

August 29, 2024

## Sentini Hospitals Private Limited: Continues to remain under Issuer Non-Cooperating category, Ratings downgraded based on best available information

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term – Fund Based – Cash Credit	8.25	8.25	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB- (Stable); ISSUER NOT COOPERATING and continues to remain under 'Issuer Not Cooperating' category
Long Term - Fund Based Term Loan	7.05	7.05	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB- (Stable); ISSUER NOT COOPERATING and continues to remain under 'Issuer Not Cooperating' category
Long Term-Unallocated	21.70	21.70	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB- (Stable); ISSUER NOT COOPERATING and continues to remain under 'Issuer Not Cooperating' category
<b>Total bank facilities</b>	<b>37.00</b>	<b>37.00</b>	

<sup>^</sup>Instrument details are provided in Annexure-I

\*Issuer did not cooperate

### Rationale

The rating downgrade is because of lack of adequate information regarding Sentini Hospitals Private Limited's performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at [www.icra.in](http://www.icra.in). 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 entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Sentini Hospitals Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been moved to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, key financial indicators, liquidity position, rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Policy in respect of non-cooperation by the rated entity</a> <a href="#">Corporate Credit Rating Methodology</a> <a href="#">Hospitals</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on consolidated financials of Sentini Hospitals Private Limited (SHPL) and Sentini Healthcare India Private Limited on account of financial linkages as SHPL has extended corporate guarantee for SHPL's entire debt.

## About the company

Established in 2010, SHPL operates a 150-bed super-speciality hospital in Vijayawada, Andhra Pradesh, which began operations from February 2012. The company is promoted by the Sentini Group and is headed by Dr. Padma Movva. The hospital is spread over 80,000 sq. ft., about 9 km from the heart of the city. It received NABH accreditation in September 2015. The company introduced neurology, gynaecology and oncology in the 25-bed building, which commenced operations from April 2023. The Group entity, SHIPL, is setting up a 125-bed hospital in Vijayawada at an estimated cost of Rs. 37.0 crore, to be funded by Rs. 28.0-crore debt and promoter funds of Rs. 9.0 crore (Rs. 4.0 crore of equity and Rs. 5.0 crore of unsecured loans). The hospital is expected to become operational by March 2024.

## Key financial indicators (audited)

	FY2022	FY2023
Operating income	36.4	41.1
PAT	0.1	0.4
OPBDIT/OI	13.1%	13.4%
PAT/OI	0.4%	1.0%
Total outside liabilities/Tangible net worth (times)	1.1	1.1
Total debt/OPBDIT (times)	5.2	3.9
Interest coverage (times)	2.4	2.4

Amount in Rs. crore

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three years

	Instrument	Current rating (FY2025)			Chronology of rating history for the past 3 years			
		Type	Amount rated (Rs. crore)	Date & rating in	Date & rating in FY2024		Date & rating in FY2023	Date & rating in FY2022
				29-Aug-2024	06-Sept-2023	04-July-2023	29-July-2022	26-April-2021
1	Fund Based – Cash Credit	Long Term-	8.25	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable)	[ICRA]BB (Stable)	[ICRA]BB+(Stable)
2	Fund Based Term Loan	Long Term-	7.05	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable)	[ICRA]BB (Stable)	[ICRA]BB+(Stable)
3	Unallocated	Long Term-	21.70	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable)	[ICRA]BB (Stable)	[ICRA]BB+(Stable)

## Complexity level of the rated instruments

Instrument	Complexity Indicator
Fund Based – Cash Credit	Simple
Fund Based Term Loan	Simple
Unallocated	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

#### Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund Based – Cash Credit	NA	NA	NA	8.25	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Fund Based Term Loan	Jan 2018	NA	Dec 2027	7.05	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Unallocated	NA	NA	NA	21.70	[ICRA]B+ (Stable); ISSUER NOT COOPERATING

