

## Aarvy Healthcare Private Limited

August 14, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	87.00	CARE BB; Stable	Assigned
Long Term / Short Term Bank Facilities	18.00	CARE BB; Stable / CARE A4+	Assigned

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The ratings assigned to bank facilities of Aarvy Healthcare Private Limited (AHPL) are constrained by its moderate scale of operations albeit witnessing growth since inception. Further, the ratings also factor in the moderate debt coverage indicators of the company. The ratings also reflect the challenges posed by intense competition and highly regulated nature of healthcare industry. However, these ratings draw comfort from the company's strategic location and the extensive experience of promoters. CARE Ratings Limited (CareEdge Ratings) believe the company's ability to sustain growth in its operational performance along with improvement in net-worth base thereby improving the capital structure will be crucial factor for credit perspective.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Improvement in operational performance as marked by total operating income (TOI) above ₹150 crore and profit before interest, lease rentals, depreciation and taxation (PBILDT) margins above 20% on a sustained basis.
- Improvement in financial risk profile led by total Debt to PBILDT (TD/PBILDT) below 4x on a sustained basis.

#### Negative factors

- Decrease in scale of operations below ₹80 crore over the medium term with PBILDT margin below 12% on a sustained basis.
- Weakening of debt coverage indicators as marked by TD/PBILDT above 7x on a sustained basis.

### Analytical approach: Standalone

#### Outlook: Stable

"Stable" outlook reflects CareEdge Ratings' opinion that AHPL will continue to derive benefit from its long-standing experience of promoters in the healthcare industry.

### Detailed description of key rating drivers:

#### Key weaknesses

##### Moderate albeit growing scale of operations

AHPL commenced its commercial operations in April 2021 and has a relatively short operational track record compared to other established players. Since inception, the company has shown improvement in its operational performance and reported revenue of ₹102.15 crore in FY25 (refers to April 01 to March 31), with profitability margins as marked by PBILDT and profit after tax (PAT) margin of 19.37% and 4.82%, respectively. Additionally, the company reported TOI of ₹20.20 crore in 2MFY26 (refers to April 01 to May 31) which is expected to improve further with planned expansion in bed capacity. Despite this progress, the scale of operations remains moderate, limiting financial flexibility and the ability to fully leverage economies of scale. Moreover, the competitive and regulated nature of the healthcare sector continues to pose challenges to future growth. The company's ability to sustain the growth in its operational performance over medium term will remain a key credit monitorable.

##### Moderate debt coverage indicators

Debt coverage indicators stood moderate, as marked by moderate interest coverage of 2.53x as on March 31, 2025, and high total debt to gross cash accruals (TD/GCA) of 8.08x as on March 31, 2025. Improvement during the year was on account of improvement in profitability and stable debt levels. The net-worth base of the company stood negative at ₹33.81 crore as of March 31, 2025, given the short track record of operations. However, the promoters have infused unsecured loans in the company which stood at ₹24.87 crore as on March 31, 2025, to support the operations of the company. The company's ability to improve

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

its debt coverage metrics driven by lower reliance on debt, improvement in its operational performance and accretion of profits to net-worth base will be a key credit monitorable.

### **Intense competition and highly regulated nature of healthcare industry**

The healthcare sector is highly fragmented with presence of few large players in the organised sector and numerous mid-small players in the unorganised sector leading to high level of competition in the business. Thus, differentiating factors like range of services, quality of service, reputation of medical professionals, and success in treating complex cases will be crucial to attract patients and increase occupancy. The industry is also subject to stringent government regulations, requiring strict compliance with established norms. The healthcare industry in India is well regulated by the government and require strict adherence to the norms stipulated by the concerned authorities. Moreover, healthcare is a highly sensitive sector where any mishandling of a case or negligence on part of any doctor and/or staff of the unit can lead to distrust among the masses. Thus, healthcare providers need to monitor each case diligently and maintain standard of services to avoid the occurrence of any unforeseen incident.

### **Key strengths**

#### **Revenue diversification through comprehensive medical services**

AHPL demonstrates revenue diversification through its wide array of medical specialties and services. The hospital offers comprehensive care across disciplines such as General Surgery, Pulmonology, Neurosurgery, Oncology, Cardiology, among others. In addition to specialized departments, AHPL generates revenue from OPD consultations, diagnostic services, and ancillary income streams. The service portfolio not only enhances patient accessibility but also mitigates risk by reducing dependence on any single specialty.

