

February 10, 2026

Muthoot Health Care Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Cash credit	7.50	7.50	[ICRA]BBB (Stable); Reaffirmed
Long-term – Fund-based – Proposed term loan	8.20	8.20	[ICRA]BBB (Stable); Reaffirmed
Long-term – Unallocated limits	0.02	0.02	[ICRA]BBB (Stable); Reaffirmed
Total	15.72	15.72	

* Instrument details are provided in Annexure-I

Rationale

The rating favourably factors in Muthoot Health Care Private Limited's (MHCPL) established position as a multi-speciality hospital in Kerala. The company operates two hospitals in the state with a combined operational capacity of 250 beds and an established panel of doctors and surgeons across multiple specialities. The rating also draws comfort from the strength it derives as a part of the Muthoot Group, which has a diversified presence in sectors like financial services, hospitality, healthcare and education. Additionally, MHCPL benefits from the personal involvement of the Muthoot family in its operations. The company's revenue witnessed a healthy growth of around 10% in FY2025, supported by the sustained growth in average revenue per occupied bed (ARPOB), while occupancy remained stable at 64-65%. Its revenue is expected to grow at 9-10% in FY2026, which would be driven by improved patient mix and sustained occupancies. MHCPL's operating margins declined to 11.2% from 17.5%, owing to increased employee expenses with the addition of new doctors. However, the margins are expected to improve to 12-14% in FY2026 driven by improved scale, better absorption of overheads and controlled costs.

The rating, however, remains constrained by the company's accumulated net losses as the Muthoot Group runs the hospitals for philanthropic purposes and offers subsidised rates for various medical facilities. However, an improvement in its net worth is anticipated, based on the presumed healthy earnings in the medium term. The company's coverage indicators remain comfortable, despite the negative net worth, as its debt profile is dominated by interest-free unsecured loans, followed by working capital borrowings. It plans to repay promoter loans to the tune of Rs. 0.75 crore per month, subject to having sufficient cash balances. However, ICRA notes that the promoters would support the company in a timely manner, if required. The hospitals continue to face competition from other such hospitals in the vicinity and nearby cities and are exposed to regulatory risks, inherent to the healthcare industry.

The Stable outlook on the rating reflects ICRA's opinion that MHCPL's operating performance will remain steady, supported by healthy occupancy levels, growth in ARPOB, improving scale and stable profitability.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters and established presence of the Muthoot Group – ICRA draws comfort from the established franchise and market position of the Muthoot Group, which has extensive experience and diversified revenue streams. The key promoters are personally involved with the hospitals, providing comfort in terms of operations as well as funding support.

Established position with good infrastructure – The extensive track record of the hospitals in Kerala provides comfort. Both the hospitals have an established panel of doctors/surgeons across multiple specialties with quality medical infrastructure.

Regular support by the Muthoot family – The promoters have extended unsecured loans to the company over the years, which supported its debt service obligations. Unsecured loans from directors stood at Rs. 52.8 crore as of March 31, 2025. While the company utilised excess cash flows generated in the past years to repay a part of the promoters’ loans, the promoters are expected to support the entity in meeting its debt obligations or working capital requirements, if required.

Credit challenges

Moderate scale of operations – The company’s scale of operations is moderate, with an operating income of Rs. 125.2 crore in FY2025. The hospital witnessed a marginal growth of around 1% in the number of in-patients, leading to stable occupancy rates of 64-65% in FY2025. However, ARPOB increased at a healthy rate of 13-14%, supporting the company’s revenue progress. Although the addition of new doctors is anticipated to support healthy revenue growth of 8–10% in FY2026, its overall scale is expected to remain moderate in the near term.

Competition from bigger players; ability to attract talent remains key – The hospitals cater to a specific catchment area and have created their own brand. However, they face competition from bigger entities in nearby towns/cities, especially for critical care treatment. Thus, the hospitals’ ability to retain key medical talent to attract patients will be crucial in the long term. Moreover, the company is exposed to the regulatory risks inherent to the healthcare industry.

Liquidity position: Adequate

MHCPL’s liquidity is adequate, supported by operating cash flows of Rs. 18-20 crore in FY2026 and FY2027 and unutilised working capital limits of Rs. 5-6 crore. Against this, the company has a capital expenditure plan of Rs. 14–15 crore in FY2026, for which it has sanctioned a Rs. 12-crore term loan and debt repayments of Rs. 8.5 crore in FY2026. The liquidity profile is also supported by the promoters’ demonstrated willingness to extend timely funding support as and when needed.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if the company demonstrates healthy growth in scale of operations and net worth on a sustained basis while maintaining its profitability.

Negative factors – ICRA could downgrade MHCPL’s rating if a material decline in revenues or profitability impacts the company’s debt metrics and overall financial profile on a sustained basis or if there is a delay in financial support from the promoters.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology for Hospitals
Parent/Group support	Not applicable.
Consolidation/Standalone	The rating is based on the standalone financial profile of the company.

About the company

Muthoot Hospital, Kozhencherry, Kerala, has been a renowned multi-speciality hospital since 1988. The medical centre offers over 15 specialities and nine super-speciality medical services. Mar Gregorious Memorial Muthoot Medical Centre, Muthoot Hospital, Pathanamthitta, Kerala, is a super-speciality hospital that was launched in 2003. It caters to 12 specialities and 7 super-specialities, with 24-hour trauma care, laboratory, pharmacy, radiology, CT, MRI, quality and infection control departments, among others. The company is headed by Dr. George Kurien Muthoot (close relative of Mr. George Alexander Muthoot), who has over 20 years of experience in healthcare.

