



**Press Release**  
**PREMIUM MEDICAL AND HEALTH CARE PROVIDERS PRIVATE LIMITED**  
**April 30, 2025**  
**Rating Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	329.01	ACUITE BB-   Stable   Reaffirmed	-
Bank Loan Ratings	15.99	-	ACUITE A4   Reaffirmed
Total Outstanding Quantum (Rs. Cr)	345.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has reaffirmed its long-term rating at 'ACUITE BB-' (read as ACUITE double B minusa) and short-term rating at 'ACUITE A4' (read as ACUITE A four) on the Rs. 345.00 crore bank facilities of Premium Medical and Health Care Providers Private Limited (PMPL). The outlook is 'Stable'.

**Rating Reaffirmation**

The rating reaffirmation factors in the steady operating performance of the company albeit improvement in operating margins. Further, the rating draws support from the extensive experience of the promoter group in the healthcare industry. However, the rating remained constrained on account of company's stretched liquidity, with continuous losses at net level which led to insufficient net cash accruals against its maturing debt obligations wherein repayments are supported by infusion of quasi equity. Further the rating factors in company's weak financial risk profile and stringent regulatory framework in the healthcare industry.

**About the Company**

Premium Medical and Health Care Providers Private Limited (PMPL), based out of Coimbatore, Tamil Nadu was incorporated in September, 2013 and commenced commercial operations in September, 2017. The Company runs a multi-specialty hospital under the name "Meitra" located in Calicut, Kerala. The total built up area of the hospital at present is nearly 400,000 sq. ft. with capacity of 270 beds of which it is operating with 220 beds for in-patients. The company is promoted by KEF Healthcare Services Pte Limited, which in-turn is promoted by Mr. K.E. Faizal and the promoters of Peekay Group i.e. Mr. K.E Shanavaz, Mr. K.E Moidu and Mr. P.K. Ahammed.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has taken a standalone view of the business and financial risk profile of PMPL to arrive at the rating.

**Key Rating Drivers**

**Strengths**

**Extensive experience of promoters**

PMPL is promoted by KEF Healthcare Services Pte Limited, and Peekay Group. KEF Healthcare Pte Limited is into managing a chain of hospitals and provide consultancy and management services and is a wholly owned subsidiary of KEF Holdings engaged into infrastructure, healthcare and investments across India and UAE. KEF Holdings incorporated in Singapore & headquartered in Dubai specializes in offsite manufacturing technology in

industries, including healthcare, education, sports and agriculture led by Mr. Faizal E. Kottikollon, an industrialist who has a diversified experience of more than a decade across various industries. Mr. Faizal Kottikollon founded Emirates Techno Casting in Sharjah back in 1997. In 2012, Emirates Techno Casting was sold to Tyco International for over \$400 m. This capital was then used to create KEF Holdings. Dr. Ali Faisal is an experienced cardiologist in North Kerala with special interest in non-coronary and peripheral vascular intervention for more than 20 years. The promoters of Peekay group through its group companies are present across various sectors such as steel, flour mills, real estate, construction, plantations, education, healthcare, charitable institution etc.

### **Improvement in operating performance in 11MFY25**

The company reported an improvement in average revenue per occupied bed (ARPOB) per day and overall occupancy level in 11MFY25. The ARPOB improved to Rs.55719 in 11MFY25 from Rs.53748 in FY2024 and Rs.46785 in FY2023. The occupancy level stood at 70 per cent, 56 per cent and 63 per cent respectively for the corresponding period. Although these parameters shown improvement, the company reported marginal improvement in revenue of Rs. 237 Cr. in FY2025 (Est.), Rs.200.37 Cr. in FY2024 against Rs. 222.80 Cr. in FY2023. This improvement in operating performance in 11MFY25 is mainly driven by increased rack rates on billable items, hiring of doctors in-house vis-à-vis on consultation basis earlier, optimisation of costs by entering in long term contract on fixed percentage basis etc. The operating margin stood at 6.10 percent in FY2024 as against 5.41 percent in FY2023. The PAT stood at Rs. (41.97) Cr. in FY2024. In 11MFY25 the operating margin stood at 17.61 per cent. However, the company estimated losses at PAT levels, the PAT margin for 11MFY25 stood at -2.03 per cent. Acuite believes this improvement in operating performance will sustain over the near to medium term on the back of structural improvements in the overall business risk profile, however improvement in profitability while sustaining revenue growth would remain a key rating monitorable.

