

October 07, 2026

## The Christian Medical College Vellore Association: Ratings reaffirmed

### Summary of rating action

| Instrument*                     | Previous rated amount<br>(Rs. crore) | Current rated amount<br>(Rs. crore) | Rating action                 | Financial sector<br>regulator <sup>#</sup> |
|---------------------------------|--------------------------------------|-------------------------------------|-------------------------------|--------------------------------------------|
| Long-term Fund-based Term Loans | 710.00                               | 710.00                              | [ICRA]AA (Stable); reaffirmed | RBI                                        |
| Short-term – Fund-based         | 300.00                               | 300.00                              | [ICRA]A1+; reaffirmed         | RBI                                        |
| <b>Total</b>                    | <b>1,010.00</b>                      | <b>1,010.00</b>                     |                               |                                            |

\*Instrument details are provided in Annexure I

<sup>#</sup>SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments, which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

### Rationale

The reaffirmation of the ratings on the bank lines of The Christian Medical College Vellore Association (CMC/the trust) considers ICRA's expectation of a sustained financial performance of the trust in the near-to-medium term, supported by its strong business profile and liquidity position. CMC has strong brand equity, with a presence of over 125 years. Being a reputed healthcare service provider in Vellore (Tamil Nadu), CMC attracts patients from across the country. It derives revenues from over 120 specialities including haematology, oncology, gastroenterology and neurology, among others. Further, its medical college offers over 170 courses and has consistently been ranked among the top three medical colleges in India by the National Institutional Ranking Framework (NIRF) of the Ministry of Human Resource Development, for the last several years. CMC provides education services at subsidised fees and also concessional/free healthcare services, as a part of its initiative to provide quality healthcare to the underprivileged. In FY2026, the share of free services stood at 15.0% of its total revenues, which to an extent, restricts margin expansion.

The operating income of the trust improved by 15.4% in FY2026 to Rs. 3,301.1 crore, supported by an increase in patient footfalls (6.5% increase on YoY basis) and increasing complexity of treatments/surgeries. Operating leverage has led to the margins improving to 10.8% in FY2026 from 8.4% in FY2025. CMC's margins are expected to remain stable and gradually improve from FY2026 levels supported by higher occupancy and better absorption of fixed overheads from the new facility. However, it would remain below peers, given its relatively high revenue share from free work and subsidised fees for the medical college. The trust recorded healthy annual accruals of close to Rs. 200.0 crore per year in the last five years, which along with periodic donation receipts resulted in a healthy capital structure (gearing of 0.1 times as on March 31, 2026). The coverage metrics are further likely to improve, going forward, supported by favourable demand outlook, better operating leverage and fixed cost absorption as occupancies ramp up. CMC's liquidity position remains strong, supported by its healthy cash accruals and sizeable cash and bank balance of Rs. 948.0 crore as on March 31, 2026.

The demand outlook for the healthcare sector remains favourable, supported by structural factors including rising lifestyle diseases, technological advancements supporting early diagnosis and treatment, increasing medical tourism and health awareness, under-penetration of healthcare services amid population increase, widening medical insurance coverage and better affordability owing to increasing per-capita income. These augur well for CMC and provide revenue visibility over the medium term, despite competition in the healthcare industry. However, CMC's geographical concentration is expected to continue, although footfalls of patients from multiple states across India mitigate the risk to an extent.

The Stable outlook on CMC's long-term rating reflects ICRA's expectations that the trust will be able to sustain its credit profile, supported by favourable demand outlook and healthy accruals, strong liquidity and continued sizeable donations, and absence of any large debt-funded capex plan over the medium term.

## Key rating drivers and their description

### Credit strengths

**Established brand presence of over 125 years; consistently ranked among top medical institutions in India** – CMC has been in existence for over 125 years and is a reputed healthcare provider, attracting patients from across the country. It also provides concessional/free services, as a part of its initiative to provide quality healthcare to the underprivileged. The medical college offers over 170 courses and has consistently ranked among the top three medical colleges in India by the NIRF, Ministry of Human Resource Development, for the last several years.

