

## Trinity Eye Care Private Limited

June 30, 2025

| Facilities                 | Amount (₹ crore) | Rating <sup>1</sup> | Rating Action |
|----------------------------|------------------|---------------------|---------------|
| Long Term Bank Facilities  | 52.60            | CARE BB-; Stable    | Assigned      |
| Short Term Bank Facilities | 1.00             | CARE A4             | Assigned      |

Details of facilities in Annexure-1.

### Rationale and key rating drivers

The ratings assigned to the bank facilities of Trinity Eye Care Private Limited (TECPL) are constrained by small scale of operations, highly leveraged capital structure, moderate debt coverage indicators, capital-intensive nature of business, reliance on scarcely available qualified medical professionals and regulatory risks associated with healthcare sector. The ratings however derive strength from the vast experience of promoters in the medical field, long standing track record of operations of the hospital and satisfactory profit margins.

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

#### Positive factors

- Consistent growth in scale of operations resulting in total operating income above Rs.80 crores with PBILDT margin above 15% on sustained basis
- Ability to diversify revenue stream from multiple branches outside Kerala.

#### Negative factors

- Further large debt funded capex leading to moderation in capital structure with overall gearing above 6x
- Decline in debt coverage indicators with Total Debt/ GCA (TDGCA) above 9x

### Analytical approach:

Standalone

### Outlook: Stable

The stable outlook reflects that the hospital is expected to sustain the growth in income supported by contributions from newly added branches and vast experience of the promoters.

### Detailed description of key rating drivers:

#### Key weaknesses

##### Small scale of operations

The scale of operations remains small with total operating income of Rs.60.01 crore in FY25 (refers to the period April 01 to March 31) albeit improved from Rs.18.87 crore in FY21 with CAGR of 33.54% for past 4 years ended FY25. The hospital has booked revenue of Rs.12 crore in 2MFY26 (refers to the period April 01 to May 31). The hospital generates majority of income from Kerala regions, though it has recently added new branches in Tamilnadu.

##### Leveraged capital structure

The capital structure stood weak with overall gearing of 4.89x as on March 31, 2025 albeit improved from 5.37x as on March 31, 2024 due to the additional debt availed for opening new branches in the recent past. The promoters infused unsecured loans of Rs.3.74 crore in FY25 and the same stood at Rs.5.42 crore as on March 31, 2025. The debt protection metrics also stood moderate with Total debt/ GCA of 8.24x as on March 31, 2025.

##### Reliance on scarcely available qualified medical professionals

Presence of qualified medical professionals such as doctors, paramedical staff and support staff are important requisites of a hospital to be successful and to get continued patronage from the local population. Remuneration of the core team of doctors at

<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.

the hospital mostly consists of a fixed component, while the variable portion is linked to the number of patients attended and other parameters. Hospitals highly depend on these scarcely available qualified medical professionals. Given the increasing competition and scarcity of medical specialists, the hospital's ability to retain its current pool would be important.

### Regulatory risks associated with healthcare sector

Hospitals operate in a regulated industry that has witnessed continuous regulatory intervention during the past couple of years in the country. Regulations at both the national and state levels govern various aspects of hospital operations, including registration, licensing, infrastructure standards, and healthcare professional registration. Key regulations include Indian Medical Council Act 1956, the Clinical Establishments (Registration and Regulation) Act, 2010 and regulations enforced by the National Accreditation Board for Hospitals and Healthcare Providers (NABH), which sets standards for quality and patient safety.

### Key Strengths

#### Vast Experience of promoters in the medical field

TECPL is promoted by Dr. Sreedharan Athicode Kandan Ms, FICS (USA), FRSH (LONDON) and his family. He is the Chairman and Director of TECPL. Dr. Sunil Sreedhar, MCH in Orthopedics (UK), son of Dr. Sreedharan is a Managing Director, who, oversees operations of the hospital. Dr. Athicode Puthanveedu Mridulasunil, wife of Mr. Sunil Sreedhar is a whole-time director and Senior Consultant, Cataract & Refractive surgeon. She is the first eye surgeon to perform Micro Phaco surgery and Pterigium excision, Grafting with glue in Palakkad.

