

Sahyadri Hospitals Private Limited (Revised)

October 30, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Issuer rating	0.00	CARE A- (RWD); ISSUER NOT COOPERATING*	Downgraded from CARE A; Continues to be on Rating Watch with Developing Implications 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 Sahyadri Hospitals Private Limited (SHPL) to monitor the rating vide e-mail communications dated September 24, 2025; August 17, 2025; August 11, 2025; July 11, 2025; among others and numerous phone calls. However, despite repeated requests, SHPL has not provided requisite information for monitoring rating. SHPL has also not submitted no default statements (NDS) for the last two months.

In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating based on best available information, which in CareEdge Ratings' opinion, is not sufficient to arrive at a fair rating. Issuer rating of SHPL will now be denoted as **CARE A- (RWD); ISSUER NOT COOPERATING***

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

The rating has been revised considering insufficient information to conduct a detailed review. The rating was placed on rating watch with developing implications following an announcement by Ontario Teachers' Pension Plan (OTPP; SHPL's parent) that it has reached an agreement to sell its majority stake in SHPL to Manipal Hospitals. The rating watch has continued as CareEdge Ratings awaits further developments in relation to the transaction, including changes in shareholding, management structure, and operational integration and its impact on SHPL's operational and financial performance.

The rating continues to derive strength from its established presence as a multi-specialty hospital chain, resourceful parent with professional management, and its growing scale of operations despite moderation in profitability. The rating also factors in its comfortable capital structure and debt protection metrics, and favourable long-term outlook for the healthcare sector in India.

However, the rating is constrained by geographic concentration, intense competition, exposure to project risk arising from sizeable planned capital expenditure (capex) and regulatory risks.

Analytical approach: Consolidated

CareEdge Ratings has taken a consolidated view of the parent (SHPL) and its subsidiaries (list mentioned in Annexure-6) owing to significant business, operational, and financial linkages between these entities.

Outlook: Not applicable

Detailed description of key rating drivers:

At the time of last rating on July 18, 2025, following were the rating strengths and weaknesses.

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

Key strengths

Established presence as a multi-specialty hospital chain

SHPL started its first flagship hospital, "Sahyadri Hospital-Deccan Gymkhana", in 2004 and since has established itself as a strong player in Pune and nearby regions. As on March 31, 2024, SHPL operated nine hospitals in Pune, Nashik, and Karad, with 970 operational beds. SHPL's hospitals and laboratory have received accreditations from organisations such as the National Accreditation Board for Hospitals & Healthcare Providers (NABH) and the National Accreditation Board for Testing and Calibration Laboratories (NABL). SHPL offers a range of medical and surgical care in almost all major therapeutic segments, including cardiology, transplants, neurology, gastroenterology, orthopaedics, critical care, and mother and childcare among others. SHPL is empanelled with government schemes such as central government health scheme (CGHS) Ayushman Bharat Yojana, and Mahatma Jyotirao Phule Jan Arogya Yojana among others.

Resourceful parent, which is planning to sell its majority stake in SHPL

OTPP is the ultimate parent of SHPL, which is a global investor with net assets of C\$266.3 billion as on December 31, 2024. OTPP invests in over 50 countries in different asset classes, including equities, real estate, infrastructure, and venture growth. OTPP has invested ~₹275 crore by way of fresh equity infusion post acquiring the stake in SHPL.

As per the announcement dated July 09, 2025, OTPP has reached an agreement to sell its majority stake in SHPL to Manipal Hospitals. CareEdge Ratings will continue to monitor developments in relation to the transaction including changes in shareholding, management structure and operational integration and its impact on SHPL's operational and financial performance.

CareEdge Ratings notes that Manipal Group has presence in multiple sectors, including education and healthcare sectors. Manipal Health Enterprises Private Limited (MHEPL) takes care of the group's hospital segment. On a consolidated level, MHEPL operates a network of 37 multi-specialty hospitals across India, with ~10,500 operating beds (owned and managed), offering comprehensive healthcare services across numerous specialties.

Growing scale operations despite moderation in profitability

TOI increased from ₹542.43 crore in FY21 (refers to April 01 to March 31) to ₹813.64 crore in FY24 led by increase in number of available beds, improvement in average revenue per occupied bed (ARBOP), and increase in number of outpatients.

SHPL derives major proportion of its TOI from 'Medical Services' segment, where it offers a range of medical and surgical care services, with no single specialty accounting for over 20% of TOI. SHPL generates revenue from laboratory and owned pharmacies.

After maintaining profit before interest, lease rentals, depreciation and taxation (PBILDT) margin of over 20% from FY21-FY23, profitability moderated in FY24, mainly due to higher consultation fees payments to doctors and change in the mix of procedures performed. The profit after tax (PAT) margin remained steady at 10.67% in FY24 (PY: 9.14%).

Comfortable capital structure and debt protection metrics

Total debt as on March 31, 2024, comprised term loans of ₹16.11 crore and lease liability of ₹254.85 crore. The company's capital structure remained comfortable as reflected by overall gearing of 0.33x as on March 31, 2024 (0.31x as on March 31, 2023). Debt protection metrics such as total debt to gross cash accruals (TD/GCA) and interest coverage ratio also remained comfortable at 1.87x and 5.32x, respectively, for FY24 (PY: 1.91x and 5.13x, respectively).