#### **Location advantage**

AHPL is located at Sector-90, Gurugram and is located centrally to the populous tehsils of Gurugram district. The location itself does not have any major hospitals. It is an upcoming township of Gurugram lies on NH-8 and is also connected with Delhi through Dwarka express way. Besides there are no hospitals between Alwar to Gurugram, Jhajjar to Gurugram which offers Radiotherapy facility. The site is also located near to other cities such as Dharuhera, Rewari and Jhajjar.

#### **Experienced management**

Dr. Vikram Singh and Dr. Renu Yadav are the directors of AHPL and collectively look after the overall operations. Dr. Vikram Singh, a surgeon with 26 years of experience, holds an MBBS and MS, along with a Fellowship in Minimal Access Surgery (FIAGES). He specializes in laparoscopic and cancer surgeries. Dr. Renu Yadav began her career as a Medical Officer with the Haryana Civil Medical Services (HCMS) from 1997 to 2004. She is working as Obstetrician & Gynaecologist specialist and holds experience of 28 years. The promoters are supported by a team of qualified professionals with expertise in their respective domains.

#### **Liquidity: Adequate**

AHPL's liquidity position remains adequate, as marked by GCA of ₹14.92 crore as of March 31, 2025, and is expected to be ₹16 crore during FY26 against repayment obligations of ~₹3 crore. Further, the company has cash and bank balance of ₹5.12 crore as on March 31, 2025, and cash flow from operations amounting to ₹7.69 crore in FY25. However, the current ratio stood at 0.57x and the quick ratio at 0.56x as on March 31, 2025. Gross current asset days were moderately high at 139 days as on March 31, 2025. As per banker's feedback, working capital limits are ~70% utilized with no instance of overutilization of limits.

**Assumptions/Covenants:** Not applicable

**Environment, social, and governance (ESG) risks:** Not applicable

### **Applicable criteria**

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Hospital](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

### **About the company and industry**

#### **Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Healthcare Services	Hospital

Gurugram based AHPL was incorporated as a private limited company in July 2016 and started its operations April 2021 with 95 beds. The company is promoted by Dr. Vikram Singh and Dr. Renu Yadav. The hospital offers comprehensive care across disciplines such as General Surgery, Pulmonology, Neurosurgery, Oncology, Cardiology, among others.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)	2MFY26 (UA)
Total operating income	62.24	102.15	20.20
PBILDT	5.56	19.79	NA
PAT	-13.59	4.93	NA
Overall gearing (times)	-2.86	-3.56	NA
Interest coverage (times)	0.58	2.53	NA

A: Audited UA: Unaudited NA: Not available; Note: these are latest available financial results

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

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-Working Capital Limits	-	-	-	-	18.00	CARE BB; Stable / CARE A4+
Term Loan-Long Term	-	-	-	October 2035	87.00	CARE BB; Stable

#### Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (12-Jan-24)	1)CARE B+; Stable (23-Nov-22)
2	Fund-based - LT/ ST-Working Capital Limits	LT/ST	18.00	CARE BB; Stable / CARE A4+	-	-	-	-
3	Term Loan-Long Term	LT	87.00	CARE BB; Stable	-	-	-	-

LT: Long term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable

**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT/ ST-Working Capital Limits	Simple
2	Term Loan-Long Term	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

## Contact us

<b>Media Contact</b>  Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a>	<b>Analytical Contacts</b>  Puneet Kansal Director <b>CARE Ratings Limited</b> Phone: 91-120-4452000 E-mail: <a href="mailto:puneet.kansal@careedge.in">puneet.kansal@careedge.in</a>
<b>Relationship Contact</b>  Ankur Sachdeva Senior Director <b>CARE Ratings Limited</b> Phone: +91-22-6754-3444 E-mail: <a href="mailto:Ankur.sachdeva@careedge.in">Ankur.sachdeva@careedge.in</a>	Rajan Sukhija Associate Director <b>CARE Ratings Limited</b> Phone: 91-120-4452000 E-mail: <a href="mailto:Rajan.Sukhija@careedge.in">Rajan.Sukhija@careedge.in</a>
	Srishti Jain Analyst <b>CARE Ratings Limited</b> E-mail: <a href="mailto:Srishti.jain@careedge.in">Srishti.jain@careedge.in</a>

### About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: [www.careratings.com](http://www.careratings.com)

### Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CARE and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to [https://www.careratings.com/privacy\\_policy](https://www.careratings.com/privacy_policy)

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information, please visit [www.careratings.com](http://www.careratings.com)**