### **Weaknesses**

#### **Weak financial risk profile**

Financial risk profile of the company continues to remain weak marked by high gearing (debt to equity ratio) and weak debt protection metrics. During the year FY2024, the tangible net worth declined and stood at Rs.53.33 Cr. as on March 31, 2024 from Rs. 58.76 Cr. as on March 31, 2023 on account of accrued losses. The total debt stood at Rs. 315.38 Cr. as on March 31, 2024 which includes long-term borrowing of Rs.297.76 Cr. and Rs.17.62 Cr. of short-term borrowing. The overall gearing of the company stood at 5.91 times as on March 31, 2024 as against 5.54 times as on March 31, 2023. The coverage indicators continued to remain weak marked by below unity where the DSCR stood at 0.32 times in FY2024 as against 1.45 times in FY2023 and interest coverage ratio of 0.32 times in FY2024 as against 0.28 times in FY2023. Debt/EBITDA stood high at 24.58 days in FY24 as against 26.12 days in FY2023. The company converted its ECBs into equity of Rs.137.19 Cr. and infused additional equity around ~Rs.30 Cr. as on 31<sup>st</sup> March 2025. With this the gearing and debt protection metrics are expected to improve to an extent, however they will remain sub due to continued losses.

#### **Stringent regulatory framework in the healthcare sector**

Despite the increasing trend of privatization of healthcare sector in India, the company continues to operate under stringent regulatory environment. Accordingly, regulatory challenges continue to pose a significant risk to private healthcare institutions, as they are highly susceptible to changes in regulatory framework. Healthcare is a highly sensitive sector where any mishandling of a case or negligence on part of any doctor and/or staff of the unit can lead to distrust among the masses. Thus, the healthcare providers need to monitor each case diligently and maintain standard in services in order to avoid the occurrence of any unforeseen incident. They also need to maintain high vigilance to avoid any malpractice in any pocket.

### **Rating Sensitivities**

- Substantial improvement in operating performance that enables the company to generate adequate cash accruals in line with its repayment obligations.
- Changes in financial risk profile owing to higher-than-expected debt funded capex
- Any elongation in working capital cycle

### **Liquidity Position Stretched**

The company has a stretched liquidity position marked by inadequate net cash accruals against maturing debt obligations in FY24. The company has inadequate net cash accruals of Rs. (22.69) crore in FY24 against maturing debt obligations of Rs.14.94 crore over the same period. However, the net cash accruals are expected to improve but expected to remain inadequate in FY2025 and will stand in the range of Rs.14- to Rs. 15 Cr. as against debt obligations of Rs.18.35 Cr, the inadequacy will be supported by equity infusion. The company maintains

unencumbered cash and bank balances of Rs.1.08 crore as on March 31, 2024. The current ratio stood at 0.29 times as on March 31, 2024. The average utilization of the bank limits of the company remains high and stood at 99 per cent in last 9 months ended February 2025.

**Outlook: Stable**

**Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	200.37	222.80
PAT	Rs. Cr.	(41.97)	3.53
PAT Margin	(%)	(20.94)	1.59
Total Debt/Tangible Net Worth	Times	5.91	5.54
PBDIT/Interest	Times	0.32	0.28