Key financial indicators (audited)

MHCPL (standalone)	FY2024	FY2025
Operating income (OI)	114.0	125.2
PAT	13.3	6.1
OPBDIT/OI	17.5%	11.2%
PAT/OI	11.6%	4.9%
Total outside liabilities/Tangible net worth (times)	-2.6	-3.6
Total debt/OPBDIT (times)	3.2	4.8
Interest coverage (times)	39.5	17.4

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

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Feb 10, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund-based – Cash credit	Long term	7.50	[ICRA]BBB (Stable)	Dec 18, 2024	[ICRA]BBB (Stable)	Oct 06, 2023	[ICRA]BBB (Stable)	Dec 02, 2022	[ICRA]BBB (Stable)
Fund-based – Proposed limits	Long term	8.20	[ICRA]BBB (Stable)	Dec 18, 2024	[ICRA]BBB (Stable)	Oct 06, 2023	[ICRA]BBB (Stable)	-	-
Unallocated limits – Unallocated limits	Long term	0.02	[ICRA]BBB (Stable)	Dec 18, 2024	[ICRA]BBB (Stable)	Oct 06, 2023	[ICRA]BBB (Stable)	Dec 02, 2022	[ICRA]BBB (Stable)
Fund-based – Term loan	Long term			-	-	Oct 06, 2023	[ICRA]BBB (Stable)	Dec 02, 2022	[ICRA]BBB (Stable)
Market-linked debenture	Long term			-	-	Oct 06, 2023	PP-MLD[ICRA]BBB (Stable); withdrawn	Dec 02, 2022	PP-MLD[ICRA]BBB (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Cash credit	Simple
Long-term – Fund-based – Proposed term loan	Simple
Long-term – Unallocated limits	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	Fund-based – Cash credit	NA	NA	NA	7.50	[ICRA]BBB (Stable)
NA	Fund-based – Proposed term loan	NA	NA	NA	8.20	[ICRA]BBB (Stable)
NA	Unallocated limits	NA	NA	NA	0.02	[ICRA]BBB (Stable)

Source: Company

Annexure II: List of entities considered for consolidated analysis – Not applicable.

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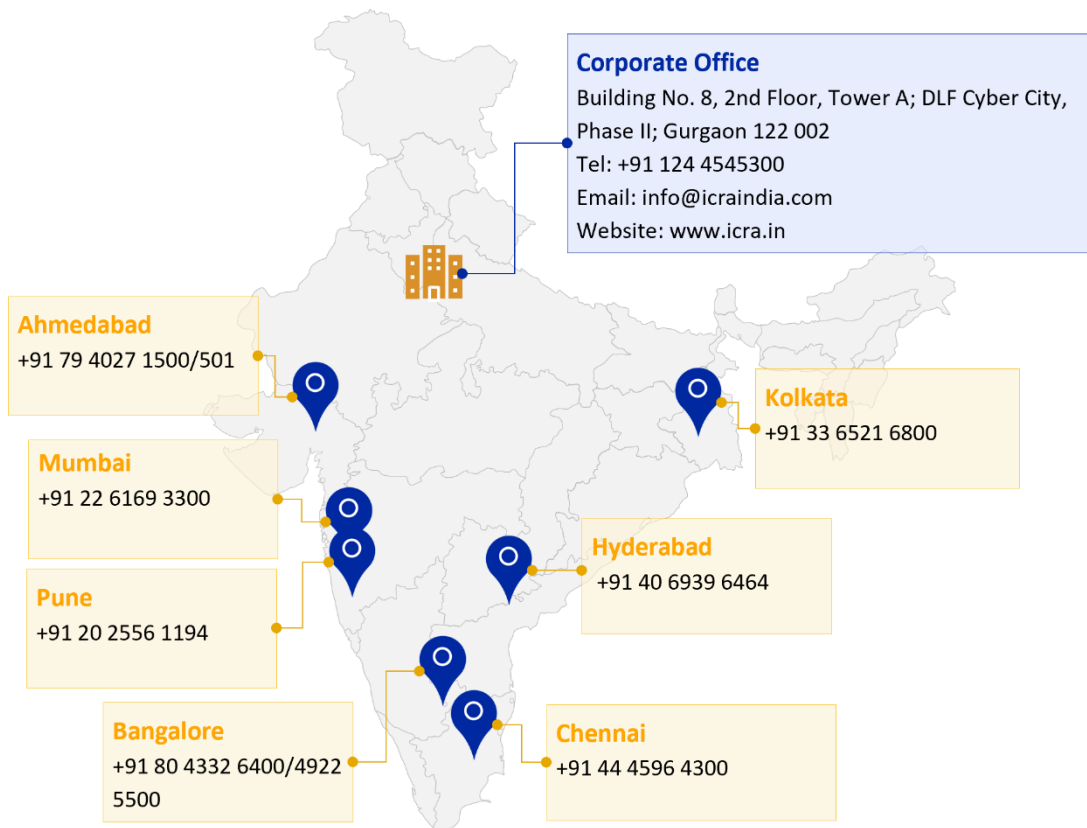
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