

Sunrise Institute of Medical Sciences Private Limited

September 23, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	4.73	CARE BB; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB+; Stable and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	30.00	CARE A4; ISSUER NOT COOPERATING*	Downgraded from CARE A4+ and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Limited ('CareEdge Ratings') has been seeking information from Sunrise Institute of Medical Sciences Private Limited (SIMSPL) to monitor the rating vide e-mail communications dated August 07, 2025, August 25, 2025 among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on SIMSPL's bank facilities will now be denoted as **CARE BB; Stable/CARE A4; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.

The ratings have been revised on account of non-availability of requisite information due to non-cooperation by Sunrise Institute of Medical Sciences Private Limited (SIMSPL) with CARE's efforts to undertake a review of the outstanding ratings as CARE views information availability risk as key factor in its assessment of credit risk profile. The ratings assigned to the bank facilities of Sunrise Institute of Medical Sciences Private Limited (SIMSPL) continue to be constrained by relatively moderate scale of operations, geographically concentrated revenue stream, elongated collection period, larger exposure to related parties, 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 for the hospital, healthy profitability margins and comfortable capital structure.

Analytical approach: Consolidated

CARE has taken consolidated view of SIMSPL and its subsidiaries on account of significant financial linkages with subsidiaries which are also in similar line of business. The list of all entities consolidated are placed as Annexure-6.

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on July 26, 2024, the following were the rating strengths and weaknesses

Key weaknesses

Relatively moderate scale of operations and geographically concentrated revenue:

SIMSPL has over two decades of experience in hospital sector. However, the scale of operations continued to remain relatively moderate with operating income of Rs.109.98 crore (PY: Rs.115.41 crore) for the year ended FY24 (Prov) (refers to the period April 1 to March 31) on a consolidated basis. The parent company operates a 175 bedded hospital in Kakkanad, Kochi. SIMSPL also operates a 100-bedded hospital in Changaramkulam, Kerala under its subsidiary. However, the revenue from main hospital at Kakkanad forms 82% (PY: 74%) of total revenue in FY24 (Prov).

Elongated collection period:

The mix of insurance/corporate cases which was around 32% of income in FY22 increased over the years to 63% in FY24 with acceptance of more government health schemes. The collection period increased over last two years from 27 days in FY22 to 46 days in FY24 due to delayed receipts from Government for treatments under Ayushman Bharat Health Scheme. The debtors more than six months stood at Rs.8.14 crore as on June 30, 2024 which increased from Rs.4.3 crore as on March 31, 2024. The

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

company had written off debtors to the extent of Rs.5.80 crore in FY24, against Rs.7.30 crore in FY23 and Rs.2.30 crore in FY22

Larger exposure to related parties:

SIMSPL had extended loans and advances of Rs.22.25 crore (PY: Rs.22.25 crore) as on March 31, 2024, towards the lease deposit for the hospital land which is owned by the promoters. The above advances forms 27.63% (PY: 32%) of consolidated network as on March 31, 2024. With the entire hospital's land is under lease, the company cannot benefit from any appreciation in the value of land. The risk of non-renewal of lease would also affect the business operations. SIMSPL also had invested Rs.19.54 crore (PY:19.89 crore) in FY24 in a partnership firm which runs a 150-bedded hospital.

Reliance on scarcely available qualified medical professionals:

The healthcare industry is highly dependent on the scarcely available, qualified medical professionals. This industry requires specialized doctors to be associated with a hospital for a longer tenure. Given the increasing competition and the scarcity of medical specialists, the ability of the company to increase the current pool of doctors would be a key differentiator. SIMSPL faces around 10% attrition of doctors every year however it was also able to add new doctors as replacement.

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. In India, hospitals are governed by various laws such as the Indian Medical Council Act 1956, The Clinical Establishments (registration and regulation) Act 2010, the Indian Medical Council Regulations 2002, etc. Given the importance of healthcare facilities, the Indian Government has been taking various steps towards increasing the affordability and coverage of healthcare services in the country by putting price restrictions on pharmaceutical entities, medical equipment manufacturers, and hospital services.

Key strengths

Vast experience of promoters in the medical field:

SIMSPL was established in the year 2002 by Dr Hafeez Rahman Padiyath, the Founder Chairman, who is renowned as one of the pioneers in Laparoscopic Surgical Procedures worldwide with experience of over 30 years. He is a Consultant Gynaecologist & Laparoscopic Surgeon and the Head of the Department of Obstetrics & Gynaecology at Sunrise Hospital. Mrs. Parveen Hafeez, wife of Dr Hafeez Rahman, Managing Director also has experience of 28 years in relevant field and takes care of the day-to-day operations.