Favourable long-term outlook for healthcare sector in India

The Indian hospital industry is currently undergoing a profound transformation and experiencing remarkable growth. From FY19-24, revenue growth for listed corporate hospitals was primarily driven by average revenue per occupied bed (ARPOB), which grew at an 8-9% compound annual growth rate (CAGR), supported by structural changes that improved pricing and case mix. In

contrast, bed growth for these companies was relatively modest, with a CAGR of just 2-3%. With more substantial free cash flow generation and reduced leverage, hospitals are entering a significant capital expenditure phase, aiming to increase bed capacity by ~35-40% on average in the next 3-5 years. CareEdge Ratings believes that future growth will be driven mainly by volume expansion and bed additions. Given the considerable demand-supply gap for quality beds and the improved financial health of corporate hospitals post pandemic, these players are well-positioned to achieve profitable growth, as they deepen their presence in core markets and expand into Tier 2+ regions. Operating margins are expected to remain in the 18-19% range, even with the influx of new supply, as factors such as increased insurance coverage, international patients, and a diversified clinical mix will help sustain margins despite added overhead from new facilities.

Key weaknesses

Geographic concentration and intense competition

While SHPL has gradually expanded into other cities such as Karad and Nashik, revenue profile remains concentrated as majority revenue is derived from its Pune-based hospitals exposing its operations to region-specific risks. Its occupancy levels have remained moderate and range-bound between 55-66% from FY21-24.

Hospitals depend on these scarcely available qualified medical professionals. Intense competition also impacts SHPL's ability to attract and retain qualified medical professionals such as doctors, paramedical staff, and support staff.

Project risk arising out of sizeable planned capex

The company plans to undertake capex with total expected outlay between ₹500 crore and ₹650 crore towards addition of over 250 beds and technological advancements in the next three years at different locations in Maharashtra. This large capex will primarily be funded by operating cash flow and surplus liquidity. The company also plans to opt for inorganic growth to expand reach in other parts of Maharashtra, which will further add to bed capacity.

Exposure to regulatory risks

SHPL operates in a regulated industry, which witnesses regulatory interventions at regular intervals. Given the significance of healthcare facilities, the Government of India (GoI) has undertaken measures to enhance affordability and accessibility of healthcare services nationwide. This includes imposing price controls on pharmaceutical companies, medical equipment manufacturers, and hospital services.

The healthcare sector is notably sensitive, where mistake in a critical case or negligence by medical professionals can severely damage public trust. It is crucial for healthcare providers to diligently and meticulously oversee each case to prevent incidents that could negatively impact their reputation.

Liquidity: Strong

The company's liquidity profile is strong as reflected by minimal scheduled debt repayment against projected GCA in FY25. SHPL's CFO has remained strong, as incremental working capital requirements are minimal. The company had free cash and bank balance to the tune of ₹209 crore and investment in liquid mutual funds to the tune of ₹148 crore as on March 31, 2024. While the available free cash and investments will be utilised for sizeable planned capex, SHPL's healthy cash flow generation ability, and parent's intent to infuse additional funds on need basis, supports the liquidity.

Assumptions/Covenants: Not applicable

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

Applicable criteria

- [Consolidation](#)
- [Definition of Default](#)
- [Liquidity Analysis of Non-financial sector entities](#)
- [Information Adequacy Risk and Issuer Non-Cooperation](#)
- [Rating Outlook and Rating Watch](#)
- [Hospital](#)
- [Financial Ratios – Non financial Sector](#)
- [Issuer Rating](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Healthcare services	Hospital

SHPL (formerly known as Sahyadri Hospitals Limited) was incorporated in 1996 by Dr Charudutt Apte, a renowned Neurosurgeon. In FY20, Everstone Group acquired a controlling stake in the company, which was subsequently taken over by Canada-based pension fund, OTPP. As on March 31, 2024, OTPP owns 98.90% of SHPL. As on March 31, 2024, SHPL and its subsidiaries operated nine hospitals with 970 operational beds in Pune, Nashik, and Karad regions of Maharashtra. Out of total hospitals, SHPL owns three hospitals, three are under long-term lease arrangements, two are under short-term lease, and one flagship hospital is under operation and maintenance (O&M) arrangement.

Brief Financials (₹ crore) (Consolidated)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	748.09	813.64
PBILDT	150.45	144.34
PAT	68.40	86.81
Overall gearing (times)	0.31	0.33
Interest coverage (times)	5.13	5.32

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

Brief Financials (₹ crore) (Standalone)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	653.22	717.61
PBILDT	120.67	122.83
PAT	55.61	26.24
Overall gearing (times)	0.27	0.33
Interest coverage (times)	4.60	4.96

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
Issuer Rating-Issuer Ratings		-	-	-	0.00	CARE A-(RWD); 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	Issuer Rating-Issuer Ratings	LT	0.00	CARE A-(RWD); ISSUER NOT COOPERATING*	1)CARE A (RWD) (18-Jul-25)	1)CARE A; Stable (31-Jul-24)	-	-

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

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Attribute ID	Sr. No.	Name of the Instrument	Complexity Level
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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	Sahyadri Karad Hospitals Private Limited	Full consolidation	Subsidiary
2	Surya Hospitals Private Limited	Full consolidation	Subsidiary
3	Kokan Mitra Mandal Medical Trust (KMMMT)*	Full consolidation	Subsidiary

*The entity receives variable returns from SHPL and SHPL has the ability to affect those returns resulting in existence of control, and hence, is classified as a 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.

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