Medicant Hospital And Research Centre Private Limited

July 13, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term bank facilities	RBI	156.00	CARE BB-; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Medicant Hospital and Research Centre Private Limited (MHRCPL) are constrained by its small, yet growing, scale of operations due to its early stage of business, and a leveraged capital structure and stretched debt coverage indicators. The rating is further impacted by capital intensive nature of business, inherent risks in the healthcare industry including dependence on and attrition of medical professionals and intense competition and the highly regulated nature of healthcare industry.

However, these constraints are partially offset by presence of professional, qualified and resourceful promoters and strategic location and strong accessibility to its catchment area.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant increase the operating revenues and operating margin (PBILDT) beyond 20% on a sustained basis
- Improvement in interest coverage ratio to a level sufficient to comfortably meet its annual interest obligations.

Negative factors

- Material shortfall in operational performance, including lower-than-expected occupancy levels and restrained revenue growth, leading to weaker cash flows and consequent deterioration in the company's liquidity profile.
- Sustained elevated gearing levels, resulting in a significant weakening of the company's overall financial risk profile.
- Inability or unwillingness of the promoters to provide timely financial support, including equity infusion, when required

Analytical approach: Standalone

Outlook: Stable

The outlook of the company is stable due to promoters' continuous support, long experience and resourcefulness in healthcare, and the rising demand for healthcare services.

Detailed description of key rating drivers:

Key weaknesses

Small scale of operations being initial years of operations

The hospital commenced operations (COD) on September 23, 2024, with FY25 being its initial year of operations and FY26 representing its first full year. In FY26, the company reported a TOI of ₹46.68 crore; however, performance remained constrained due to low occupancy levels of ~39% and lower average revenue per occupied bed (ARPOB) of ₹9,187 during the initial ramp-up phase. Consequently, the company continued to incur losses, reporting a net loss of ₹27.10 crore in FY26 (FY25: loss of ₹27.48 crore). The company's cash accruals stood negative at ₹4.13 crore.

Going forward, the hospital's operational performance is expected to improve, supported by gradual stabilisation of operations and increasing brand visibility in the catchment area. Improved occupancy levels and ARPOB are expected to support revenue growth and aid in narrowing operating losses in the medium term.

Leveraged capital structure and stretched debt coverage indicators

The entity's capital structure stood leveraged, as marked by an overall gearing of 7.68x as on March 31, 2026, owing to high reliance on external debt for establishment of hospital. Its debt profile largely comprises term loans. Total outside liabilities to net worth stood high at 8.36x as on March 31, 2026 (2.39x as on March 31, 2024). the debt coverage metrics were stretched with PBILDT coverage below unity and negative total debt to gross cash accruals (TD/GCA) in FY26.

[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Going forward, capital structure is expected to improve with gradual repayment of term loans and accretion of profits to reserves.

Capital intensive business
Hospital industry is a capital intensive with relatively long gestation period. Generally, new hospital takes ~2-3 years' time frame to breakeven at an operational level. Establishment, occupancy rate and financial stability in the initial period of operation takes time. Maintenance capex required for the hospital industry also remains high owing to regular replacement of equipment, non-reusable pharmaceutical and surgical products and to update the latest technology.

Risks in the healthcare industry associated with availability and attrition of medical professionals
Being a service-oriented unit, success largely depends on quality of professional and general service and recruitment of doctors, nurses and other trained personnel. Presence of qualified medical professionals such as doctors, paramedical staff and support staff is one of the important requisites of hospital to be successful and to get continued patronage from the local population. The hospital's ability to attract and retain qualified medical professionals remains critical to sustaining quality of healthcare services and patient satisfaction.

Intense competition and highly regulated nature of healthcare industry
The healthcare sector is highly fragmented with presence of few large players in the organised sector and numerous mid-small players in the unorganised sector, leading to high level of competition in the business. Thus, differentiating factors such as range of services, quality of service, reputation of medical professionals, and success in treating complex cases will be crucial to attract patients and increase occupancy. The industry is also subject to stringent government regulations, requiring strict compliance with established norms. The healthcare industry in India is well-regulated by the government and require strict adherence to the norms stipulated by the concerned authorities. Healthcare is a highly sensitive sector, where mishandling of a case or negligence on part of doctor and/or staff of the unit can lead to distrust among masses. Thus, healthcare providers need to monitor each case diligently and maintain standard of services to avoid the occurrence of unforeseen incident.