**Diversified revenue streams** – CMC derives its revenues from over 120 specialities including haematology, biochemistry, oncology, gastroenterology and neurology, apart from the medical college stream. Further, the revenues are well diversified with the top 10 specialities contributing less than 25% to the total hospital revenues in FY2026. The diversification mitigates risks arising from any change in disease patterns that would require the hospital to realign its speciality mix over a period to ensure sustainability in revenues.

**Healthy financial profile** – CMC's revenues have improved by 15.4% to Rs. 3,301.1 crore in FY2026 from Rs. 2,860.5 crore in FY2025, aided by increasing complexity of treatments/surgeries and inflation in treatment costs. The trust recorded healthy annual accruals of close to Rs. 200.0 crore per year in the last five years, which along with periodic donation receipts resulted in a healthy capital structure (gearing of 0.1 times as on March 31, 2026) and coverage metrics (DSCR of 3.0 times in FY2026). The coverage metrics are likely to improve, going forward, supported by favourable demand outlook, better operating leverage, fixed cost absorption as occupancies ramp up and absence of any large debt-funded capex plans over the medium term. CMC's liquidity position is strong, supported by healthy cash accruals and sizeable cash and bank balances of Rs. 948.0 crore as on March 31, 2026.

**Favourable demand outlook** – The demand outlook for the healthcare sector remains favourable, supported by structural factors including rising lifestyle diseases, technological advancements supporting early diagnosis and treatment, increasing medical tourism and health awareness, under penetration of healthcare services amid population increase, widening medical insurance coverage and better affordability owing to increasing per-capita income. The favourable demand outlook augurs well for CMC and provides revenue visibility over the medium term, despite competition in the healthcare industry. The trust's revenue and operating margins are expected to further improve once the proposed paediatric facility at the new campus becomes operational.

### Credit challenges

**Moderately high geographical concentration** – The trust derives a major part of its revenue from its campuses in Vellore and Ranipet and satellite centres around these facilities; although it is present in Chittoor (Andhra Pradesh) as well. This exposes its earnings and cash flows to concentration risks arising from region-specific issues. However, CMC attracts patients from multiple states across India, which mitigates the risk to an extent. Also, CMC's strong brand equity, its reputation and established presence for several decades augur well for the trust.

**Subsidised fares restrict margin expansion** – CMC provides education services at subsidised fees compared to other private players. Further, it provides concessional/free services, as a part of its initiative to provide quality healthcare to the underprivileged with free services constituting 15.0% of its revenues in FY2026. All these have restricted margin expansion over the years. Additionally, the occupancy has not yet fully ramped up at its Ranipet facility, which has also constrained overall margin expansion. However, going forward, with higher occupancy and better absorption of fixed overheads from the new

facility, the margins are expected to increase; although it is expected to remain below industry peers, given the focus on free work and the subsidised fees for the medical college.

**Competition in healthcare industry** – CMC is exposed to competition from other hospitals pan-India, which could restrict revenue growth and margin improvement. However, its strong brand equity, reputation, established presence for several decades, and favourable demand outlook mitigate the risk to a large extent.

### Liquidity position: Strong

CMC's liquidity position is expected to remain strong, supported by sizeable cash and bank balance of Rs. 948.0 crore and undrawn working capital lines of Rs. 94.0 crore as on March 31, 2026, in addition to periodic donations received for supporting operations and capex. Against these sources of cash, CMC has annual capex commitment of Rs. 200.0-250.0 crore per annum during FY2027-FY2029, most of which are expected to be funded through donations and accruals. CMC has repayment obligations of Rs. 65.0 crore, Rs. 70.3 crore and Rs. 99.0 crore in FY2027, FY2028 and FY2029, respectively, on its existing loans and no incremental debt is envisaged, going forward. Overall, ICRA expects CMC to be able to meet its near-term commitments through internal sources of cash and yet be left with a sufficient cash surplus.

