

November 10, 2025

Meridian Medical Research and Hospital Limited: Update on material event

Summary of ratings outstanding

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based – Term loan	62.00	62.00	[ICRA]AA (Stable); Outstanding
Short term – Non-fund based	10.00	10.00	[ICRA]A1+; Outstanding
Short term – Fund based	5.00	5.00	[ICRA]A1+; Outstanding
Total	77.00	77.00	

*Instrument details are provided in Annexure-I

Rationale

Material event

On October 30, 2025, Narayana Hrudayalaya Limited (NHL/the company) released a disclosure to the stock exchanges stating that the company (through its step subsidiary in the UK) has entered into an agreement with Bridgepoint Group to acquire 100% (60,001 shares) shareholding in Practice Plus Group Hospitals Limited (PPGHL), a company incorporated and based out of the United Kingdom. The transaction was subsequently completed on November 06, 2025. The shares were acquired by Narayana Hrudayalaya UK Ltd. (NHUK), wholly owned subsidiary of Health City Cayman Islands Limited (HCCI) which in turn is a wholly owned subsidiary of NHL. PPGHL is an independent healthcare provider in the United Kingdom, focused on secondary care with committed National Health Service (NHS) contracts. PPGHL operates ten hospitals/surgical centers, two urgent treatment centers/diagnostic centers, and one ophthalmology center with a total bed capacity of 330 beds. For PPGHL, NHS patients currently account for around 99% of the total patient volume and 93% of the total revenues with private pay patients (Self Pay + Insurance) accounting for the balance. The total consideration payable towards the acquisition is GBP 188.78 million (around Rs.2200 crore).

Impact of the material event

The acquisition is intended to build upon NHL's international presence after its expansion into Cayman Islands and is expected to result in relatively higher geographical diversity for NHL. The transaction is expected to be funded through a mix of HCCI's existing cash balances and incremental debt which will be drawn down by NHUK / PPGHL. ICRA believes that the acquisition is unlikely to have any adverse material impact on NHL's credit profile. That said, following the transaction, ICRA expects NHL's peak Net Debt/OPBDITA to reach 2.1-2.3x as on March 31, 2026, given that NHL would be consolidating only part profits of PPGHL for the fiscal while the entire debt will be drawn down in November 2025. However, with full consolidation from FY2027, NHL's Net Debt/OPBDITA is expected to improve to 1.4-1.6x as on March 31, 2027 and improve further from thereon. ICRA continues to also draw comfort from NHL's overall healthy liquidity position and expected robust cash flow generation. Nonetheless, NHL's ability to achieve the desired scale-up in the non-NHS operations and profitability of PPGHL over the medium term will remain a key monitorable.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their descriptions, liquidity position, rating sensitivities, Environmental and social risks and key financial indicators: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Hospitals
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of NHL along with its operational subsidiaries and associate companies (mentioned in Annexure-2) on account of the strong business and financial linkages among these entities.

About the company

NHL operates a chain of multispecialty, tertiary and primary healthcare facilities. Dr. Devi Shetty, who has over 30 years of medical experience, incorporated NHL in 2000. The Group, which initially focused on cardiac and renal sciences, expanded to additional areas of focus such as cancer care, neurology, neurosurgery, orthopedics, and gastroenterology and was rebranded as 'Narayana Health' in 2013 to reflect the diversified presence. The Group owns and operates certain hospitals and enters into management agreements with hospitals under which the Group acquires operating control. As on September 30, 2024, it had 40 healthcare facilities (5,789 operational beds) of which 19 hospitals (5,551 beds) are owned/operated, two (128 beds) are heart centres, 18 (no beds) are primary healthcare facilities including clinics and dialysis centre and one (110 beds) hospital is in the Cayman Islands. NHL has a strong presence in Karnataka and eastern India, with an emerging presence in western, central and northern India. The Narayana Health brand is associated with the delivery of affordable healthcare services by leveraging its economies of scale.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2026)		Chronology of rating history for the past 3 years					
		FY2026		FY2025		FY2024		FY2023	
		Amount rated (Rs crore)	Nov 10, 2025	Date	Rating	Date	Rating	Date	Rating
Fund Based – working capital	Long term	-	-	20-Jan-25	-	02-Feb-24	-	06-Mar-23	-
								29-Sep-22	[ICRA]AA-(CE) (Positive) withdrawn and [ICRA]AA-(Positive) assigned simultaneously
								25-Apr-22	[ICRA]AA-(CE) (Positive)
Term Loan	Long term	62.00	[ICRA]AA (Stable)	20-Jan-25	[ICRA]AA (Stable)	02-Feb-24	[ICRA]AA (Stable)	06-Mar-23	[ICRA]AA (Stable)
								29-Sep-22	[ICRA]AA-(CE) (Positive) withdrawn and [ICRA]AA-(Positive) assigned simultaneously
								25-Apr-22	[ICRA]AA-(CE) (Positive)
Non-Fund Based	Short term	10.00	[ICRA]A1+	20-Jan-25	[ICRA]A1+	02-Feb-24	[ICRA]A1+	06-Mar-23	[ICRA]A1+
								29-Sep-22	[ICRA]A1+(CE) withdrawn and [ICRA]A1+ assigned simultaneously
								25-Apr-22	[ICRA]A1+ (CE)
Fund Based	Short term	5.00	[ICRA]A1+	20-Jan-25	[ICRA]A1+	02-Feb-24	[ICRA]A1+	06-Mar-23	[ICRA]A1+
								29-Sep-22	[ICRA]A1+
								25-Apr-22	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long term- Term loan	Simple
Short term- Non-fund Based	Very Simple
Short term- Fund Based	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Overdraft Facility	NA	NA	NA	5.0	[ICRA]A1+
NA	Term Loan - II	Nov-2021	NA	Nov-2027	62.0	[ICRA]AA (Stable)
NA	Non Fund Based	NA	NA	NA	10.0	[ICRA]A1+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-II: List of entities considered for consolidated analysis

