

Kims Manavata Hospitals Private Limited

November 06, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	135.14 (Enhanced from 130.00)	CARE A; Stable	Reaffirmed
Short-term bank facilities	5.00	CARE A1	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of long-term rating and assignment of short-term rating to bank facilities of KIMS Manavata Hospitals Private Limited (KMHPL) is driven by existence of established parent having strong brand recall, experienced management in medical field, and its strategic importance to parent entity, Krishna Institute of Medical Sciences (KIMS). KIMS has 51% stake in KMHPL as of September 30, 2025.

KIMS launched its operations in 2000 and has steadily expanded since then through a mix of organic growth and strategic acquisitions. The hospital has established a strong presence in South India, primarily within Andhra Pradesh and Telangana, with ~70-75% of revenues coming from this region. The company has introduced initiatives to diversify geographically, and the construction of a hospital in Nashik enhances this diversification effort. KIMS' strong brand recall with the hospital's shared brand name is expected to further enhance its visibility and attract additional patients from surrounding areas. To strength KMPHL's operational capabilities, KIMS also hired additional reputed doctors on the hospital's payroll, which is expected to increase its revenue generation capabilities. Promoters of KIMS have over 20 years of experience in the same line of business. It was founded by Dr B Bhaskar Rao (Managing Director) who has around three decades of experience in the cardio-thoracic segment.

KMHPL completed the construction of its 325-bed hospital, with partial operations commencing in August 2024, against earlier envisaged timeline of June 2024. The project was completed at a total cost of ₹192 crore, higher than the initial estimate of ₹164 crore, primarily due to changes in project scope. Ratings also factor in articulated support from KIMS to KMHPL. KIMS has subscribed to optionally convertible redeemable preference shares (OCRPS) amounting to ₹64.92 crore as on March 31, 2025, and an additional ₹ 15 crore by September 30, 2025. This apart, KIMS have also infused ₹5 crore in the form of unsecured loans in FY25 (Other promoter Dr Raj Nagarkar has subscribed to OCRPS amounting to ₹6.35 crore till FY25 and ₹15 crore in H1 FY26, this apart Dr Raj Nagarkar also infused ₹ 10 crore in the form of unsecured loans in FY25) demonstrating commitment to the subsidiary. Treasury operations are common across both entities, and there is an integration in governance and management, including common directors and shared senior leadership, which further underscores KMHPL's strategic importance to KIMS. However, CARE Ratings Limited (CareEdge Ratings) notes that the parent entity, KIMS, has withdrawn its earlier shortfall undertaking for KMHPL's debt though management has articulated that KIMS will continue to infuse funds, as required.

However, ratings remain constrained by slower-than-expected ramp-up in hospital operations and inherent exposure to reputation risk, given the highly competitive and regulated nature of the healthcare industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained improvement in occupancy levels to 80% (as a percentage of operating beds) and above, and sustained improvement in average revenue per occupied bed (ARPOB) leading to profitable operations.
- Sustained double-digit revenue growth and profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin above 20% on a sustained basis.
- Improvement in credit profile of KIMS.

Negative factors

- Sustained weak occupancy
- Weakening KIMS credit profile such that its net debt/PBILDT levels goes beyond 3.5x.
- Weakening linkages with KIMS.

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

Analytical approach: Standalone with factoring linkages with parent

CareEdge Ratings has factored linkages in the form of continued and expected operational, managerial and financial support from the parent company, KIMS.

Outlook: Stable

The stable outlook reflects CareEdge Ratings' view that KMHPL will continue to benefit from operational, financial, and strategic support of the KIMS Group, given its strong integration and shared brand.

Detailed description of key rating drivers:
Key strengths
Project completion and commencement of operations despite slight delay and cost overrun

The company has set-up a 325 bed multi-speciality hospital in Nasik. The project has been completed at a total cost of ~₹192 crore. Funding comprised a term loan of ₹135 crore and balance ~₹ 57 crore is met from contribution from promoters in the form of OCRPS and unsecured loans. The initial estimated project cost was ₹164 crore (to be funded through term loan of ₹105 crore and balance of ₹59 crore funded by promoters). However, the actual cost increased due to an expanded scope of work, including addition of robotic parking, robotic equipment, and other related civil works. Currently, 100 of the 325 beds are operational, with the remaining capacity expected to be made functional gradually as patient inflow increases. Although out-patient services commenced in August 2024, and the first elective surgery was performed in October 2024, the hospital's official inauguration, initially planned for June 2024, was deferred to late December 2024, due to pending approvals from the Pollution Control Board and completion of minor works within the premises.