### Rating sensitivities

**Positive factors** – ICRA may upgrade CMC's long-term rating if there is a significant increase in scale and rise in profitability, apart from geographical diversification, leading to improvement in debt protection metrics.

**Negative factors** – Pressure on CMC's ratings could emerge in case of a sharp decline in earnings, or a significant rise in debt levels, resulting in a deterioration in the credit profile. Specific credit metric that could result in ratings downgrade include Net Debt/OPBITDA of more than 1.5 times on a sustained basis.

### Analytical approach

| Analytical approach             | Comments                                                                                                                                   |
|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Applicable rating methodologies | <a href="#">Corporate Credit Rating Methodology</a><br><a href="#">Rating Methodology for Hospitals</a>                                    |
| Parent/Group support            | Not applicable                                                                                                                             |
| Consolidation/Standalone        | For arriving at the ratings, ICRA has considered CMC's consolidated financials of the three campuses. Details are provided in Annexure II. |

### About the company

Christian Medical College Vellore Association operates a tertiary care hospital (CMC Hospital) and an educational and research institute in Vellore, Tamil Nadu. It was founded in 1900 by the American missionary, Dr. Ida S. Scudder, as a single-bed hospital, which has now become one of the most prominent medical establishments in India. The trust derives a major part of its revenue from the campuses in Vellore and Ranipet and satellite centres around these facilities; although it is present in Chittoor (Andhra Pradesh) as well. The hospital had over 120 specialised departments and 3,519 beds as on March 31, 2026. The medical college offers over 170 courses and has been consistently ranked among the top three medical colleges in India by the NIRF, Ministry of Human Resource Development, for the last several years. The hospital network served 1.69 lakh in-patients and 36.05 lakh out-patients in FY2026, attracting patients from across India.

## Key financial indicators (audited)

| The Christian Medical College Vellore Association (consolidated) | FY2025  | FY2026  |
|------------------------------------------------------------------|---------|---------|
| Operating income (OI)                                            | 2,860.5 | 3,301.1 |
| PAT                                                              | 1.8     | 134.9   |
| OPBDITA/OI                                                       | 8.4%    | 10.8%   |
| PAT/OI                                                           | 0.1%    | 4.1%    |
| Total outside liabilities/Tangible net worth (times)             | 0.6     | 0.6     |
| Total debt/OPBDITA (times)                                       | 3.7     | 2.4     |
| Interest coverage (times)                                        | 3.1     | 4.6     |

Amount in Rs. crore; Source: Trust, ICRA Research; Financial ratios in this document are ICRA adjusted figures and may not be directly comparable with results reported by the company in some instances; PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation; total debt includes lease liabilities

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three years

| Current rating (FY2027)      |            |                          | Chronology of rating history for the past 3 years |                         |                                 |                                 |
|------------------------------|------------|--------------------------|---------------------------------------------------|-------------------------|---------------------------------|---------------------------------|
|                              | Type       | Amount rated (Rs. Crore) | Date & rating in FY2027                           | Date & Rating in FY2026 | Date & Rating in FY2025         | Date & rating in FY2024         |
|                              |            |                          | October 07, 2026                                  | August 25, 2025         | June 20, 2024                   | April 28, 2023                  |
| 1 Term Loans                 | Long term  | 710.00                   | [ICRA]AA (Stable)                                 | [ICRA]AA (Stable)       | [ICRA]AA (Stable)               | [ICRA]AA (Stable)               |
| 2 Fund-based bank facilities | Short-term | 300.00                   | [ICRA]A1+                                         | [ICRA]A1+               | [ICRA]A1+                       | [ICRA]A1+                       |
| 3 Unallocated facilities     | Short term | -                        | -                                                 | -                       | [ICRA]AA (Stable)/<br>[ICRA]A1+ | [ICRA]AA (Stable)/<br>[ICRA]A1+ |

