

## RATING RATIONALE

21 Oct 2020

### Axis Hospitals Pvt. Ltd.

**Brickwork Ratings Reaffirms the ratings for the long term and short term Bank Loan Facilities aggregating Rs. 18.44 Crs. of Axis Hospitals Pvt. Ltd. (“AHPL” or the Company) while retaining the ratings in the “Issuer Not Cooperating” category based on best available information, as the issuer did not cooperate. Accordingly the rating for the said instruments is as under:**

Facilities*	Amount (Rs.Crs)		Tenure	Rating#	
	Previous	Present		Previous (Jan. 2018)	Present
Fund based	18.32	18.32	Long Term	BWR D Downgraded Issuer Not Cooperating**	BWR D Reaffirmed Issuer Not Cooperating**
Non Fund Based	0.12	0.12	Short Term		
<b>Total</b>	<b>18.44</b>	<b>18.44</b>	<b>Rupees Eighteen Crores and Forty Four Lakhs Only</b>		

# Please refer to the BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for the definition of the ratings.

\* Details of Bank facilities are provided in Annexure-I

\*\*Issuer did not cooperate, based on best available information.

## RATING ACTION / OUTLOOK

Brickwork Ratings has **reaffirmed** the ratings for the long term and short term bank loan facilities of Axis Hospitals Pvt. Ltd.(aggregate rated amount Rs. 18.44 crs) at **BWR D**, while **retaining** the rating in the “**Issuer not Cooperating**” category, based on best available information as the issuer did not cooperate.

## NATURE OF NON-COOPERATION

The initial rating of the company was done on 15 May 2014 for bank loan facilities of Rs. 18.44 crs and a rating of BWR BB+(Stable)/A4+ was assigned. The ratings were downgraded to BWR BB (Stable)/A4 and migrated to the Not Reviewed category on 29 December 2016. Due to lack of cooperation from the issuer despite continued follow up to enable us to carry out a review and based on feedback received from the banker, the rating was downgraded to BWR D and moved to “Issuer Not Cooperating” category in January 2018.

BWR once again took up with the company and its banker recently, over emails and through telephone calls, to provide the required information. However, it has not been possible to establish



any contact with the company, with the contact details available with us from the last review process. Further, as per information available in the public domain through the MCA website, the present filing status of the company is “INACTIVE” and the last balance sheet filed is for FY14. The Banker has also not provided any information regarding the status of the account despite our follow up. From information available in the public domain, it appears that the banker had initiated steps in January, 2020 for sale of secured assets of the client. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity and its banker have not provided the same, nor have they shared the latest financials of the company. The company has also not submitted the No Default Statements (NDS) for a long period of time.

In the absence of managerial cooperation on the part of the company to provide adequate information about itself, coupled with their non submission of NDS, BWR is unable to assess the company’s financial performance or its ability to service its debt and maintain a valid rating. Accordingly, the rating is retained under “**Issuer Not Cooperating**” category. The rating **Reaffirmation** is based on the lack of up to date feedback on the company - either from the company itself or from its lenders, as well as the information available about the company in the public domain.

#### LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, non cooperation by the rated entities to provide the required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non transparency and withholding of the information required for a review of the rating.

#### KEY FINANCIAL INDICATORS [AS AVAILABLE WITH BWR in May 2014]

Key Financial Indicators	Units	FY 13	FY 12
Result Type		Audited	Audited
Operating Revenue	₹ Cr	0.00	0.00
EBITDA	₹ Cr	0.00	0.00
PAT	₹ Cr	0.00	0.00
Tangible Net Worth	₹ Cr	1.09	1.38
Total Debt/Tangible Net Worth	Times	8.67	0.43
Current Ratio	Times	140.43	0.35

**COMPANY PROFILE (Information as available in May 2014)**

Axis Hospitals Pvt. Ltd.(AHPL) was incorporated in 2009 in Kolkata, West Bengal. The company is promoted by Mr. Dhruva Gopal Dutta and Mr. Debjyoti Dutta. The company has envisaged a project of setting up a multi specialty hospital at Barrackpore, North 24 Parganas, West Bengal. The project is coming up in a land area of 33 cottahs and has permission to set up a 45000 sq ft building of G+4. The hospital would be a 100 bed capacity facility, consisting of Neurology, Maternity, Neonatal, Pediatric, General medicine, Ophthalmology, Dental, ICU, HDU, four modern OT and an emergency department also. There would be other facilities also like Radiology, Ultrasonography, ECG, CT Scan etc.

**NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY (IF ANY): Nil**

**RATING HISTORY FOR THE PREVIOUS THREE YEARS (including withdrawal and suspended)**

S. No	Name of Instrument	Current Rating			Chronology of Rating History for the past 3 years along with outlook/watch, if applicable								
		Type	Amount Outstanding (₹ Crs.)	Rating	Date(s) & rating(s) assigned in year 2019	Date(s) & rating(s) assigned in year 2018	Date(s) & rating(s) assigned in year 2017						
1.	Bank Loan Facility	Fund Based-Long Term	18.32	BWR D Reaffirmed Issuer Not Cooperating**	-	09.01.18	-						
		Non Fund Based-Short Term	0.12	BWR D Reaffirmed Issuer Not Cooperating**		<table border="1"> <tr> <td>FB</td> <td>18.32</td> <td>BWR D Downgraded Issuer Not Cooperating*</td> </tr> <tr> <td>NFB</td> <td>0.12</td> <td>*</td> </tr> </table>	FB	18.32	BWR D Downgraded Issuer Not Cooperating*	NFB	0.12	*	
FB	18.32	BWR D Downgraded Issuer Not Cooperating*											
NFB	0.12	*											
<b>Total</b>			<b>18.44</b>	<b>Rupees Eighteen Crores and Forty Four Lakhs Only</b>									

\*\*Issuer did not cooperate, based on best available information.



The initial rating of the company was on 15 May 2014 and the rating assigned was BWR BB+(Stable)/A4+.

Rating was downgraded to BWR BB (Stable)/A4 and migrated to “Rating Not Reviewed” on 29 Dec. 2016

## COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

### Hyperlink/Reference to applicable Criteria

- General Criteria
- Approach to Financial Ratios
- What Constitutes Non- Cooperation

Analytical Contacts	Investor and Media Relations
<p><b>Sikha Agarwal</b> Ratings Analyst D: +91 74790 04035 <a href="mailto:sikha.a@brickworkratings.com">sikha.a@brickworkratings.com</a></p> <p><b>Anuradha Gupta</b> Director - Ratings D: +91 90739 18943 <a href="mailto:anuradha.g@brickworkratings.com">anuradha.g@brickworkratings.com</a></p>	<p><b>Liena Thakur</b> Assistant Vice President - Corporate Communications +91 84339 94686 <a href="mailto:liena.t@brickworkratings.com">liena.t@brickworkratings.com</a></p>

### ANNEXURE I- Axis Hospitals Pvt. Ltd. Details of Bank Loan Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [Rs. Crs]	Short Term [Rs. Crs]	Total [Rs. Crs,]
1.	State Bank of India	Cash Credit-Proposed	5.00	-	5.00
		Term Loan	13.32	-	13.32
		FC Limit	-	0.12	0.12
<b>TOTAL Rupees Eighteen Crores and Forty Four Lakhs only</b>					<b>18.44</b>



**For print and digital media** The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

**About Brickwork Ratings :** Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non-convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partners. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

**DISCLAIMER** Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.