ICRA

November 24, 2025

Unimed Health Care Pvt. Ltd.: Ratings upgraded to [ICRA]A (Stable)/[ICRA]A1

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term Loan	150.00	150.00	[ICRA]A (Stable); upgraded from [ICRA]A- (Stable)
Long-term – Fund-based – Cash Credit	2.00	2.00	[ICRA]A (Stable); upgraded from [ICRA]A- (Stable)
Short-term – Fund based - Overdraft	27.00	27.00	[ICRA]A1; upgraded from [ICRA]A2+
Long-term – Unallocated	61.00	61.00	[ICRA]A (Stable); upgraded from [ICRA]A- (Stable)
Total	**240.00**	**240.00**	

**Instrument details are provided in Annexure I*

Rationale

The ratings upgrade considers the expected improvement in Unimed Health Care Pvt. Ltd.'s (UHPL) credit profile, driven by a successful ramp-up of its new hospital in Nanakramguda, resulting in a healthy growth in revenue and earnings and improved debt metrics. The company's revenue grew by 32.0% in FY2025 on the back of a significant improvement in occupancy of the Nanakramguda hospital and a healthy growth of 5.9% in the overall average revenue per occupied bed day (ARPOB). UHPL's operational bed capacity is expected to increase by 25-30 beds in H2 FY2026 (addition in the new hospital), which, along with healthy occupancy and improved ARPOB, is expected to result in a healthy revenue growth of 18-22% in FY2026. The company's operating profit margin (OPM) improved to 17.2% in FY2025 from 6.3% in FY2024, supported by operating leverage benefits with the ramp-up of operations at Nanakramguda. The operating margins are expected to sustain at similar levels, going forward. Higher margins led to improvement in debt metrics with Total debt/OPBITDA improving to 1.6 times (from 5.4 times in FY2024) and DSCR of 5.0 times in FY2025 (2.5 times in FY2024). The company's financial profile and debt metrics are expected to remain comfortable, going forward, as well.

The ratings remain supported by UHCPL's established track record in the healthcare industry, reputed brand of Star Hospital (UHCPL's brand name) in Hyderabad, particularly in the cardiac sciences segment, and expected steady revenue growth from segments such as nephrology, orthopaedics, and pulmonology, among others. The ratings continue to derive strength from UHCPL's experienced promoters, reputed doctors and consultants, whose established track record strengthens its business prospects. The ratings remain supported by the favourable demand outlook for healthcare services in the country due to factors such as better affordability through increasing per-capita income, widening medical insurance coverage and growing health awareness among people as well as under-penetration of healthcare services. The ratings, however, are constrained by UHCPL's high geographical concentration in Hyderabad and intense competition in the region from several reputed hospitals. The ratings also consider regulatory risks inherent to the healthcare industry.

The Stable outlook on the long-term rating reflects ICRA's opinion that the company's revenues and earnings are likely to witness a robust growth, supported by a further scale-up of the new hospital while maintaining healthy margins, leading to an improved financial profile.

Key rating drivers and their description

Credit strengths

Reputed brand and experience of promoters in healthcare industry – UHCPL operates two hospitals with a total bed capacity of 600 under the brand, Star Hospital, which has an established presence in Hyderabad. It is promoted by a group of doctors and entrepreneurs, led by Dr. Gopichand Mannam, having significant experience in the healthcare industry.

Comfortable capital structure and debt coverage metrics – The capital structure of the company remains comfortable, characterised by a gearing of 0.6 times as on September 30, 2025. The company had total debt of Rs. 138.0 crore as on September 30, 2025, which comprised term loans availed to fund the capex towards the new hospital. The debt coverage indicators improved in FY2025, as reflected in total debt/OPBIDTA of 1.6 times (5.4 times in FY2024) and DSCR of 5.0 times (2.5 times in FY2024) in FY2025, on the back of increased earnings, driven by healthy ramp-up of the new unit. Going forward, the capital structure and debt coverage indicators are expected to remain comfortable in the absence of any major debt-funded capex plans in the near-to-medium term.

