement] Issuer Not Cooperating based on best available information) against the unsupported rating of 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).

Infomerics has also downgraded the unsupported rating and the standalone ratings assigned to the bank facilities of Genesis Institute of Medical Science Private Limited's (GIMSPL) and moved the rating to the Issuer Not Cooperating category because of lack of adequate information regarding GIMSPL's performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its ratings and reviews the same as per its policy. The outlook has been changed to negative due to information availability risk. The lenders, investors and other market participants are



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thus advised to exercise appropriate caution while using these ratings as the ratings may not adequately reflect the credit risk profile of the entity.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data & NDS to monitor its assigned rating to the bank facilities, vide mail communications dated 8th June 2024, 12th June 2024, 6th July 2024, 16th July 2024, 3rd August 2024, 2nd September 2024, 3rd September 2024, 4th September 2024, and 5th September 2024 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted surveillance fees and all the essential details required for detailed review of the assigned ratings.

In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the ratings based on the best available information. Accordingly, the ratings of the bank loan facilities aggregating to INR66.89 crore of Genesis Institute of Medical Science Private Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the long-term rating will be noted as 'IVR BBB- (CE)/ Negative ISSUER NOT COOPERATING' based on best available information (IVR Triple B Minus [Credit Enhancement] with Negative outlook and Issuer Not Cooperating based on best available information) and the short-term rating will be noted as 'IVR A3 (CE) ISSUER NOT COOPERATING' based on best available information (IVR A Three [Credit Enhancement] Issuer Not Cooperating based on best available information). The standalone ratings assigned to the bank loan facilities aggregating to INR12.13 crore of GIMSPL shall also be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the long-term and short-term ratings will be 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) and IVR A4 ISSUER NOT COOPERATING (IVR A Four Issuer Not Cooperating based on best available information).

Adequacy of Credit Enhancement Structure:

For assigning the ratings, Infomerics has assessed the attributes of the corporate guarantee issued by Baby Memorial Hospital Limited to all loans of GIMSPL financed by Canara Bank.



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The guarantee is legally enforceable, irrevocable, and unconditional and covers the entire amount and tenor of the rated facilities of Canara Bank and has a structured payment mechanism defining invocation and payment timelines. The corporate guarantee results in the rating of the long-term and short-term facilities at IVR BBB- (CE)/ Negative / IVR A3 (CE) ISSUER NOT COOPERATING against the unsupported rating of IVR B+/ Negative ISSUER NOT COOPERATING. The adequacy of credit enhancement has been tested after considering guaranteed debt by Baby Memorial Hospital and debt of GIMSPL. The adjusted capital structure and adjusted debt protection metrics of Baby Memorial Hospital Limited remain adequate.

Transaction Structure

In event of payment default, the following structure will be applicable:

1. T being scheduled due date of payment.
2. The Lender will invoke the guarantee within T+1 days.
3. Payment by the guarantor will be made within (T+2) days.

Infomerics will consider T+2 as its legal final maturity for the purpose of recognition of default.

Analytical Approach: Standalone and credit enhancement.

Credit enhancement is based on the unconditional, irrevocable and enforceable corporate guarantee extended by Baby Memorial Hospital Limited (BMHL) to the bank facilities of GIMSPL.

Unsupported Rating: Standalone.

Applicable Criteria:

[Rating Methodology for Service Sector Companies](#)

[Criteria of assigning Rating outlook](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Rating methodology for Structured Debt Transaction \(Non-securitisation transaction\)](#)

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

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



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About the Company

Genesis Institute of Medical Science Private Limited is a multi-speciality hospital based in Kannur, Kerala with a licenced capacity of 500 beds. The hospital was taken over by Baby Memorial Hospital Limited on 12th December 2022 and it became a 100% subsidiary of Baby Memorial Hospital since that date. The current operational beds are 150 in number and the hospital has plans of scaling up to 250 beds by December 2023. The specialities catered to by Genesis include Orthopaedics, Gastro Sciences, Neurology, Nephrology, Medical Oncology, Cardiology, etc. The total number of doctors as on date is 80 in number. There are only 3-4 multi-speciality hospitals in Kannur with a bed capacity of 100 or more.

About the Corporate Guarantor (Baby Memorial Hospital Limited)

Baby Memorial Hospital Limited is one of the largest single location private hospital in Kerala. It was founded in Calicut in 1987 by Dr. K. G. Alexander. Starting with 52 beds, the hospital has now grown to a 600 bed facility having over 40 Medical and Surgical departments, 16 world-class operation theatres, 11 fully equipped ultramodern ICUs and a 24-hours accident and trauma care unit. Spread over 7.2 acres of land, the hospital now has a team of 300+ doctors and 2000+ nursing, paramedical and administrative staff. It offers tertiary care services across multiple specialties. It also has a nursing academy offering nursing and paramedical courses.