Long track record of operations of the hospital:

SIMSPL is operational for over 20 years and has more than 40 departments and enjoying continued patronage not only from the local people, but also from patients all over the world. Being the Apex Centre for Minimally Invasive Surgery in Asia, the hospital has been honoured as a Centre of excellence in 'Hernia Surgeries and Laparoscopic Cancer Surgeries'. The average revenue per occupied bed (ARPOB) stood healthy at Rs.34,033 in FY24 (PY: 32,493) while the occupancy levels have also remained satisfactory at 78% (PY: 77%) in FY24.

Comfortable capital structure and healthy profitability margins:

Capital structure of the company remained comfortable with overall gearing of 0.46 times as on March 31, 2024, which improved from 0.62 times as on March 31, 2023 due to prepayment of term loans amounting to Rs.8.20 crore in FY24. The PBILDT margin stood healthy at 17.92% in FY24, improved from 14.55% in FY23 due to the advanced treatment procedures and increased number of surgeries.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

[Hospital](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)
About the company and industry
Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Healthcare Services	Hospital

Sunrise Institute of Medical Sciences Private Limited (SIMSPL) was founded by Dr. Hafeez Rahman Padiyath, in the year 2002, runs NABH accredited multispecialty hospitals located in Cochin and Malappuram, Kerala. SIMSPL runs 275-bed hospitals (on consolidated basis; Standalone: 175 beds), having more than 40 Medical departments and other specialties including Obstetrics, Gynaecology & Infertility, General & Laparoscopic Surgery, Obesity & Diabetic Surgery, Accident & Emergency, Gastroenterology, etc.

Brief Financials (₹ crore) - Consolidated	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (UA)
Total operating income	121.78	115.41	109.98
PBILDT	21.38	16.79	19.70
PAT	12.37	11.08	10.96
Overall gearing (times)	0.67	0.62	0.46
Interest coverage (times)	5.22	5.34	7.82

A: Audited UA: Unaudited; Note: these are latest available financial results

Brief Financials (₹ crore) - Standalone	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	95.29	84.93	92.70
PBILDT	17.84	14.22	13.51
PAT	10.30	7.99	7.93
Overall gearing (times)	0.61	0.60	0.54
Interest coverage (times)	4.51	4.54	5.56

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		-	-	October 2031	4.73	CARE BB; Stable; ISSUER NOT COOPERATING*
Fund-based - ST-Bank Overdraft		-	-	-	29.00	CARE A4; ISSUER NOT COOPERATING*
Fund-based - ST-Working Capital Demand loan		-	-	-	1.00	CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

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	4.73	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (26-Jul-24)	1)CARE BB+; Stable (15-Jun-23)	1)CARE BB+; Stable (28-Apr-22)
2	Fund-based - ST-Bank Overdraft	ST	29.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4+ (26-Jul-24)	1)CARE A4+ (15-Jun-23)	1)CARE A4+ (28-Apr-22)
3	Fund-based - ST-Working Capital Demand loan	ST	1.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4+ (26-Jul-24)	-	-

*Issuer did not cooperate; based on best available information.

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
2	Fund-based - ST-Bank Overdraft	Simple
3	Fund-based - ST-Working Capital Demand loan	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1.	Anugraha Hospital Private Limited	Full	Wholly owned subsidiary
2.	Boardwalk Hospitalities and Developers Private Limited	Full	Wholly owned subsidiary
3.	Arafa Hospital Private Limited	Full	Wholly owned subsidiary
4.	Sunrise Academy of Medical Specialities India Private Limited	Full	Subsidiary
5.	Padiyath Innovation World Private Limited	Full	Subsidiary
6.	Blushing Cherry Private Limited	Full	Subsidiary
7.	SRH Healthcare Services Private Limited	Full	Subsidiary
8.	Green Goodness Enterprises Private Limited	Full	Subsidiary

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.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Sandeep P Director CARE Ratings Limited Phone: 914428501002 E-mail: sandeep.prem@careedge.in
Relationship Contact Pradeep Kumar V Senior Director CARE Ratings Limited Phone: 044-28501001 E-mail: pradeep.kumar@careedge.in	Naveen S Associate Director CARE Ratings Limited Phone: 914224502305 E-mail: naveen.kumar@careedge.in
	Azad Krishnakumar Analyst CARE Ratings Limited E-mail: Azad.krishnakumar@careedge.in

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