

Lalitha Super Specialities Hospital Private Limited

April 09, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	24.30	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 Lalitha Super Specialities Hospital Private Limited (Lalitha) continues to derive strength from its promoters' vast experience in the healthcare space, hospital's long-standing presence in Guntur for over three decades, strong operating profit margins represented by a profit before interest, lease rentals, depreciation and tax (PBILDT) margin of over 20% in FY25, and comfortable financial risk profile.

However, rating strengths are partially offset by financial support extended to Lalitha PVS Institute of Medical Sciences Private Limited (Lalitha PVS; project-stage entity) through investments and by extending corporate guarantee towards Lalitha PVS's project debt. Lalitha PVS is developing a 600-bed multi-specialty hospital, which was initially expected to be operational by January 2025 but has now been delayed to January 2026 due to floods, state government elections, and shortages of sand and skilled labour. Subsequently, while the company has commenced partial operations (limited to 1–2 floors), full commercialisation has been further deferred to May 2026, considering delays in installation and commissioning of critical medical equipment. Lalitha PVS' ability to complete the project per revised timelines and generate envisaged cash flows, remains a key monitorable. The rating continues to remain tempered by geographical concentration risk, small scale of operations, reliance on scarce medical professionals, and growing competition in the industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Steadily growing total operating income (TOI) by over 30% while maintaining existing profitability margins.
- Reducing exposure towards the group entity on a sustained basis.

Negative factors

- Significantly declining revenue or operating profitability margin by over 30% year-over-year (y-o-y) on a sustained basis.
- Adjusted overall gearing (including corporate guaranteed debt and net worth of Lalitha PVS) deteriorating beyond 1.5x in future.
- Inability to generate envisaged revenue and cash flows by Lalitha PVS resulting in increased dependence on Lalitha's cash flows.

Analytical approach: Standalone, (support extended to Lalitha PVS Institute of Medical Sciences Private Limited by way of Corporate Guarantee is factored).

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes the entity will continue to benefit from promoters' extensive experience in the industry.

Detailed description of key rating drivers:

Key strengths

Comfortable financial risk profile

The company's financial risk profile continues to remain comfortable in FY25, with overall gearing further improving to 0.21x as on March 31, 2025 (PY: 0.36x), driven by continued reduction in total debt and steady accretion to net worth considering healthy profitability. Coverage indicators also improved, with interest coverage increasing to 7.75x (PY: 6.49x) and total debt/PBILDT

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

moderating to 0.88x (PY: 1.36x). However, on adjusting for the corporate guarantee extended and investment in preference shares of Lalitha PVS, overall gearing moderates to 4.02x as on March 31, 2025.

Promoters' long track record and vast experience in medical field

Dr P V Raghava Sarma and Dr P Vijaya, two of Lalitha's directors, collectively possess about three decades of experience in the healthcare industry. Dr P V Raghava Sarma completed his Bachelor of Medicine and Bachelor of Surgery (MBBS) from Jawaharlal Institute of Postgraduate Medical Education & Research (JIPMER), Pondicherry in 1984, followed by an MD in Internal Medicine from Postgraduate Institute of Medical Education & Research (PGIMER), Chandigarh in 1987. He obtained a Doctor of Medicine (D.M.) in Cardiology from PGIMER, Chandigarh in 1989, specialising in interventional cardiology. He is renowned for his expertise in acute angioplasty and is credited with establishing the first cardiac Cath lab and bypass surgery centre in Guntur. He serves as an advisory member in the Indian Heart Journal and holds fellowship positions in the American College of Cardiology (F.A.C.C) and the European Society of Cardiology (F.E.S.C). Lalitha is a family-owned business, with promoters, Dr Vijaya, Dr Anurag, Dr Sravanti, and Dr Naren, belonging to the same family. Each member brings valuable experience from the healthcare industry to the organisation.

Association of experienced doctors and tie-ups with corporates

Lalitha has a team of doctors associated with the hospital over the years, specialising in their respective fields. Lalitha entered tie-ups with many reputed corporates. The company has also planned with top third-party administrators (TPAs). Some of its corporate clients include AP TRANSCO, State Bank of India, Union Bank of India, ITC Limited and BSNL, among others. Some medical insurance companies and TPAs with which the company tied up include Medi Assist, Raksha, Alankit, East West Assist TPA, I Care Health Solutions and Med Save India, among others. The hospital is registered with programmes of Aarogyasri (a programme of the Government of Andhra Pradesh which covers patients belonging to below poverty line) and employee health scheme among others.

