

Medeor Hospital Limited

March 26, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	187.91 (Reduced from 270.00)	CARE D	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of the rating assigned to the bank facilities of Medeor Hospital Limited (MHL) takes into consideration recent delays in interest payments and the imposition of penal interest on term loan accounts. Going forward, improvement in the financial profile of MHL with timely repayment of bank debt facilities on a sustained basis would remain a key rating monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Establishing track record of timely debt servicing of debt obligations for a continuous period of 90 days.
- Improvement in operational performance and liquidity on a sustained basis.

Analytical approach: Standalone

Outlook: Not Applicable

Detailed description of key rating drivers:

Key weaknesses

Instance of delay in servicing of debt obligations

As per the bank statement there was a delay in interest servicing by 12 days for the month of January 2025 mainly due to poor liquidity position of the company. Consequently, the lender has imposed penal interest.

Deteriorated financial risk profile

Owing to continuous operating losses, the financial risk profile of the company remains deteriorated.

Liquidity: Poor

The company's liquidity remains poor, evidenced by recent delays in debt obligations and a negative operational cash flow of Rs.31.11 crore during FY24 (PY: negative Rs.23.76 crore). Further, the current ratio remained below unity at 0.24x as on March 31, 2024 (PY: 0.04x).

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](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Healthcare Services	Hospital

Medeor Hospital Limited, incorporated in 2004, was acquired in 2016 by VPS Health care Group of Dubai. VPS healthcare is an integrated healthcare service provider with 24 operational hospitals, over 125 health centres, 10,000 employees, and medical support services spread across the Middle East, Europe, and India. Medeor Hospitals is a chain of multi-specialty hospitals strategically located in Delhi NCR at Qutab, Dwarka, and Manesar (Gurugram) with a combined capacity of 808 beds.

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

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	20.55	22.13	34.15
PBILDT	-19.87	-31.82	-4.84
PAT	-79.50	-107.07	-78.51
Overall gearing (times)	-3.68	-3.27	-1.94
Interest coverage (times)	-0.49	-0.61	-0.12

A: Audited; 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 (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		-	-	December 2030	187.91	CARE D

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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	187.91	CARE D	1)CARE D (01-Apr-24)	-	1)CARE D (06-Mar-23)	1)CARE D (07-Mar-22)
2	Fund-based - ST-Bank Overdraft	ST	-	-	1)Withdrawn (01-Apr-24)	-	1)CARE D (06-Mar-23)	1)CARE D (07-Mar-22)

LT: Long term; ST: 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-Term Loan	Simple

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CARE 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.

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About us:

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