

## Maax Super Speciality Hospital

November 03, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	66.36	CARE B+; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Downgraded from CARE BB-; Stable

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) had, vide its press release dated September 12, 2024, placed the rating(s) of Maax Super Speciality Hospital (Maax) under the 'issuer non-cooperating' category as Maax had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. Maax continues to be non-cooperative despite repeated requests for submission of information through e-mails dated July 27, 2025, August 08, 2025, August 18, 2025.

In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating.

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

The revision in rating assigned to the bank facilities of Maax have been revised on account of non-availability of requisite information

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of key rating drivers:

At the time of last rating on September 12, 2024, the following were the rating weaknesses and strengths

#### Key weaknesses

##### Modest scale of operations along with geographical concentration risk

Maax is operated by well experienced doctors with very enrich medical experience however, the firm has not been able to scale its operation. For the past 4 years the revenue has been stable with around Rs. 60-80 crore. Also, currently Maax operates in Shimoga, Karnataka only, which exposes it to geographical concentration risk along with high competition from other players in the same industry.

##### Project execution and stabilisation risk

Maax is currently planning to expand its operation for which it has proposed to take a new building on rent just beside its existing hospital building in Shimoga. The new building is constructed by its sister concern Subbiah hospital which will be given to Maax on rent. The new building would be used to expand its medical operations majorly focusing on critical departments like neurology and cardiology which exposes the firm to stabilisation risk. Apart from this, Maax is also coming up with a new hospital in Udupi for which land with under construction building has been purchased in a e-auction. The remaining additional civil work is pending which is expected to be completed post the transfer of the property to Maax. The hospital is expected to be operational by Q4FY25

##### Capital intensive and human resource intensive nature of business.

Hospital industry is a capital-intensive industry with relatively long gestation period. Generally, new hospital takes around 2-3 years' time frame to breakeven at operational level. Establishment, occupancy rate and financial stability in the initial period of operation takes time. Further, the maintenance capex required for the hospital industry also remains high owing to regular replacement of equipment's, non-reusable pharmaceutical and surgical products and to update the latest technology. The industry also faces challenges with respect to hiring on-role and/or off-role doctors, nurses and other staff members and is highly dependent on the human resources employed and deployed as per requirement.

<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.

**Impact of government regulations and reputation risk**

The Ministry of Health and Family Welfare ("Health Ministry") by way of notifications dated September 24, 2020, repealed the Indian Medical Council Act, 1956 ("IMC Act") (the law governing medical education and practice in India) and enacted the National Medical Commission Act, 2019 ("NMC Act"). While the hospital itself may present an attractive proposition in terms of reputation and model of operation, even the most well-thought-out plan can sometimes be derailed due to unforeseen regulatory changes. The healthcare industries are inherently exposed to reputational risk as any shortcomings in the medical services or inappropriate behaviour shown towards the patients may hamper the established image of the hospital which may result in revenue loss ultimately.

**Inherent risk associated with the partnership nature of constitution**

The partnership firm has the inherent risk of succession plan and the possibility of withdrawal of capital at the time of personal contingency, which can affect the capital structure.

**Key strengths****Sustainable profitability margin along with improvement in net worth**

Maax has been consistent in its performance and been able to achieve a sustainable PBILDT margins above 23% for past three years. Maax is currently planning to expand its operation which may require high gestation period, resulting which sustenance of current profitability margins would be key monitorable for the credit profile of the firm. Furthermore, there has been improvement in total net worth of the firm from Rs. 19.48 Cr as on March 31, 2022 (A) to Rs. 30.23 as on March 31, 2023 (A) with accretion in profit and capital infused by partners

**Diversified revenue stream across specialisations**

Maax has well diversified revenue stream. Hospital's income is well spread across different departments like Orthopaedics, Neurology, Cardiology, Nephrology, General physician, Plastic surgery etc. It also owns a diagnostic centre which is an additional source of income for the hospital

**Satisfactory capital structure and coverage indicators**

The capital structure of the firm stood satisfactory with overall gearing at 1.33x as on March 31, 2023 (A) compared to 1.75x as on March 31, 2022 (A). The improvement in overall gearing is backed by increasing net worth of the firm and absence of large debt funded capex. However, total debt/ GCA deteriorated to 3.24x in FY23(A) compared to 2.44x in FY22(A) on account of lower profit accruals. Further, Interest coverage ratio moderated to 5.63x times in FY23(A) compared to 7.19x in FY22(A) on account of increasing interest cost.

**Long track record and vast experience of promoters in medical field**

Maax super speciality hospital is backed by a team of very experienced promoters. Dr. Nagendra.S (MBBS, MD) is the founder and medical director of this hospital along with other promoters who are partners in the business. The other partners are Sri. T. Subbaramaiah, Dr. Srinivas S (MBBS, MD), Dr. Lata R. Telang (MBBS, DGO) and Dr. Vinaya Srinivas (MBBS, DCP). Same group of promoters have a sister concern hospital named Subbaiah hospital in Shimoga which is providing its medical services for the past 25 years. The promoters also own a Medical College named Subbaiah Institute of Medical Sciences in Shimoga and are the core part of Management Team.

**Applicable criteria**

[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](#)

## About the company and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Healthcare Services	Hospital

Maax Super speciality Hospital (Maax) was incorporated in the year 2015 and is operating a hospital in Shivamoga, Karnataka. The hospital is a partnership firm and promoted by Sri T. Subbaramaiah, Dr. S Nagendra, Dr. S Srinivas, Dr. Latha Nagendra, and Dr. Vinayakumari. The hospital is operating with 155 beds including ICUs and dialysis wards. It has 9 operation theatres and 55 specialist doctors. It also operates one diagnostic centre named Bharat diagnostic centre near the hospital in shimoga.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	71.39	80.08
PBILDT	18.82	18.44
PAT	5.57	6.13
Overall gearing (times)	1.75	1.33
Interest coverage (times)	7.19	5.63

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

### Status of non-cooperation with previous CRA:

Brickwork has conducted the review on the basis of the best available information and has classified Maax as 'Not cooperating' vide its press release dated October 23, 2024, on account of nonavailability of information and non-submission of NDS (No default statement)

**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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	March 2029	66.36	CARE B+; Stable; 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	66.36	CARE B+; Stable; ISSUER NOT COOPERATING *	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING * (12-Sep-24)	1)CARE BB; Stable (29-Aug-23)	-

\*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**

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.

### Contact us

<p><b>Media Contact</b></p> <p>Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Saikat Roy Senior Director <b>CARE Ratings Limited</b> Phone: 912267543404 E-mail: <a href="mailto:saikat.roy@careedge.in">saikat.roy@careedge.in</a></p>	<p><b>Analytical Contacts</b></p> <p>Karthik Raj K Director <b>CARE Ratings Limited</b> Phone: E-mail: <a href="mailto:karthik.raj@careedge.in">karthik.raj@careedge.in</a></p> <p>Manohar S Annappanavar Associate Director <b>CARE Ratings Limited</b> Phone: 912267543436 E-mail: <a href="mailto:manohar.annappanavar@careedge.in">manohar.annappanavar@careedge.in</a></p> <p>Rohit Vellanikaran Analyst <b>CARE Ratings Limited</b> E-mail: <a href="mailto:Rohit.vellanikaran@careedge.in">Rohit.vellanikaran@careedge.in</a></p>
--	--

### About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: [www.careratings.com](http://www.careratings.com)

### Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to [https://www.careratings.com/privacy\\_policy](https://www.careratings.com/privacy_policy)

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,  
please visit [www.careratings.com](http://www.careratings.com)**