Financials (Standalone): (Genesis Institute of Medical Science Private Limited)

(Rs. crore)

For the year ended/ As on*	31.03.2022	31.03.2023
	Audited	Provisional
Total Operating Income	51.54	57.62
EBITDA	-10.53	-7.04
PAT	-34.62	-38.41
Total Debt	120.13	142.99
Tangible Net Worth	9.78	-0.43
EBITDA Margin (%)	-20.42	-12.22
PAT Margin (%)	-65.04	-66.67
Overall Gearing Ratio (x)	12.28	-328.75
Interest Coverage (x)	-1.13	-0.56

* Classification as per Infomerics' standards.



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Financials: Corporate Guarantor (Baby Memorial Hospital Limited)

(Rs. crore)

For the year ended/ As on*	31.03.2022	31.03.2023
	Audited	Provisional
Total Operating Income	275.36	300.41
EBITDA	42.50	56.05
PAT	21.32	34.53
Total Debt	98.44	107.74
Tangible Net Worth	231.80	297.12
EBITDA Margin (%)	15.44	18.66
PAT Margin (%)	7.58	11.09
Overall Gearing Ratio (x)	0.42	0.36
Interest Coverage (x)	5.05	5.76

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Brickwork Ratings through its press release dated 28th August 2023 continued the ratings of GIMSPL in the 'Issuer not Cooperating' category on account of inadequate information received from the Company to carry out the review.

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					Aug 09, 2023	-	-
1.	Term Loans	Long Term	47.01	IVR BBB-(CE)*/ Negative ISSUER NOT COOPERATING*	IVR BBB (CE)*/ Stable	-	-
2.	GECL	Long Term	18.23	IVR BBB-(CE)*/ Negative ISSUER NOT COOPERATING*	IVR BBB (CE)*/ Stable	-	-
3.	Bank Guarantee	Short Term	1.65	IVR A3 (CE)* ISSUER NOT	IVR A3+ (CE)*	-	-



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Sr. No.	Name of Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					Aug 09, 2023	-	-
				COOPERATING* *			
4.	Equipment Finance Loan	Long Term	2.13	IVR B+/ Negative ISSUER NOT COOPERATING* *	IVR BB-/ Stable	-	-
5.	Proposed Overdraft	Short Term	10.00	IVR A4 ISSUER NOT COOPERATING* *	IVR A4	-	-

*CE rating based on corporate guarantee provided by Baby Memorial Hospital Limited

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

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

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



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Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit 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: Facility Details

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan - I	-	-	-	March 2027	25.02	IVR BBB- (CE)*/ Negative ISSUER NOT COOPERATING**
Term Loan - II	-	-	-	February 2028	21.90	IVR BBB- (CE)*/ Negative ISSUER NOT COOPERATING**
GECL – I	-	-	-	April 2028	12.90	IVR BBB- (CE)*/ Negative ISSUER NOT COOPERATING**
GECL – II	-	-	-	March 2027	5.33	IVR BBB- (CE)*/ Negative ISSUER NOT COOPERATING**
Vehicle Loan	-	-	-	December 2029	0.09	IVR BBB- (CE)*/ Negative ISSUER NOT COOPERATING**
Bank Guarantee	-	-	-	-	1.65	IVR A3 (CE)* ISSUER NOT COOPERATING**



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Equipment Finance Loan	-	-	-	October 2024	2.13	IVR B+/ Negative ISSUER NOT COOPERATING**
Proposed Overdraft	-	-	-	-	10.00	IVR A4 ISSUER NOT COOPERATING**

**CE rating based on corporate guarantee provided by Baby Memorial Hospital Limited*

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

Annexure 2: Facility wise lender details: Not Applicable

Annexure 3: Detailed explanation of covenants of the rated Security/facilities:

- Rate of interest: Bank rate + 1.75% on term loan of sanctioned amount of INR53 crore, MCLR + 4.10% on term loan of sanctioned amount of INR25 crore, 1 year MCLR + 0.60% on GECL of sanctioned amount of INR12.90 crore, 1 year MCLR + 0.60% on GECL of sanctioned amount of INR8.00 crore.
- The prime securities for the term loans are EMT of existing unregistered equitable mortgage of land and hospital building constructed thereon at Edakkad village in Kannur Taluk in Kannur District, Kerala, admeasuring 6.93 acre including services and amenities, hypothecation of machineries, equipment in hospital, construction cost on 4th Floor to 6th Floor on Hospital Building amount of INR35.00 crore, hypothecation of medical equipment, furnishing, vehicles and furniture and fixtures, services and amenities of INR25.00 crore.
- The collateral securities include EMT of unregistered equitable mortgage of approx. 4 acres of land adjacent to the prime security (project site) at Edakkad village and Chembilode village.
- Personal Guarantees have been given by Mr. T.P. Hameed, Mr. E.K. Abdul Hameed, Dr. Padmanabhan P A, Mr. Prasanthan M, Mr. P Mohamed Ashraf, Mr. Mohamood M, Mr. Mohamed Kunhi, Mr. K Abdul Jabbar, Mr. Ismath Pulimarthin Keezhil, Mrs. Uma Nambiar, Mr. Midlaj K Hameed, Dr. PAP Amjed, Mr. Sreejith Madhavan, and Dr. Suhaiba Ameer.

Annexure 4: List of companies considered for consolidated/Combined analysis: 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.