

S P Hitech Ventures

September 23, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	96.95 (Reduced from 100.00)	CARE BB; Positive	Reaffirmed; Outlook revised from Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Rating assigned to the bank facilities of SP Hitech Ventures continues to be constrained by the nascent stage of operations and debt-funded capital expenditure, resulting in a moderate capital structure. Ratings also factor in weak debt coverage metrics with the commencement of term loan repayment, while operations are at nascent stage. However, rating derives strength from the extensive experience and track record of the promoters in a similar line of business for over 25 years.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Ability to increase the operating revenues beyond Rs.100.00 crore and operating margin (PBILDT) beyond 20% on a sustained basis.
- Improvement in Profit before interest, lease rentals, depreciation, and taxation (PBILDT) interest coverage beyond 2.50x on sustainable basis.

Negative factors

- Lower than estimated occupancy levels at the hospital.
- Lower than envisaged operational performance and cash flow from operations lead to any stretch in firm's liquidity position.

Analytical approach: Standalone

Outlook: Positive

The outlook is positive on account of expected improvement in scale of operation and operating profitability driven by increase in occupancy rate with introduction of new specialties.

Detailed description of the key rating drivers

Key weaknesses

Nascent stage of operations

SPHV commenced operations on April 15, 2024. In FY25 (FY refers to April 01 to March 31), the hospital achieved total operating income (TOI) of ₹66.50 crore with profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin of 9.13%. However, the hospital reported net loss of ₹0.68 crore. As of March 2025, the hospital had 176 beds, eight operation theatres, and three intensive care units (ICUs). The hospital plans to increase bed capacity to 450 in FY26 and introduce Neurology and Gynaecology departments, which is expected to improve occupancy rate. Currently, the hospital has 28 departments, with major contributions from Orthopaedics, Critical Care, and Cardiology.

Weak debt coverage metrics

Construction of the new hospital commenced in 2019, and operations were initially scheduled to begin in January 2023. However, due to COVID-19 and construction-related delays, the project witnessed time overrun and became operational in April 2024. Despite the delay, cost optimisation measures undertaken by the management ensured no major cost overrun. However, term debt repayment began in October 2023, prior to commencement of operations, resulting in weak debt coverage metrics. The term loan has a ballooning repayment structure, with minimal repayment in the initial years. Repayment is being met through regular promoter infusions.

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

Competition from established players in the region

SP Medifort Hospital is situated in Thiruvananthapuram, one of the most prominent and populated cities in Kerala. The hospital is expected to face intense competition from established private hospital chains in the vicinity such as Ananthapuri Hospitals and Research Institute, PRS Hospital, KIMS Hospital, and Holy Cross Hospital, catering to the same target segment. This leads to intense competition in attracting patients and recruiting medical professionals. However, comfort is derived from the extensive experience of the promoters and their understanding of business opportunities in the target area.

Dependence on scarcely available professionals and growing regulation in the industry

The healthcare industry depends on availability of qualified and experienced medical professionals. With increasing competition and scarcity of specialists, the hospital's ability to retain its current pool will be a key differentiator. Additionally, performance of the hospital sector has been affected by multiple regulatory interventions. Apart from licensing and approvals, the Government is also regulating prices of drugs and consumables. However, S. Pottivelu group already has presence in the healthcare segment, with a hospital operating successfully in southern Kerala. As of March 2025, SP Medifort Hospital had 97 doctors on payroll across multiple departments. Including nurses, paramedical technicians, and other employees, the hospital had a total of 550 employees.

Key strengths**Established track record of promoters and brand recognition with SP Group hospitals**

The promoter group has over 25 years of experience in the healthcare industry through SP Fort Hospital (SP Fort), which was set up in 1998. SP Fort is a 250-bed hospital specialising in orthopaedics and trauma care. The promoters also operate another 50-bed hospital in the same city named SP Well Fort. The group runs a nursing and paramedical college in Trivandrum. Group hospitals are located within 2-3 km from the newly launched SP Medifort Hospital, which is expected to benefit from operational synergies with other group hospitals. In April 2025, the hospital received Joint Commission International (JCI) accreditation.

Favourable location of the hospital

The hospital is located in the commercial hub of Trivandrum city, along the National Highway, ~5 km from the city centre and ~0.5 km from Trivandrum International Airport. Additionally, the location is ~2.3 km from Central Railway Station and ~2-3 km from other group hospitals operated by the promoters. The hospital is expected to cater to the growing medical tourism market in India, considering its favourable location and connectivity.

Increasing scope of medical tourism in India

India is increasingly emerging as a preferred destination for medical tourists seeking affordable treatment abroad. The Indian medical tourism industry offers key advantages including high-quality facilities, competent English-speaking medical professionals, cost effectiveness, and tourism appeal. SP Medifort Hospital's proximity to Trivandrum International Airport is a key advantage. The S Pottivelu Group, with its strong legacy in the healthcare segment in Trivandrum, is expected to leverage this opportunity through the new high-end hospital by offering healthcare services to medical tourists globally.

Liquidity: Stretched

The liquidity position of the company is stretched due to operating losses during the nascent stage of operations. The firm had an unencumbered cash and bank balance of ₹2.84 crore as on March 31, 2025. Term debt repayment commenced in October 2023, and gross repayments over the next four quarters are estimated at ~₹6.75 crore. These will be met through cash accruals, and in case of shortfall, promoters are expected to infuse funds.

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 entity and industry**

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Healthcare Services	Hospital

SP Hitech Ventures is a partnership firm which operates a multispecialty hospital under the name "SP Medifort" at Enchakkal, Thiruvananthapuram, Kerala. SP Medifort is a 450 bedded hospital (including 100 ICU Beds) with various departments like Urology, General Surgery, Endocrinology, Cardiology, Gynecology, Psychiatry & Deaddiction, Orthopedic, Plastic Surgery, Gastroenterology and Neurology among others. SP Medifort commenced commercial operations on April 15th, 2024. SP Hitech Ventures is promoted by the S. Pottivelu group, which has diversified business interests in segments like health care, logistics, hospitality, financial services, among others and is based out of Thiruvananthapuram, Kerala. The group ventured into healthcare sector in 1998 and presently operates two hospitals by the name of SP Fort Hospital and SP Well Fort hospital in the same city. SP Medifort hospital is a greenfield initiative by the group to cater to the growing demand in the healthcare sector.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	0.00	66.50
PBILDT	-0.02	6.08
PAT	0.05	-0.68
Overall gearing (times)	1.24	0.95
Interest coverage (times)	0.00	0.86

A: Audited UA: Unaudited ; 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

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		-	-	31-05-2033	96.95	CARE BB; Positive

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	96.95	CARE BB; Positive	-	1)CARE BB; Stable (15-Jul-24)	-	-

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	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.

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