**Status of non-cooperation with previous CRA (if applicable)**

Not Applicable

**Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)**

**Not applicable**

**Any other information**

None

## Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

## Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
28 Nov 2024	Bank Guarantee (BLR)	Short Term	16.00	ACUITE A4 (Reaffirmed)
	Secured Overdraft	Long Term	11.00	ACUITE BB-   Stable (Upgraded from ACUITE B+   Stable)
	Term Loan	Long Term	18.00	ACUITE BB-   Stable (Upgraded from ACUITE B+   Stable)
	Term Loan	Long Term	157.00	ACUITE BB-   Stable (Upgraded from ACUITE B+   Stable)
	Term Loan	Long Term	97.00	ACUITE BB-   Stable (Upgraded from ACUITE B+   Stable)
	Secured Overdraft	Long Term	5.00	ACUITE BB-   Stable (Upgraded from ACUITE B+   Stable)
	Term Loan	Long Term	15.00	ACUITE BB-   Stable (Upgraded from ACUITE B+   Stable)
	Proposed Long Term Bank Facility	Long Term	26.00	ACUITE BB-   Stable (Upgraded from ACUITE B+   Stable)
12 Nov 2024	Bank Guarantee (BLR)	Short Term	16.00	ACUITE A4 (Reaffirmed)
	Secured Overdraft	Long Term	11.00	ACUITE B+   Stable (Upgraded from ACUITE C)
	Term Loan	Long Term	18.00	ACUITE B+   Stable (Upgraded from ACUITE C)
	Term Loan	Long Term	157.00	ACUITE B+   Stable (Upgraded from ACUITE C)
	Term Loan	Long Term	97.00	ACUITE B+   Stable (Upgraded from ACUITE D)
	Secured Overdraft	Long Term	5.00	ACUITE B+   Stable (Upgraded from ACUITE D)
	Term Loan	Long Term	15.00	ACUITE B+   Stable (Upgraded from ACUITE C)
	Proposed Long Term Bank Facility	Long Term	26.00	ACUITE B+   Stable (Upgraded from ACUITE C)
11 Nov 2024	Bank Guarantee (BLR)	Short Term	16.00	ACUITE A4 (Downgraded from ACUITE A4+)
	Term Loan	Long Term	15.00	ACUITE C (Downgraded from ACUITE BB   Stable)
	Term Loan	Long Term	157.00	ACUITE C (Downgraded from ACUITE BB   Stable)
	Term Loan	Long Term	18.00	ACUITE C (Downgraded from ACUITE BB   Stable)
	Secured Overdraft	Long Term	11.00	ACUITE C (Downgraded from ACUITE BB   Stable)
	Proposed Long Term Bank Facility	Long Term	26.00	ACUITE C (Downgraded from ACUITE BB   Stable)
	Secured Overdraft	Long Term	5.00	ACUITE D (Downgraded from ACUITE BB   Stable)
	Term Loan	Long Term	97.00	ACUITE D (Downgraded from ACUITE BB   Stable)
04 Sep 2023	Bank Guarantee (BLR)	Short Term	2.00	ACUITE A4+ (Reaffirmed)
	Secured Overdraft	Long Term	13.00	ACUITE BB   Stable (Downgraded (Negative to Stable) from ACUITE BB+   Negative)
	Term Loan	Long Term	49.50	ACUITE BB   Stable (Downgraded (Negative to Stable) from ACUITE BB+   Negative)
	Term Loan	Long Term	157.00	ACUITE BB   Stable (Downgraded (Negative to Stable) from ACUITE BB+   Negative)
	Term Loan	Long Term	100.00	ACUITE BB   Stable (Downgraded (Negative to Stable) from ACUITE BB+   Negative)

	Secured Overdraft	Long Term	5.00	ACUITE BB   Stable (Downgraded (Negative to Stable) from ACUITE BB+   Negative)
	Term Loan	Long Term	15.00	ACUITE BB   Stable (Downgraded (Negative to Stable) from ACUITE BB+   Negative)
	Proposed Long Term Bank Facility	Long Term	3.50	ACUITE BB   Stable (Downgraded (Negative to Stable) from ACUITE BB+   Negative)
07 Jun 2022	Bank Guarantee (BLR)	Short Term	2.00	ACUITE A4+ (Reaffirmed)
	Secured Overdraft	Long Term	13.00	ACUITE BB+   Negative (Reaffirmed)
	Term Loan	Long Term	49.50	ACUITE BB+   Negative (Reaffirmed)
	Term Loan	Long Term	157.00	ACUITE BB+   Negative (Reaffirmed)
	Term Loan	Long Term	100.00	ACUITE BB+   Negative (Reaffirmed)
	Secured Overdraft	Long Term	5.00	ACUITE BB+   Negative (Reaffirmed)
	Term Loan	Long Term	15.00	ACUITE BB+   Negative (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	3.50	ACUITE BB+   Negative (Reaffirmed)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Yes Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.99	Simple	ACUITE A4   Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	34.17	Simple	ACUITE BB-   Stable   Reaffirmed
Yes Bank Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	11.69	Simple	ACUITE BB-   Stable   Reaffirmed
Federal Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.48	Simple	ACUITE BB-   Stable   Reaffirmed
Yes Bank Ltd	Not avl. / Not appl.	Term Loan	30 Sep 2020	Not avl. / Not appl.	30 Apr 2033	12.37	Simple	ACUITE BB-   Stable   Reaffirmed
Yes Bank Ltd	Not avl. / Not appl.	Term Loan	22 Mar 2021	Not avl. / Not appl.	15 Jan 2026	14.97	Simple	ACUITE BB-   Stable   Reaffirmed
Yes Bank Ltd	Not avl. / Not appl.	Term Loan	27 Apr 2018	Not avl. / Not appl.	30 Apr 2033	156.83	Simple	ACUITE BB-   Stable   Reaffirmed
Federal Bank	Not avl. / Not appl.	Term Loan	06 Sep 2021	Not avl. / Not appl.	30 Jun 2033	94.50	Simple	ACUITE BB-   Stable   Reaffirmed



## Contacts

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