Strategic importance to parent and support extended

KIMS commenced operations in 2000, and since then, it has been adopting several organic and inorganic routes for expansion. The hospital currently has a well-established presence in south India, primarily in Andhra Pradesh (AP) and Telangana region, with its flagship Secunderabad facility being one of the largest private hospitals in a single location with a capacity of 1000 beds. Revenue generated from AP and Telangana region in FY25, accounted for ~90% of the total revenue. The company has been announcing measures to diversify geographically and the construction of hospital in Nashik will increase diversification. CareEdge Ratings notes that owing to its strategic importance and shared name, KMHPL will remain critical for the parent.

KMHPL gets significant financial, managerial, and operational support from its parent, KIMS. Currently, KIMS has 51% of shares of KMHPL and has strong financial and functional linkages with its parent. KIMS also provides technical knowhow and its subject expertise with the project stage entity. KMHPL has availed a term loan, for which principal repayments and interest payments have already started and are being met by timely support from promoters. KIMS has subscribed to OCRPS amounting to ₹64.92 crore as on March 31, 2025, and an additional ₹15 crore by September 30, 2025. This apart, KIMS have also infused ₹5 crore in the form of unsecured loans in FY25 (Other promoter Dr Raj Nagarkar has subscribed to OCRPS amounting to ₹6.35 crore till FY25 and ₹15 crore in H1 FY26, this apart Dr Raj Nagarkar also infused ₹10 crore in the form of unsecured loans in FY25), KMHPL is also expected to receive need-based support from the parent whenever required, including extending financial in case of insufficient funds.

Existence of established parent having strong brand recall

As the parent company of KMHPL with 51% stake, KIMS is one of India's leading multi-disciplinary integrated private healthcare service providers, offering comprehensive healthcare services across specialties and super specialties. The company is currently managing 21 facilities with capacity of over 5000 beds. Promoters have a long operational track record of over 20 years. KIMS' strong brand recall and the hospital's shared brand name is expected to further enhance its visibility and attract additional patients from surrounding areas. CareEdge Ratings notes that KMHPL being KIMS' subsidiary, has a moral obligation to support its subsidiary till such time it can generate adequate cashflows to operate independently.

Experienced management in medical field

KMHPL: Prof Dr Raj Nagarkar is the Managing Director of KIMS Manavata Multi-speciality Hospital and Chief of Surgical Oncology and Robotic Surgery. With an MBBS, MS, DNB in General Surgery and MRCS from the Royal College of Surgeons, Edinburgh, he has experience of over two decades. He has also authored books aimed at creating an awareness on maintaining good health. He is the pioneer Robotic Surgeon to Perform 1000+ Surgeries with Versius (a surgical robot). Bringing in high-end and affordable healthcare to make communities healthier has been his vision.

KIMS: KIMS was founded by Dr B Bhaskar Rao (Managing Director), has experience of around three decades in the cardio-thoracic segment. He was one of the key members for formulating and launching Rajiv Gandhi Arogyasari Scheme in Andhra Pradesh in 2007. He is assisted by his son, Dr Abhinay Bollineni (Chief Executive Officer), who has experience of ~16 years and has been associated with KIMS since 2013. Being in the industry for long has helped promoters in gaining adequate acumen about the business and aid in smooth operations of the hospitals.

Key weaknesses**Slower-than-expected ramp-up in operations**

KMHPL commenced operations in August 2024 and achieved revenue of ₹14.40 crore in FY25 lower-than-projected revenue. This was primarily on account of a slower-than-expected ramp-up in full-scale operations and delay in empanelment of insurance companies. The patient inflow and service volumes remained below expectations from the time of commencement of operations, leading to lower revenue generation. Consequently, the hospital reported a profit before interest, lease, depreciation and tax (PBILDT) and profit after tax (PAT) loss of ₹14.60 crore and ₹17.70 crore respectively in FY25. In H1FY26, KMHPL has reported revenue of ₹31.67 crore with PAT loss of ₹ 25.98 crore. CareEdge Ratings expects with stabilisation of operations, overall performance for the whole year will improve.

Moderate debt profile

KMHPL's debt profile comprises term loans (~₹105.00 crore), working capital borrowings (₹5 crore), and unsecured loans (₹ 15 crore) extended by the promoters. The company's overall gearing stood at 1.65x as on March 31, 2025. Its net worth was ₹76.10 crore, which includes OCRPS of ₹71.30 crore subscribed by KIMS and Dr Raj Nagarkar. As the company reported losses in FY25, key coverage indicators such as Total Debt/PBILDT and interest coverage ratio were not meaningful for the year.