Credit challenges

Moderate scale of operations – While UHCPL recorded a healthy revenue growth of around 32% in FY2025, driven by successful scale-up of operations of the Nanakramguda hospital, UHCPL's scale of operations remains moderate, with operational capacity of around 170 beds and an operating income of Rs. 567.2 crore in FY2025. ICRA expects the company to achieve revenue growth of 18-22% in FY2026 and maintain a healthy double-digit growth in FY2027, driven by higher occupancy and ARPOB at the Nanakramguda hospital, while the mature hospital at Banjara Hills is expected to deliver stable revenue growth. Its profit margins are projected to remain steady at 17-18% over the near-to-medium term.

Exposed to geographical concentration and regulatory risks – The company encounters geographical concentration risk as its entire bed capacity is in Hyderabad, and it faces intense competition from several reputed hospitals in the region. Considering the intense competition, UHCPL's ability to retain key consultants and doctors and improve its operating metrics are critical. ICRA also notes the regulatory risks, including restrictive pricing regulations, stricter compliance norms, among others, which are inherent to the healthcare industry.

Liquidity position: Strong

UHPL's liquidity position is expected to be strong, given its healthy cash balances. The company's cash flow from operations are estimated to be in the range of Rs. 75-85 crore over the next 12 months. The company also had cash balances and investments of Rs. 142.9 crore as on September 30, 2025, besides unutilised working capital lines of around Rs. 28.0 crore. In comparison, UHPL's cumulative funding needs towards capital expenditure and repayment obligations are estimated to be around Rs. 45.0-55.0 crore over the next 12 months, lending comfort to the liquidity profile.

Rating sensitivities

Positive factors – The ratings could be upgraded if the company demonstrates a substantial improvement in its scale while maintaining its healthy profitability and liquidity position on a sustained basis.

Negative factors – Pressure on the ratings could arise if any material decline in revenues or operational performance results in steep moderation in profitability or coverage metrics on a sustained basis. A major debt-funded capex or sizeable outflow towards any acquisition, impacting its debt metrics, could also result in ratings downgrade. Specific credit metrics that could trigger ratings downgrade include a sustained breach of Total Debt/OPBDITA ratio exceeding 2.1 times, alongside a material depletion of cash and cash equivalents.

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 standalone financials of UHCPL.

About the company

Promoted by a group of doctors and entrepreneurs led by Dr. Gopichand Mannam, Unimed Health Care Private Limited (UHCPL) owns and operates two hospitals, under the brand 'Star Hospital' in Hyderabad with operational bed capacity of 295 (capacity expanded from 130 during FY2015 and FY2016) in the Banjara Hills and 174 (expandable to 225 beds) in Nanakramguda, which commenced operations in March 2023. The promoter, Dr. Gopichand Mannam, is a renowned cardiothoracic surgeon, who has been practising in Hyderabad since 1994. The promoter group also includes Dr. Nagarjuna Reddy Ponugoti and Mr. P. Jairaj Kumar.

Key financial indicators (audited)

UHCPL	FY2024	FY2025
Operating income	429.6	567.2
PAT	-21.2	34.9
OPBDIT/OI	6.3%	17.2%
PAT/OI	-4.9%	6.1%
Total outside liabilities/Tangible net worth (times)	1.4	1.2
Total debt/OPBDIT (times)	5.4	1.6
Interest coverage (times)	2.5	7.2

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current ratings (FY2025)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	**Type**	**Amount rated (Rs. crore)**	**Nov 24, 2025**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Term loans	Long term	150.0	**[ICRA]A (Stable)**	Apr 05, 2024	[ICRA]A- (Stable)	Apr 06, 2023	[ICRA]A- (Stable)	Aug 12, 2022	[ICRA]A- (Stable)
				Jan 03, 2025	[ICRA]A- (Stable)				
Cash credit	Long term	2.0	**[ICRA]A (Stable)**	Apr 05, 2024	[ICRA]A- (Stable)	Apr 06, 2023	[ICRA]A- (Stable)	Aug 12, 2022	[ICRA]A- (Stable)
				Jan 03, 2025	[ICRA]A- (Stable)				
Unallocated	Long term	61.0	**[ICRA]A (Stable)**	Apr 05, 2024	[ICRA]A- (Stable)	Apr 06, 2023	[ICRA]A- (Stable)	Aug 12, 2022	[ICRA]A- (Stable)
				Jan 03, 2025	[ICRA]A- (Stable)				
Overdraft	Short term	27.0	**[ICRA]A1**	Apr 05, 2024	[ICRA]A2+	Apr 06, 2023	[ICRA]A2+	Aug 12, 2022	[ICRA]A2+
				Jan 03, 2025	[ICRA]A2+				