Source: Company

#### Annexure II: List of entities considered for consolidated analysis –

Company Name	Ownership	Consolidation Approach
Sentini Healthcare India Private Limited	Nil	Full Consolidation*

\*SHPL has extended corporate guarantee for SHIPL's entire debt

## ANALYST CONTACTS

**Shamsher Dewan**

+91 12 4454 5300

[shamsherd@icraindia.com](mailto:shamsherd@icraindia.com)

**Nithya Debbadi**

+ 91 040-69396416

[Nithya.Debbadi@icraindia.com](mailto:Nithya.Debbadi@icraindia.com)

**Srikumar Krishnamurthy**

+91 44 45964318

[ksrikumar@icraindia.com](mailto:ksrikumar@icraindia.com)

**Etikala Ravi Teja**

+91 040-69396418

[etikala.teja@icraindia.com](mailto:etikala.teja@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited

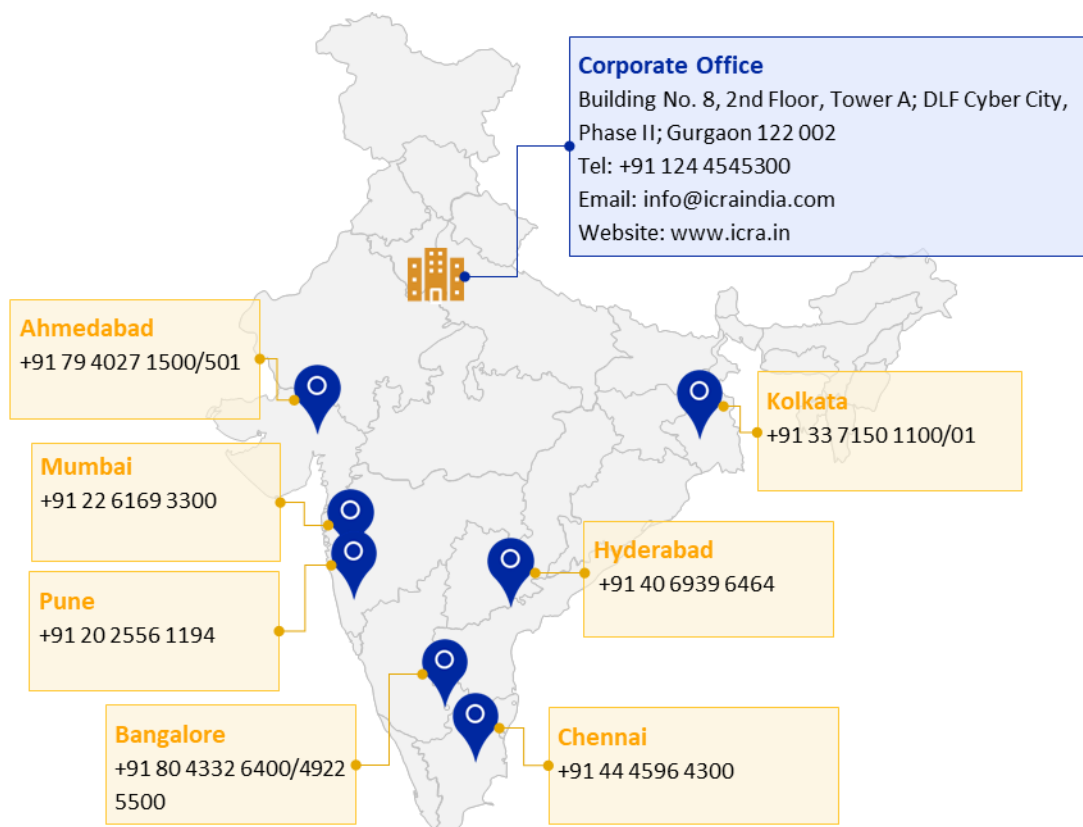


### Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001  
Tel: +91 11 23357940-45



### Branches



© Copyright, 2024 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.