Key strengths
Presence of professional, qualified and resourceful promoters
The project was implemented by a group of doctors and businessmen. The main promoter, Dr Majid Ahmed Talikoti, is the founding Chairman and Managing Director of MHRCPL with major shareholding. He is a qualified (MBBS, MS) and a cancer surgeon with extensive experience in cancer surgery. He is currently serving as the Director of Surgical Oncology at Moolchand Hospital and Batra Hospital & Research Center in Delhi. Dr AK Singh, Director, is a consultant in Internal Medicine and Non-Invasive Cardiology associated with MHRCPL. He is regarded physician with expertise in diagnosis and management of a wide range of medical conditions, particularly lifestyle-related diseases such as hypertension, diabetes, and cardiac disorders. Jahan Ara Talikoti is associated with MHRCPL as part of its promoter/management group. She contributes to the hospital's administrative and strategic functions, supporting overall governance and operational stability. Promoters are understood to have substantial experience in the healthcare sector, enabling them to effectively oversee clinical services, hospital operations, and strategic growth initiatives.
Promoters have been the hospital's supporting operations in the initial years by infusing interest free unsecured loans to fund losses and meet debt repayments in timely manner. In FY25 and FY26, promoters infused funds to the tune of ₹8.28 crore and ₹23.13 crore respectively in form of equity and ₹3.11 crore and ₹2.68 crore respectively in form of unsecured loans.

Strategic location and strong accessibility to its catchment area
The hospital is in Bokaro Steel City, which is in proximity to industrial establishments, ensuring consistent demand for emergency, trauma, and general healthcare services. The hospital benefits from limited organised healthcare competition in nearby areas, allowing it to maintain healthy occupancy levels and revenue visibility going forward. The hospital is on NH-23, which enhances connectivity within Bokaro and to nearby industrial and semi-urban regions, enabling the hospital to cater to a diverse and expanding patient base.

Liquidity: Stretched
The company's liquidity position remains stretched, as reflected in its low cash and bank balance of ₹0.01 crore as on March 31, 2026, and negative cash accruals, owing to high fixed costs in the initial phase of hospital operations. The company had a debt repayment obligation of ₹9 crore in FY2026, which was met through equity infusion by promoters.

Going forward, the company faces sizeable debt repayment obligations of ~₹18 crore in FY27, which are expected to be met through internal accruals. However, given the early stage of operations, cash accruals are likely to remain modest, necessitating

continued financial support from promoters to ensure timely debt servicing. The management has articulated its commitment to infuse funds as and when required to meet debt obligations.
The company has availed working capital limits of ₹13 crore, with high average utilisation of ~90%, as confirmed by the lender, indicating limited liquidity buffers.

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

Applicable criteria
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Hospital
Financial Ratios – Non financial Sector
Services Sector

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Healthcare services	Hospital

Incorporated on November 23, 2016, MHRCPL is a healthcare company developing a 600-bed Super Multi-Speciality Hospital at NH-23 Bokaro Steel City in Bokaro, Jharkhand. MHRCPL is promoted by experienced doctors and businessmen, including Dr Majid Ahmed Talikoti, Dr Jahan Ara Talikoti, Dr Uma Kishore, Rajesh Kumar, Shiwani, and Jagdish Teli. The hospital is being developed in phases with 260 beds in Phase I and remaining 340 beds in Phase II. In phase I, the company developed 260 beds at a project cost of ₹202.95 crore funded through term loan of ₹143.91 crore and promoter contribution of ₹59.04 crore.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (UA)
Total operating income	6.12	46.68
PBILDT*	-10.07	4.77
PAT	-27.48	-27.10
Overall gearing (times)	6.81	7.68
Interest coverage (times)	-2.94	0.36

A: Audited; UA: Unaudited; 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-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:
A list of facilities / instruments falling under the purview of 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-Cash Credit	RBI	Simple	-		-	-	23.12	CARE BB-; Stable
Fund-based - LT-Term Loan	RBI	Simple	-		-	31-03-2032	132.88	CARE BB-; 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	132.88	CARE BB-; Stable				
2	Fund-based - LT-Cash Credit	LT	23.12	CARE BB-; Stable				

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instrument/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.

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