

K J Somaiya Medical Trust

March 18, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	1.33 (Reduced from 2.13)	CARE BBB+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation in the rating assigned to bank facilities of K J Somaiya Medical Trust (KJSMT or Trust) continues to derive strength from long track record and established operations of the trust, strong brand image of Somaiya Hospital and its medical colleges in Mumbai and adjoining areas. The rating also factors stable operations of its medical college with almost-full enrolment levels year-on-year, strong infrastructure facilities, above-average profitability margins, comfortable capital structure, and debt coverage indicators.

However, the rating strengths continue to be tempered by modest-yet-growing scale of operations, concentrated revenue, and highly regulated framework for the educational sector in India.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in revenue to over ₹260 crore and improvement in margins on a sustained basis.

Negative factors

- Significant decline in revenue or cash accruals owing to failure on part of the trust to ensure satisfactory enrolment ratio.
- Debt-funded capex undertaken by trust leading to deterioration in the financial risk profile of the trust.

Analytical approach: Standalone

Outlook: Stable

The 'Stable' outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectations that brand image of the trust in hospital and medical college will benefit to its enrolment ratio, sustaining its financial risk profile.

Detailed description of key rating drivers:

Key strengths

Long track record and established operations managed by experienced management of KJSMT

KJSMT was established in 1991 by Late Karamshibhai Jethabhai Somaiya and other prominent family members of the trust. The managing committee is headed by Samir S Somaiya. The trust operates four medical institutes, a 550-bed general hospital, and 120-bed super specialty hospital in Sion, Mumbai. It has been operating for over 28 years and has started medical institutes in segments such as physiotherapy and nursing. The trust currently manages four institutes with a student base of over 1,200. The trust is currently managed by six experienced trustees, with well-experienced institution heads with strong domain expertise.

Healthy enrolment status and occupancy level

K J Somaiya Medical Hospital and Research Centre, the flagship institute of the trust, has 105 qualified experienced teaching faculty and 104 resident doctors, working in 21 well-equipped departments. Medical college has completed 30 years of operations offering UG and PG programmes. In 1994, KJSMT commenced KJ Somaiya School of Nursing, offering a diploma programme in general nursing and midwifery. The institute has strength of 40. The physiotherapy college has a student strength of 100. KJSMT's total student strength has been over 1,200 since FY23. Seats across courses were fully occupied in 2025. In the hospital segment, there is an improvement in occupancy to 65% in current years (PY: 55%).

Comfortable capital structure and debt coverage indicators

Due to low leverage, the company's capital structure continued to remain comfortable. Its debt profile comprises term loan availed from bank. With no debt-led capex plan in the near-to-medium term, debt metrics is expected to remain comfortable. Overall gearing stood at 0.02x as on March 31, 2025, against 0.04x as on March 31, 2024. The improvement in capital structure was

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

considering profit accretion to reserves, repayment of term debt, and infusion of equity by promoters. Given the low debt level, and hence low finance cost, debt coverage indicators remained healthy marked by interest coverage stood at 60.69x in FY25 (FY24: 16.95x). The total debt to surplus before interest, lease rentals, depreciation and taxation (SBILDT) also stood comfortable at 0.12x in FY25 (FY24: 0.32x). With no debt-funded capex planned in the near future, the capital structure and debt coverage metrics expected to remain comfortable in the medium term.

Key weaknesses

Modest-yet-growing scale of operations

The trust's overall scale of operations remained moderate despite total operating income (TOI) has grown at a compound annual growth rate (CAGR) of 15.20% from ₹122.97 crore in FY21 to ₹216.55 crore in FY25. This was backed by increase in seats with high enrolment. The trust continues to earn its income from four colleges and through clinical service charges from its general and super specialty hospitals. The super speciality segment contributes higher towards the income. With seats almost full and healthy occupancy rate in the on-going year, the trust's total income is expected to continue its growth.