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based-Term Loan	Simple
Long-term – Fund-based-Cash credit	Simple
Short term – Fund based – Overdraft	Very simple
Long term – unallocated	Not applicable

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	**Term loan – 1**	FY2023	NA	FY2031	90.0	[ICRA]A (Stable)
NA	**Term loan – 2**	FY2023	NA	FY2032	30.0	[ICRA]A (Stable)
NA	**Term loan – 3**	FY2023	NA	FY2032	30.0	[ICRA]A (Stable)
NA	**Cash credit**	NA	NA	NA	2.0	[ICRA]A (Stable)
NA	**Unallocated**	NA	NA	NA	61.0	[ICRA]A (Stable)
NA	**Overdraft**	NA	NA	NA	27.0	[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 – Not Applicable

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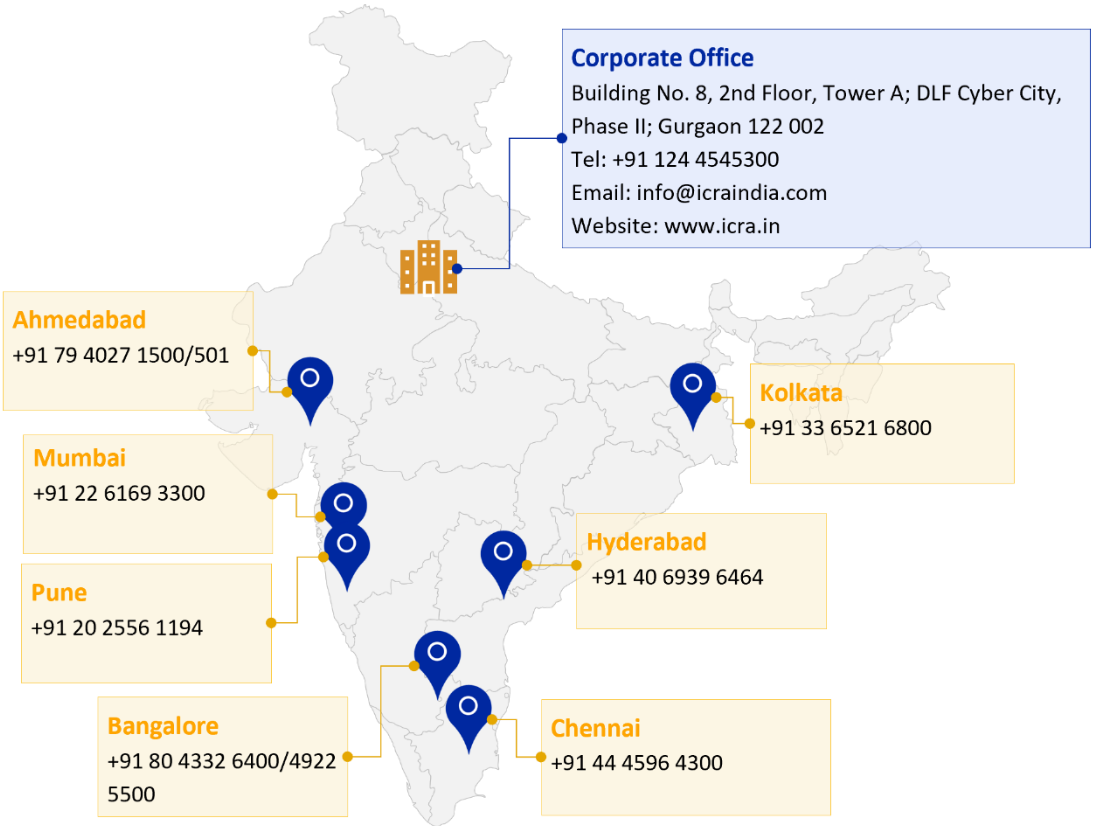

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