Key weaknesses

Corporate guarantee extended to Lalitha PVS and delay in project

Lalitha extended a corporate guarantee for the project debt of Lalitha PVS, which is developing a 600-bedded multi-specialty hospital in Guntur, Andhra Pradesh. The project cost was initially estimated at ₹356 crore, which has been revised downwards to ₹342.32 crore, primarily considering lower interest during construction (IDC) due to lower interest rates and lower-than-expected term loan drawdown. Accordingly, to maintain the stipulated debt-to-equity ratio of 1.86:1, the sanctioned term loan has been revised to ₹222.50 crore. Repayment schedule has been deferred by one year, with repayments now commencing from October 31, 2026 (earlier: October 31, 2025). The hospital project, which was initially expected to commence operations from January 2025, was delayed to January 2026 due to floods, state government elections, and shortages of sand and skilled labour. Subsequently, while the company has commenced partial operations (limited to 1–2 floors), full commercialisation has been further deferred to May 2026 considering delays in installation and commissioning critical medical equipment. The project's timely completion and its ability to ramp up operations and generate envisaged cash flows remain key monitorable.

Small scale of operations

The company continues to operate at a small scale, despite improvement in financial performance in FY25. Revenue from operations grew marginally to ₹100.86 crore in FY25 (PY: ₹99.39 crore), supported by sustained occupancy levels of ~98% (PY: 95%). Healthy scale and efficient absorption of fixed overheads resulted in stable operating profitability, with PBILDT margin improving to 22.15% in FY25 (PY: 20.89%). In 9MFY25, the company reported revenue of ₹60.23 crore with an occupancy rate of 95%

Geographical concentration risk

Despite being in operation for over two decades and enjoying continued patronage from the local population, the company's entire revenue is contributed by Guntur hospital. Hence, it has a geographical concentration risk considering its presence only in one location.

Growing competition in the industry

The company faces competition from the existing players in the region providing tertiary care facilities, regional private hospitals giving primary care and secondary care services, and large number of private clinics. However, the competition is mitigated to larger extent since the company is one of the renowned hospitals in Guntur. It is a multi-specialty hospital providing wide services includes cardiology, neurology, radiology, nephrology and pulmonology, among others. Considering intense competition, the company's prospects would depend on its ability to profitably scale up operations and success rate in treatment of complex cases, to attract patients and increase occupancy.

Reliance on scarce medical professionals

Availability of qualified medical professionals, including doctors, paramedical staff, and support personnel, is essential for a hospital's success and sustained patronage from the local community. Lalitha relies heavily on these limited medical professionals. Given the limited pool of experienced doctors, attracting and retaining talent remains a key consideration.

Liquidity: Adequate

The company's cash flows remain adequate to meet its operational and debt servicing requirements, as reflected by gross cash accruals (GCA) of ₹16.46 crore against relatively lower debt repayment obligations of ₹4.48 crore in FY26. Liquidity is further supported by low average working capital utilisation ended January 2026, and free cash and cash equivalents of ₹2.63 crore as on March 31, 2025.

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](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Healthcare services	Hospital

Incorporated in 1999, Lalitha has been promoted by Dr P V Raghava Sarma and Dr P Vijaya. The company is a renowned Mult speciality hospital in Guntur, Andhra Pradesh. Currently, the hospital has an operating capacity of 250 beds, 60 beds in intensive care unit (ICU), 10 for critical care treatment, and 180 beds in General ward. The hospital is equipped with state-of-the-art equipment and well-qualified and experienced doctors/surgeons.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	99.39	100.86	60.23
PBILDT*	20.77	22.34	NA
Profit after tax (PAT)	13.15	14.24	5.98
Overall gearing (x)	0.36	0.21	NA
Interest coverage (x)	7.29	8.65	NA

A: Audited UA: Unaudited NA: Not available; Note: these are latest available financial results

*PBILDT: Profit 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-Cash Credit		-	-	-	13.30	CARE BBB-; Stable
Fund-based - LT-Term Loan		-	-	February 2029	11.00	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 2026-2027	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
1	Fund-based - LT-Term Loan	LT	11.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (08-Apr-25)	1)CARE BBB-; Stable (02-Apr-24)	1)CARE BBB-; Stable (19-Mar-24)
2	Fund-based - LT-Cash Credit	LT	13.30	CARE BBB-; Stable	-	1)CARE BBB-; Stable (08-Apr-25)	1)CARE BBB-; Stable (02-Apr-24)	1)CARE BBB-; Stable (19-Mar-24)

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-Cash Credit	Simple
2	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.

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