

AUGUST 12, 2016

**CARE REAFFIRMS THE RATINGS ASSIGNED TO THE BANK FACILITY OF
ARTEMIS MEDICARE SERVICES LIMITED**

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long –term bank facilities	23.36 (reduced from 45.02)	CARE A- (Single A Minus)	Reaffirmed
Short-term bank facilities	25.00	CARE A-/CARE A2 (Single A Minus/A Two)	Reaffirmed
Total Facilities	48.36 (Rupees Forty Eight Crore and Thirty Six Lakh Only)		

Rating Rationale

The ratings continue to take into account the experienced management team and doctors supported by advance medical equipment's and improvement in operational parameters of Artemis Medicare Services Ltd (AMSL) coupled with improvement insolvency marked by improved capital structure and debt coverage indicators during FY16 (refers to the period April 01 to March 31).

However, the ratings are constrained by the competition in the healthcare industry especially in the National Capital Region (NCR), furthermore the company yet to achieve break even in its Dwarka hospital.

Going forward, the ability of the company to grow its inpatient registration, further improve its capital structure, improve its collection period and profitably scale up the operations shall be the key rating sensitivities.

Background

Incorporated in 2004, Artemis Medicare Services Limited (AMSL) is engaged in the healthcare business. AMSL is a step down subsidiary of PTL Enterprises Limited (PTL), a group company of the promoter Mr Onkar S Kanwar, who is also the chairman and managing director of Apollo Tyres Limited (ATL). PTL is an investment holding company with lease rentals as the primary source of income.

AMSL owns and operates a 330-bed hospital in Gurgaon, Haryana (FY16: contributed around 97% to total operating income) and a 50-bed hospital at Dwarka, Delhi(FY16: contributed 3% to total operating income) under the name of Artemis Health Institute (AHI).

During FY16, AMSL reported a total operational income of Rs.405.31 crore (PY: Rs. 369.68 crore) and PAT of Rs.21.64 crore (PY: Rs.18.58 crore).

The company has reported a total operating income of Rs.105.96 crore during Q1FY17 (April-June).

¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Analyst Contact

Name: Mr Manek Narang
Tel: 011-45333233
Cell: 09810596225
Email: manek.narang@careratings.com

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer: CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is 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 CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor 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 in addition to the financial performance and other relevant factors.

CONTACT**Head Office Mumbai****Mr. Saikat Roy**

Mobile: + 91 98209 98779

E-mail: saikat.roy@careratings.com

Mr. Amod Khanorkar

Mobile: + 91 98190 84000

E-mail: amod.khanorkar@careratings.com

CREDIT ANALYSIS & RESEARCH LIMITED

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022

Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

AHMEDABAD**Mr. Mehul Pandya**32, Titanium, Prahaladnagar Corporate Road,
Satellite, Ahmedabad - 380 015

Cell: +91-98242 56265

Tel: +91-79-4026 5656

E-mail: mehul.pandya@careratings.com

BENGALURU**Mr. Deepak Prajapati**Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
No. 30, M.G. Road, Bangalore - 560 001.

Cell: +91-9099028864

Tel: +91-80-4115 0445, 4165 4529

E-mail: deepak.prajapati@careratings.com**CHANDIGARH****Mr. Sajan Goyal**2nd Floor, S.C.O. 196-197, Sector 34-A,
Chandigarh - 160 022.

Cell: +91 99888 05650

Tel: +91-172-5171 100 / 09

Email: sajan.goyal@careratings.com

CHENNAI**Mr. V Pradeep Kumar**Unit No. O-509/C, Spencer Plaza, 5th Floor,
No. 769, Anna Salai, Chennai - 600 002.

Cell: +91 98407 54521

Tel: +91-44-2849 7812 / 0811

Email: pradeep.kumar@careratings.com

COIMBATORE**Mr. V Pradeep Kumar**

T-3, 3rd Floor, Manchester Square

Puliakulam Road, Coimbatore - 641 037.

Tel: +91-422-4332399 / 4502399

Email: pradeep.kumar@careratings.com

HYDERABAD**Mr. Ramesh Bob**401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
Hyderabad - 500 029.

Cell : + 91 90520 00521

Tel: +91-40-4010 2030

E-mail: ramesh.bob@careratings.com**JAIPUR****Mr. Nikhil Soni**304, Pashupati Akshat Heights, Plot No. D-91,
Madho Singh Road, Near Collectorate Circle,
Bani Park, Jaipur - 302 016.

Cell: +91 - 95490 33222

Tel: +91-141-402 0213 / 14

E-mail: nikhil.soni@careratings.com**KOLKATA****Ms. Priti Agarwal**3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
10A, Shakespeare Sarani, Kolkata - 700 071.

Cell: +91-98319 67110

Tel: +91-33- 4018 1600

E-mail: priti.agarwal@careratings.com

NEW DELHI**Ms. Swati Agrawal**13th Floor, E-1 Block, Videocon Tower,
Jhandewalan Extension, New Delhi - 110 055.

Cell: +91-98117 45677

Tel: +91-11-4533 3200

E-mail: swati.agrawal@careratings.com

PUNE**Mr. Pratim Banerjee**9th Floor, Pride Kumar Senate,
Plot No. 970, Bhamburda, Senapati Bapat Road,
Shivaji Nagar, Pune - 411 015.

Cell: +91-98361 07331

Tel: +91-20- 4000 9000

E-mail: pratim.banerjee@careratings.com

CIN - L67190MH1993PLC071691