

Sarvodaya Institute of Medicine and Surgery Private Limited

April 07, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	2.99	CARE BB-; Stable	Assigned
Long Term Bank Facilities	53.01 (Reduced from 56.00)	CARE BB-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Rating assigned to the bank facilities of Sarvodaya Institute of Medicine and Surgery Private Limited (SIMSPL) continues to remain constrained owing to nascent stage of operation, exposure to geographical concentration risk, high competition along with the highly regulated nature of the industry. Ratings further factor in challenges of attracting and retaining quality doctors and medical professionals and stretched liquidity.

The above weaknesses are partially offset by experienced, resourceful, and qualified teams of promoters and tie up with insurance companies and corporates, modest net-worth base, moderate capital structure and diversified revenue profile.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Stabilization of operations with reporting envisaged level of scale revenue and profitability
- Improvement in financial risk profile with the augmentation of the tangible net-worth

Negative factors

- Lower than envisaged scale of operation and profitability impacting its liquidity
- Any large debt funded capex leading to significant deterioration in its capital structure
- Changes in government regulations which adversely impacts the business of the company

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CARE Ratings) expects that the entity will continue to benefit from its experienced promoters and doctors.

Detailed description of key rating drivers:

Key weaknesses

Nascent stage of operations

SIMSPL completed greenfield project of setting-up of multi-speciality hospital within envisaged cost parameters. The operations of the hospital commenced in a phase-wise manner from April 2024 and achieved full COD from October 2024.

In first nine months of its operations in FY25, company achieved TOI of Rs.13.25 crore and expects to achieve ~Rs.18 crore in FY25 albeit with loss. Presently, average revenue per occupied bed (ARPOB) remained low at ~Rs.3,000 however envisaged to increase in a medium term which will remain key monitorable. Also, outpatient revenue as well as other income (pharmacy) is yet to pick-up. Further, SIMSPL had applied for NABH certification and expects to receive it by Q1FY25. This certification will open ample opportunities for revenue growth going forward.

Geographical concentration risk

SIMSPL operates a single hospital, making its revenue entirely dependent on one location. This concentration increases vulnerability to operational disruptions such as local infrastructure issues, natural calamities, or regulatory changes that could impact patient inflow and hospital operations. Additionally, fixed costs remain constant regardless of fluctuations in occupancy or service demand at this location, which could affect profitability during periods of lower patient volumes.

High competition along with the highly regulated nature of the industry

The healthcare sector is highly fragmented with few large players in the organized sector and numerous small players in the unorganized sector leading to high level of competition in the business. Thus, differentiating factors like range of services offered, quality of service, reputation of doctors, success rate in the treatment of complex cases will be crucial in order to attract patients and increase occupancy. Further, 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

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

a case or negligence on part of any doctor and/or staff of the unit can lead to distrust among the masses. Thus, all the healthcare providers need to monitor each case diligently and maintain standard of services in order to avoid the occurrence of any unforeseen incident.

Challenges of attracting and retaining quality doctors and medical professionals

Undertaking new project and expanding existing facilities requires trained doctors and medical personnel. Due to scarcity of trained medical persons including doctors owing to competition in the state of Rajasthan, it becomes relatively difficult to attract and retain skilled pool of medical personnel. Further, the loss of the services of any senior medical personnel may seriously impair the company's ability to continue to manage and expand its operations due to highly skill driven nature of medical services. The ability of the company to retain its current medical fraternity would be a key differentiator. SIMSPL has a dedicated team of full-time consultant doctors who practice in various therapeutic areas. SIMSPL is majorly operated by doctor promoters and all doctors have more than a decade of experience in the healthcare industry through their own respective ventures. Hence, this experience and reputation of the doctors will benefit company in early ramp of revenue and profits.

Key strengths

Experienced, resourceful and qualified teams of doctors and staff

SIMSPL is promoted by team of reputed doctors viz. Dr. Amit Kumar Turkiya, Dr. Harish Maroo, Dr. Surya Prakash Sharma, Dr. Akshay Ojha, Dr. Vanita Jain, Dr. Dinesh Kumar Sharma, Dr. Hemant Suwalka and remaining are their family members. Further, all directors are qualified and well-known practitioner in their own master field and providing services to this hospital and also providing consultancy in other reputed hospitals. In Q4FY25, SIMSPL tied up with reputed corporates and insurance companies which will support revenue growth going forward.

Diversified revenue profile

SIMSPL offers comprehensive multi-specialty care across almost all therapeutic segments viz. cardiology, gastroenterology, obstetrics & gynaecology, orthopaedic surgery, urology, neurology, neonatology & paediatrics, nephrology & dialysis centre, physiotherapy centre as well as general surgery. SIMSPL have diverse revenue profile with no therapeutic segment contributing more than 50% of TOI.

Modest net-worth base and moderate capital structure

Net-worth base remained modest at Rs.17.50 crore as on March 31, 2024. Capital structure remains moderate due to recently concluded capex marked by overall gearing of 3.09x as on March 31, 2024. Also, with draw down of term loan, capital structure expected to remain moderate in near term. Debt coverage indicators expected to remain weak in near term.

Liquidity: Stretched

The liquidity position of the company remained stretched marked by inadequate GCA as against moderate debt repayment obligations. Considering the initial phase of operation, cash accruals are envisaged to remain low, and company may require funding support from the promoter. However, promoters are resourceful and shall infuse funds on need basis. Also, company does not have any working capital limits and has low free cash and bank balance of Rs.0.37 crore as on October 31, 2024.

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Hospital](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Healthcare Services	Hospital

Bhilwara (Rajasthan) based Sarvodaya Institute of Medicine and Surgery Private Limited (SIMSPL) is promoted by Dr. Amit Kumar Turkiya, Dr. Harish Maroo, Dr. Surya Prakash Sharma, Dr. Akshay Ojha, Dr. Vanita Jain, Dr. Dinesh Kumar Sharma, Dr. Hemant Suwalka and their family. Incorporated in December 2019, SIMSPL runs a 250 bed multi-specialty hospital in Rajasthan. It spans over 1.62 lakh sq. feet and has 2 towers (tower I consist of 4 floors and tower II: 7 floors), with 250 operational beds as on December 31, 2024. Company achieved COD in phased wise manner with full COD achieved as on October 28, 2024.

Brief Financials (₹ crore)	9MFY25 (Prov.)
Total operating income	13.25
PBILDT	NA
PAT	NA
Overall gearing (times)	NA
Interest coverage (times)	NA

Prov.: Provisional; NA: Not available; Note: these are latest available financial results; company started operations from April 2024 in a phased wise manner.

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-Cash Credit	-	-	-	-	2.99	CARE BB-; Stable
Fund-based - LT-Term Loan	-	-	-	30-06-2032	53.01	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	53.01	CARE BB-; Stable	-	-	1)CARE BB-; Stable (15-Feb-24)	1)CARE BB-; Stable (23-Jan-23)
2	Fund-based - LT-Cash Credit	LT	2.99	CARE BB-; Stable				

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-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender detailsTo 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.

Contact us

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About us:

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