For Ortho and Neuro Hospital

July 29, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long Term Bank Facilities	RBI	18.82	CARE B; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE B+; Stable and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	RBI	5.00	CARE A4; ISSUER NOT COOPERATING*	Rating 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 Edge Ratings has been seeking information from For Ortho and Neuro Hospital (FONH) to monitor the rating(s) vide latest e-mail communications May 07, 2026, May 12, 2026, May 18, 2026, May 22, 2026, May 26, 2026, June 03, 2026, June 08, 2026, June 16, 2026, June 29, 2026, July 03, 2026, July 07, 2026 and July 14, 2026 along with numerous phone calls. However, despite our repeated requests, the firm has not provided the requisite information for monitoring the ratings. 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. The ratings on For Ortho and Neuro Hospital's bank facilities will now be denoted as '**CARE B; Stable; ISSUER NOT COOPERATING/ CARE A4; ISSUER NOT COOPERATING.**

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 ratings assigned to the bank facilities of For Ortho and Neuro Hospital have been revised on account of non-availability of requisite information. Further, the ratings continue to be constrained by FONH's small scale of operations, weak capital structure, fragmented industry, partnership nature of business constitution with inherent risk of withdrawal of capital. The ratings, however, derive strength from the vast experience of the partners in the industry and healthy profitability margins.

Analytical Approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers

At the time of last rating on May 27, 2025 the following were the rating strengths and weaknesses (updated from the information available from client)

Key weaknesses

Small scale of operations

FONH's scale of operations continued to remain small with total operating income(TOI) decreased from ₹11.07 crore in FY24 to ₹10.51 crore in FY25.

Weak capital structure

FONH's capital structure remained leveraged owing to high reliance on external debt marked by overall gearing stood at 7.15x as on March 31, 2025, compared to 31.08x as on March 31, 2024.

Fragmented industry

The healthcare sector is characterized by significant fragmentation, with a few dominant players in the organized segment and numerous smaller entities in the unorganized segment, leading to intense competition. Consequently, key differentiators such as the variety of services provided, service quality, the reputation of medical professionals, and the success rate in handling complex cases will be essential for attracting patients and boosting occupancy rates.

---

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority
[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Partnership nature of business constitution with inherent risk of withdrawal of capital

FONH is a partnership nature of business wherein the inherent risk of withdrawal of capital by the partner at the time of their personal contingencies resulting in erosion of capital base leading to adverse effect on capital structure. During FY25 partners infused capital worth ₹0.98 crore compared to a withdrawal of ₹6.56 crore during FY24.

Key strengths

Vast experience of the promoter in the industry

FONH is under the leadership of Dr. P. Elangovan, M.S., Mch Orth., who serves as Managing Partner and Chief Orthopaedic Consultant. He graduated from the esteemed Govt. Royapettah Hospital, a premier center for Accident and Trauma, in 1998 and completed his Mch Orth. in 2015. Dr. Elangovan brings a wealth of expertise in orthopaedic trauma and joint replacement.

Healthy profitability margins

FONH's profitability remained healthy as PBILDT margin improved to 48.54% in FY25 from 40.04% in FY24, owing to lower operating cost (specifically employee costs). Consequently, PAT margin improved marginally and was 19.21% during FY25 compared to 16.40% during FY24.

Assumptions/Covenants: Not applicable

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

Applicable Criteria

CARE Ratings' criteria on information adequacy risk and issuer non-cooperation
Policy on default recognition
Rating Outlook and Credit Watch
Financial Ratios – Non-financial Sector
Short Term Instruments
Service sector
Hospitals

About the firm and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Healthcare Services	Hospital

FONH, located in Chennai, was incorporated on April 01, 2013. The 25-bed hospital offers orthopedics, neurology, trauma, faciomaxillary, and plastic surgery, with integrated 24/7 trauma care services. The medical team comprises over 20 doctors, supported by 30 nurses, 35 paramedical staff, and 40 non-medical staff. Additionally, it features a dedicated physiotherapy department. The hospital is managed by partners Dr. P. Elangovan and Satish Kumar.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	11.07	10.51
PBILDT*	4.43	5.10
Profit after tax (PAT)	1.82	2.02
Overall gearing (x)	31.08	7.15
Interest coverage (x)	1.84	1.83

A: Audited; 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

Covenants of rated instrument / facility: Annexure-3

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Simple	-		-	26-09-2039	18.82	CARE B; Stable; ISSUER NOT COOPERATING*
Fund-based - ST-Bank Overdraft	RBI	Simple	-		-	-	5.00	CARE A4; 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 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	18.82	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable (27-May-25)	-	-
2	Fund-based - ST-Bank Overdraft	ST	5.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4 (27-May-25)	-	-

*Issuer did not cooperate; based on best available information.
LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: 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	**Analytical Contacts**
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Shachee Nakul Vyas Assistant Director **CARE Ratings Limited** Phone: 079-40265665 E-mail: shachee.tripathi@careedge.in
Relationship Contact Ankur Sachdeva Senior Director **CARE Ratings Limited** Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Aniket Shringarpure Lead Analyst **CARE Ratings Limited** Phone: 079-40265659 E-mail: aniket.shringarpure@careedge.in Jill Jain Associate Analyst **CARE Ratings Limited** E-mail: Jill.jain@careedge.in

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