Dependence on qualified medical professionals with presence in highly competitive and regulated industry

Presence of qualified medical professionals, such as doctors, paramedical staff and support staff is one of the important requisites of a hospital to be successful and to get continued patronage from the local population. KMHPL highly depends on these scarcely available qualified medical professionals. The healthcare sector is highly fragmented with few players in the organised sector. Barring a few, most organised sector players have one or two hospitals only. All these leads to high level of competition in the business. The healthcare sector is highly regulated and is governed by laws, such as Indian Medical Council Act 1956, The Clinical Establishments (registration and regulation) Act 2010, and Indian Medical Council Regulations 2002, among others. The company's ability to attract qualified professionals in the competitive environment and sustaining adverse regulations will be the key rating monitorable.

Reputation susceptibility to treatment-related risk

The healthcare industry is sensitive to mishandling of a case or negligence on part of doctor and /or staff of the unit, which can lead to distrust among masses. Thus, all healthcare providers need to monitor each case diligently and maintain high standards of services to avoid occurrence of unforeseen incident. They also need to maintain high vigilance to avoid malpractice at any cost.

Liquidity: Adequate

The hospital commenced operations from August 2024, and being in the initial phase, it is expected to generate positive cash accruals from FY27 onwards. In FY25, the company reported negative gross cash accruals of ₹19.60 crore. The company depends on its promoters, for servicing its debt obligations. KIMS has subscribed to OCRPS amounting to ₹64.92 crore as on March 31, 2025, and an additional ₹15 crore by September 30, 2025. This apart, KIMS also infused ₹5 crore in the form of unsecured loans in FY25 (other promoter Dr Raj Nagarkar has subscribed to OCRPS amounting to ₹6.35 crore till FY25 and ₹15 crore in H1 FY26, this apart Dr Raj Nagarkar have also infused ₹ 10 crore in the form of unsecured loans in FY25), KMHPL is also expected to receive need-based financial support from the parent whenever required. The company's debt profile comprises term loans, unsecured loans from the promoter group company, and working capital limits of ₹5 crore, with a utilisation level of ~89%. Term loan repayments, which commenced in April 2025, are currently being supported by promoters. No significant capital expenditure is planned in the near term.

Assumptions/Covenants: Not applicable

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

Applicable criteria

[Definition of Default](#)
[Factoring Linkages Parent Sub JV Group](#)
[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 May 2022, KIMS established KMHPL in association with Dr Raj Nagarkar to set up a 325-bed hospital in Nashik, Maharashtra. While KIMS holds 51% stake in KMHPL, Dr Nagarkar and his family hold the balance 49% stake as of March 2025. This is the first hospital under the KIMS management in Maharashtra. KIMS derived ~70-75% of its revenues from hospitals in Telangana and AP and has been making acquisitions and capital expenditures to diversify to other states.

Brief Consolidated Financials (₹ crore)- KIMS (Parent)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	2498.14	3035.10	871.60
PBILDT	644.87	793.00	192.60
PAT	336.01	414.80	85.00
Overall gearing (times)	0.65	1.06	NA
Interest coverage (times)	11.82	7.90	5.91

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

Brief Financials of KMHPL (₹ crore)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	14.40	31.67
PBILDT	-14.60	-18.15
PAT	-17.70	-25.98
Overall gearing (times)	1.65	NA
Interest coverage (times)	-2.61	NA

A: Audited UA: Unaudited NA: Not available; 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 - ST-Bank Overdraft	-	-	-	-	5.00	CARE A1
Term Loan-Long Term	-	-	-	30-09-2032	135.14	CARE A; 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	Term Loan-Long Term	LT	135.14	CARE A; Stable	-	1)CARE A; Stable (13-Nov-24)	-	-
2	Fund-based - ST-Bank Overdraft	ST	5.00	CARE A1				

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 - ST-Bank Overdraft	Simple
2	Term Loan-Long Term	Simple

Annexure-5: Lender detailsTo 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.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Saikat Roy Senior Director CARE Ratings Limited Phone: +91-22-6754 3404 E-mail: saikat.roy@careedge.in	Analytical Contacts Pulkit Agarwal Director CARE Ratings Limited Phone: +91-22-6754 3505 E-mail: pulkit.agarwal@careedge.in Pritesh Rathi Assistant Director CARE Ratings Limited Phone: +91-20-4000 9000 E-mail: pritesh.rathi@careedge.in Uday Kumar Karupothula Lead Analyst CARE Ratings Limited E-mail: nitya.raman@careedge.in
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