## Complexity level of the rated instruments

| Instrument                        | Complexity indicator |
|-----------------------------------|----------------------|
| Long-term Fund-based – Term Loans | Simple               |
| Short-term fund-based facilities  | 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 | Financial sector regulator <sup>#</sup> |
|------|-----------------------------|------------------|-------------|----------|--------------------------|----------------------------|-----------------------------------------|
| NA   | Term Loans                  | FY2019           | 8.25%       | FY2033   | 710.00                   | [ICRA]AA (Stable)          | RBI                                     |
| NA   | Working Capital Demand Loan | NA               | NA          | NA       | 300.00                   | [ICRA]A1+                  | RBI                                     |

Source: Trust

<sup>#</sup>SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments, which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

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

## Annexure II: List of entities considered for consolidated analysis

| Campus              | Ownership | Consolidation approach |
|---------------------|-----------|------------------------|
| CMC Vellore Campus  | 100.00%   | Full consolidation     |
| CMC Chittoor Campus | 100.00%   | Full consolidation     |
| CMC Ranipet Campus  | 100.00%   | Full consolidation     |

Source: Trust

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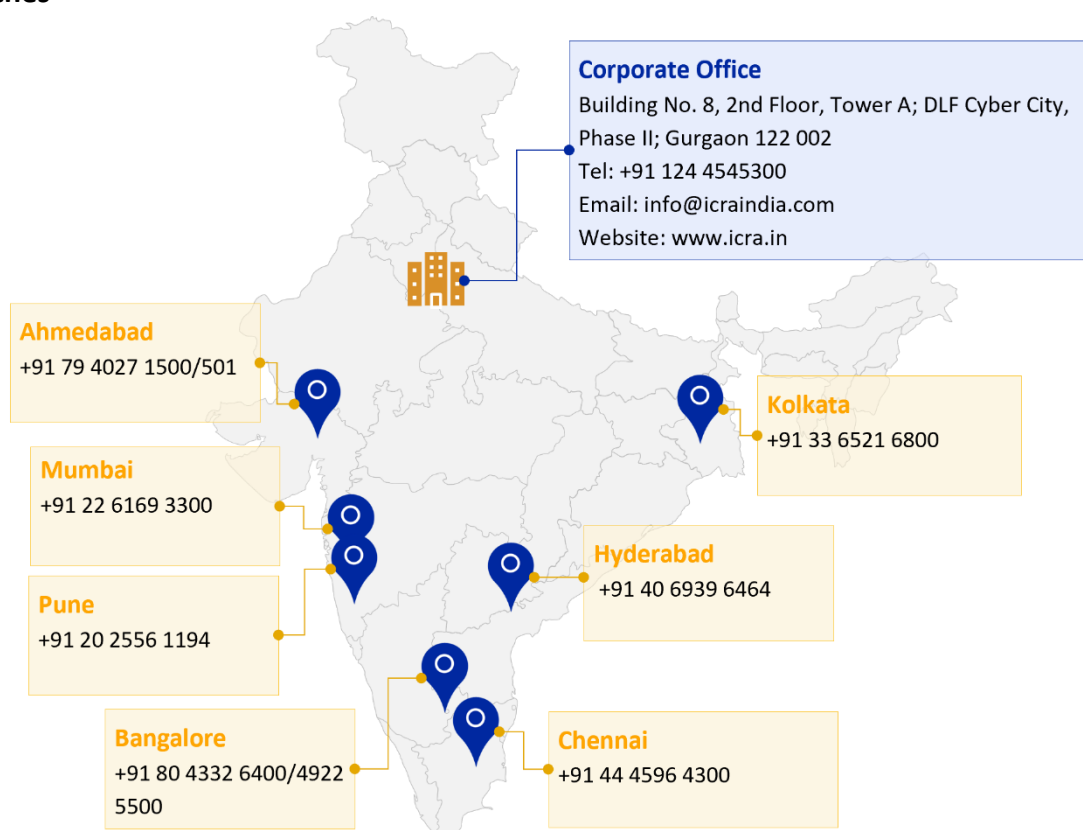
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