#### Long standing track record of operations of the hospital with satisfactory profit margins

TECPL is operational for more than a decade and offering treatment for ophthalmic ailments such as Cataract and Refractive Treatment, Glaucoma Treatment, Vitreoretinal Treatment, Paediatric Ophthalmology, Cornea Treatment, etc. TECPL operates with 9 branches across Tamil Nadu and Kerala with its registered office in Manali, Palakkad district of Kerala. During FY23 and FY24, TECPL expanded by adding two branches in Coimbatore, Tamil Nadu, which subsequently scaled up operations.

The PBILDT margins stood in the range of 15-21% in the past 5 years ended FY25. However, the margin declined to 7.91% in FY24 due to increase in employee costs on account of addition of more doctors for the new branches. The PBILDT margin improved to 19.14% in FY25 due to the scaling up of operations of new branches.

#### Liquidity: Stretched

Liquidity is stretched, characterized by tightly matched cash accruals against debt repayment obligations. TECPL has been sanctioned with fund-based working capital limits of Rs.7.6 crore and the same was utilised at around 90.70% during last 12 months ended May 2025, on average. The current ratio stood below unity at 0.97x as on March 31, 2025. The unencumbered cash and bank balance stood moderate at Rs. 1.76 crore as of March 31, 2025.

#### 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](#)

[Service Sector Companies](#)

[Short Term Instruments](#)

#### About the company and industry

##### Industry classification

| Macroeconomic indicator | Sector     | Industry            | Basic industry |
|-------------------------|------------|---------------------|----------------|
| Healthcare              | Healthcare | Healthcare Services | Hospital       |

In 1999, Trinity Medical Centre (TMC) was started as a partnership firm as a multi-speciality hospital. In 2009, it was converted to Trinity Eye Hospital (TEH) with a single speciality. In 2016, TEH was registered as company in the name of Trinity Eye Care Private Limited (TECPL) which runs hospital in the name of 'Trinity Super Speciality Eye Hospital (TSSEH)'. TECPL provides

treatment for ophthalmic ailments such as Cataract and Refractive Treatment, Glaucoma Treatment, Vitreoretinal Treatment, Paediatric Ophthalmology, Cornea Treatment, etc amongst others.

| <b>Brief Financials (₹ crore)</b> | <b>March 31, 2023 (A)</b> | <b>March 31, 2024 (A)</b> | <b>March 31, 2025 (Prov)</b> |
|-----------------------------------|---------------------------|---------------------------|------------------------------|
| Total operating income            | 37.56                     | 46.61                     | 60.01                        |
| PBILDT                            | 5.50                      | 3.69                      | 11.49                        |
| PAT                               | 0.67                      | (3.46)                    | 1.54                         |
| Overall gearing (times)           | 3.70                      | 5.37                      | 4.89                         |
| Interest coverage (times)         | 1.71                      | 0.80                      | 2.61                         |

A: Audited; Prov.: Provisional; 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**

| <b>Name of the Instrument</b>  | <b>ISIN</b> | <b>Date of Issuance (DD-MM-YYYY)</b> | <b>Coupon Rate (%)</b> | <b>Maturity Date (DD-MM-YYYY)</b> | <b>Size of the Issue (₹ crore)</b> | <b>Rating Assigned and Rating Outlook</b> |
|--------------------------------|-------------|--------------------------------------|------------------------|-----------------------------------|------------------------------------|---|
| Fund-based - LT-Cash Credit    |             | -                                    | -                      | -                                 | 10.92                              | CARE BB-; Stable                          |
| Fund-based - LT-Term Loan      |             | -                                    | -                      | July 2034                         | 41.68                              | CARE BB-; Stable                          |
| Fund-based - ST-Bank Overdraft |             | -                                    | -                      | -                                 | 1.00                               | CARE A4                                   |

**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-Cash Credit            | LT              | 10.92                        | CARE BB-; Stable |   |   |   |   |
| 2       | Fund-based - ST-Bank Overdraft         | ST              | 1.00                         | CARE A4          |   |   |   |   |
| 3       | Fund-based - LT-Term Loan              | LT              | 41.68                        | CARE BB-; Stable |   |   |   |   |

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-Cash Credit    | Simple           |
| 2       | Fund-based - LT-Term Loan      | Simple           |
| 3       | Fund-based - ST-Bank Overdraft | 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](mailto:care@careedge.in) for clarifications.

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