

A R R Charitable Trust

October 15, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	100.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Downgraded from CARE BB+ (CE [^]); Stable

Details of instruments/facilities in Annexure-1.

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

[^] Credit enhancement in the form of an unconditional and irrevocable corporate guarantee extended by Ramachandra Educational Trust (RET)

Unsupported Rating	Withdrawn [Withdrawn]*
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*Unsupported rating has been withdrawn as analytical approach has been changed to standalone from Credit Enhancement

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) had, vide its press release dated September 25, 2024, placed the rating(s) of A R R Charitable Trust (ARRCT) under the 'issuer non-cooperating' category as ARRCT had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. ARRCT continues to be non-cooperative despite repeated requests for submission of information through e-mails dated August 11, 2025, August 21, 2025, August 31, 2025 among others.

In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The revision in the rating assigned to bank facility of ARRCT is due to non-availability of requisite information. The rating factored in small scale of operations with low profitability in FY23 (refers to April 01 to March 31) and modest debt coverage indicators. The rating also continued to remain constrained by presence in highly competitive industry. The rating, however, also derives strength from institutions managed by highly experienced professionals.

Further, CARE has withdrawn the unsupported rating due to change in analytical approach from 'Credit Enhancement' to 'Standalone'.

Analytical approach: Standalone revised from Credit enhancement (In the form of an unconditional and irrevocable corporate guarantee extended by Ramachandra Educational Trust (RET)) as client is into Issuer-not cooperation category since long, hence CARE is unable to ascertain whether the corporate guarantee extended by RET still exists and if it does; whether it fulfils all stipulated conditions necessary for evaluation and consideration of the guarantee.

Outlook: Stable

Detailed description of the key rating drivers

At the time of last rating on September 25, 2024 the following were the rating strengths and weaknesses

Key Weaknesses

Small scale of operations with low profitability

The scale of operations marked by total operating income of ARRCT has declined by 12.86% on standalone basis and remained small at Rs. 38.28 crores during FY23 (A) as against Rs. 43.93 crore during FY22(A). Consequently, SBILDT margin has although declined but remained satisfactory to 32.74% during FY23 (A) as against 88.01% during FY22(A). Further, due to higher interest costs coupled with depreciation costs, SAT margin has declined and remained moderate at 4.63% during FY23 (A) as against 83.66% during FY22(A). However, in absolute terms profitability remained low as marked by SBILDT and net surplus of Rs.12.53 crore and Rs.1.77 crore in FY23.

Modest debt coverage indicators

Due to high interest cost as against low profitability in absolute terms, the debt coverage indicators deteriorated over previous year and remained modest marked by PBILDT Interest coverage of 1.60x as in FY23 as against 32.63x in FY22.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Presence in highly competitive industry

The presence of qualified medical professionals such as doctors, paramedical staff and support staff is one of the important requisites of a hospital to be successful and to get continued patronage from the local population. Given the increasing competition and the scarcity of medical specialists, the ability of the trust to increase the current pool of doctors would be a key differentiator.

Key strengths

Experienced promoters

ARRCT is managed Mr B. Ramachandran functioning as the Managing Trustee. The Managing Trustee also has business interests in the real estate and hospitality sectors.

Applicable criteria

[Policy in respect of Non-cooperation by Issuer](#)

[Policy on Default Recognition](#)

[Criteria on Assigning 'Outlook' and credit watch](#)

[Factoring Linkages Parent Sub JV Group](#)

[Financial Ratios – Non-financial Sector](#)

[Rating Credit Enhanced Debt](#)

[CARE Ratings' Policy on Withdrawal of Ratings](#)

[Hospital](#)

[Service](#)

About the company

ARR Charitable Trust was founded by Mr B. Ramachandran in July 2012. The trust has been involved in the activity of extending scholarship at a smaller level to students. The trust runs multi-speciality hospital named 'Sri Venkateshwaraa Medical College and Research Institute'.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	43.93	38.28
PBILDT	38.66	12.53
PAT	36.75	1.77
Overall gearing (times)	0.53	0.85
Interest coverage (times)	32.63	1.60

A: Audited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Annexure-2

Covenants of the rated instruments/facilities: Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	31-01-2032	100.00	CARE BB-; Stable; ISSUER NOT COOPERATING*
Un Supported Rating-Un Supported Rating (Long Term)		-	-	-	0.00	Withdrawn

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

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	100.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+ (CE); Stable; ISSUER NOT COOPERATING* (25-Sep-24) 2)CARE BBB (CE); Stable; ISSUER NOT COOPERATING* (02-Apr-24)	1)CARE BBB+ (CE); Stable (06-Apr-23)	1)CARE BBB+ (CE); Stable (25-May-22)
2	Un Supported Rating-Un Supported Rating (Long Term)	LT	-	-	-	1)CARE BB; ISSUER NOT COOPERATING* (25-Sep-24) 2)CARE BB; ISSUER NOT COOPERATING* (02-Apr-24)	1)CARE BB (06-Apr-23)	1)CARE BB (25-May-22)

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

LT: Long 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-Term Loan	Complex
2	Un Supported Rating-Un Supported Rating (Long Term)	Simple

Annexure-5: Lender details

To view 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 for clarifications.

Contact us

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About us:

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