Company Name	NHL Ownership	Consolidation Approach
Narayana Hrudayalaya Surgical Hospital Pvt Ltd	100%	Full Consolidation
Meridian Medical Research and Hospital Ltd	99.13%	Full Consolidation
Narayana Hospitals Pvt Ltd	100%	Full Consolidation
Narayana Vaishno Devi Speciality Hospitals Pvt Ltd	100%	Full Consolidation
NH Integrated Care Private Limited	100%	Full Consolidation
Athma Healthtech Private Limited	100%	Full Consolidation
Health City Cayman Islands Ltd (HCCI)	100%	Full Consolidation
ENT in Cayman Ltd.	100%	Full Consolidation
Cayman Integrated Healthcare Limited	100%	Full Consolidation
NH Health Bangladesh private Limited	100%	Full Consolidation
Narayana Holdings Private Limited	100%	Full Consolidation
Narayana Health North America LLC	100%	Full Consolidation
Reya health Inc (formerly Cura Technologies Inc.)	43.58%	Full Consolidation
Medha AI Private Limited	100%	Full Consolidation
Narayana health Insurance Limited (NHIL)	100%	Full Consolidation
Samyat Healthcare Private Limited (SHPL)	100%	Full Consolidation
ISO Healthcare	0.00%	Full Consolidation

Source: Company data; As on March 31, 2025

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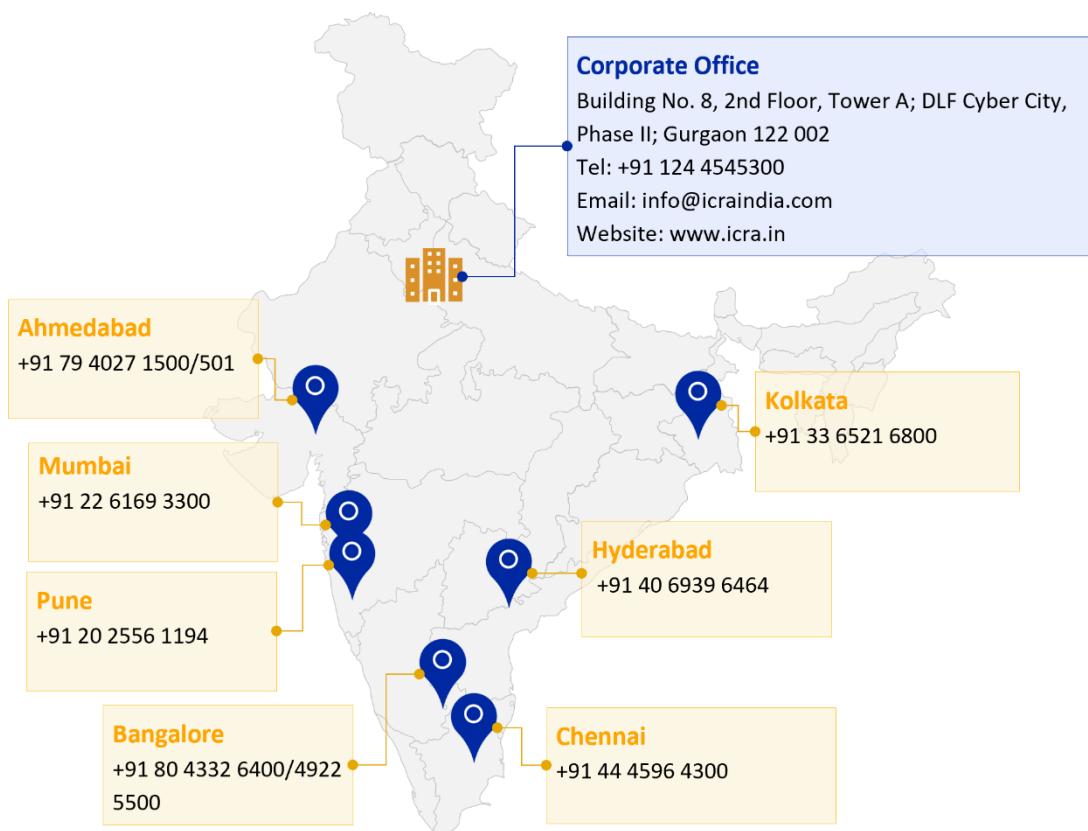
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