KJSMT colleges, as they are affiliated to Mumbai University of Health Sciences, cannot charge higher fees. However, with an increase in clinical charges from the general hospital and super specialty hospital and an increase in number of seats from 50 to 100 in K J Somaiya Medical College and K J Somaiya College of Physiotherapy, TOI has been continuously increasing. The trust reported revenue of ₹216.55 crore in FY25 (FY refers to April 01 to March 31) compared to ₹187.72 crore in FY24 with SBILDT of ₹14.59 crore in FY25 compared to ₹9.83 crore in FY24. Till H1FY26, the company achieved TOI of ₹125 crore, with the hospital segment continuing to contribute majorly towards the total income.

Moderate profitability margins

Overall profitability remained moderate and volatile in the past due to limited seats in medical institutes, capped fee, and lower charges for facilities due to non-profit motive of the trust. The trust reported SBILDT margin at 6.74% compared to 5.24% in FY24. The slight increase in operating margins is considering lower overheads related to medical and educational objects of the trust and other miscellaneous expenses. With affiliated operations of the medical colleges, there is capping on the fees, limiting the trust's ability to charge higher fees. With higher depreciation and lower interest cost, the surplus after tax (SAT) margin stood moderate at 2.95% in FY25 against 0.96% in FY24.

Highly regulated education industry regarding approvals and accreditations

Higher education sector is one of the highly regulated sectors with state and central governments regulating the industry directly and/or indirectly through bodies including University Grants Commission (UGC), and All India Council for Technical Education (AICTE), among others. The scope of government regulation is wide, starting from establishment of course/institute, seat sharing, fee fixation, and periodical review of the standards followed by the institute. Medical institutes are subject to get approval from Medical Council of India, and resultant adverse findings may impact the trust's operations.

Liquidity: Adequate

The trust's liquidity is adequate owing to lowly leveraged profile and hence marginal repayment. Despite gross cash accrual (GCA) being low, it will be sufficiently cushioned to service principal debt obligation of ₹0.64 crore each in FY26 and FY27. GCA stood at ₹16.36 crore in FY25 (FY24: ₹10.90 crore). The cash and bank balance stood at ₹14.98 crore as on March 31, 2025 (₹7.85 crore as on March 31, 2024). The trust also receives donation from the Somaiya group, which provides additional income and supports cash flows and liquidity. Cash flow from operating activities stood positive of ₹21.62 crore in FY25 (PY: Positive of ₹16.64 crore). Current ratio stood at 1.01x as on March 31, 2025 (PY: 1.01x).

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Education](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

[Hospital](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer services	Other consumer services	Education

KJSMT is a charitable trust established in 1991 by Late K J Somaiya. The trust is registered under Bombay Public Trusts Act. The trust commenced its activities by establishing K J Somaiya Medical College, Hospital and Research Centre in Sion, Mumbai. The campus is a 22.50-acre campus and has three more colleges, K J Somaiya College of Nursing, K J Somaiya School of Nursing, and K J Somaiya College of Physiotherapy. The trust also has two hospitals: 550-bed general hospital (K J Somaiya Hospital and Research Centre), and 115-bed Super specialty hospital (K J Somaiya Super Specialty Hospital). The total student strength of all colleges is over 1,200.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	September 30, 2025 (UA)
Total operating income	187.72	216.55	124.45
SBILDT*	9.83	14.59	NA
Surplus After Tax (SAT)	1.79	6.39	NA
Overall gearing (x)	0.04	0.02	NA
Interest coverage (x)	16.95	60.69	NA

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

*SBILDT: Surplus before interest, lease rentals, depreciation, and tax

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	-	-	-	November 2027	1.33	CARE BBB+; 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	Fund-based - LT-Term Loan	LT	1.33	CARE BBB+; Stable	-	1)CARE BBB+; Stable (09-Jan-25)	1)CARE BBB+; Positive (05-Jan-24)	1)CARE BBB+; Stable (22-Dec-22) 2)CARE BBB+; Stable (04-Apr-22)

LT: Long term; ST: Short term; LT/ST: Long term/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

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

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Analytical Contacts Akhil Goyal Director CARE Ratings Limited Phone: 022-67543590 E-mail: akhil.goyal@careedge.in Ashish Kambli Associate Director CARE Ratings Limited Phone: +91-22-6754 3597 E-mail: Ashish.k@careedge.in Pranjali Korgaonkar Lead Analyst CARE Ratings Limited E-mail: Pranjali.korgaonkarkar@careedge.in
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