



Press Release

JR Super Speciality Hospitals Private Limited

May 06, 2025

Ratings

Instrument Facility /	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	40.00	IVR BBB/ RWDI (IVR Triple B /Rating Watch with Developing Implications	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	Rating placed on watch with developing implications	Simple
Total	40.00 (Rs. Forty Crore Only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3

Detailed Rationale

Infomerics has placed its ratings on the bank loan facilities of JR Super Speciality Hospitals Private Limited (JRSSHPL) under 'Rating Watch with Developing Implication' (RWDI).

The rating watch factors the penalty of Rs. ~908 crore levied by Enforcement Directors (ED) on the promoters in their individual capacity for violations of certain provisions of Foreign Exchange Management Act (FEMA) particularly in respect of their investment into entities incorporated in Singapore and Sri Lanka. However, an appeal in the appellate Tribunal against the order of adjudicating authority is filed as discussed with the management. Rating watch will be resolved & appropriate rating action will be taken once there is further clarity on the ED action & the impact of the same on the company business operations. IVR will continue to monitor the developments in this regard.

The ratings continue to factor the experience of management, steady increase in revenue and profitability and favourable outlook of the industry. However, these rating strengths are constrained by aggressive capital structure albeit adequate debt protection metrics, significant investments and loans and advances extended to related parties and high competition in the sector with regulatory risk inherent in the industry.



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Key Rating Sensitivities:

Upward Factors

- Growth in the scale of operations with improvement in profitability on a sustained basis and consequent improvement in cash accruals.
- Improvement in capital structure and debt protection metrics.
- Improvement in liquidity position marked by improvement in the operating cycle.

Downward Factors

- Significant moderation in profitability and / or stretch in operating cycle impacting cash accruals on a sustained basis.
- Moderation in the capital structure with deterioration in overall gearing and/or moderation in interest coverage ratio.
- Adverse outcome due to ongoing ED investigation significantly impacting the credit profile of the company.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Established track record of operations and experienced management**

Promoters Dr. J. Swamikannu has four decades of experience across the industries and Dr. Srinisha J. has more than one decade of experience in health care sector. The hospital is mentored by Dr. Mohammed Rela, Chairman & MD, who has a track record of conducting over 5000 successful liver transplantation surgeries and Dr. Ilankumran Kaliamoorthy, CEO, who is an experienced doctor. The management's extensive experience in the sector has played a key role in fostering strategic tie-ups with ~30 insurers, 20 TPAs, 16 corporates, and international health ministries from Oman and Bahrain. Infomerics expects management to continue aid the hospital going forward.

- **Steady increase in revenue and profitability**

The hospital's average occupancy improved from ~53% in FY23 to ~72% in FY24 (Refers to the period April 01, 2023, to March 31,2024), driven by increased admissions and a focus on expanding specialties beyond liver care. This led to revenue growth of ~8% in FY24 and ~5% in FY25 (Prov.), with operating income rising from Rs. ~385 crore in FY23 to Rs ~412 crore in



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FY24 and further to Rs. ~433 crore in FY25 (Prov.). Despite higher revenue, EBITDA fell ~6% in FY24 due to increased employee costs but recovered by ~29% in FY25 (Prov.) to Rs. ~51 crore. PAT and GCA dipped in FY24 but rebounded in FY25 (Prov.) to Rs. ~21 crore and Rs. ~35 crore, respectively.

- **Favorable outlook of the industry**

The outlook for the Indian hospital industry remains stable, supported by rising income levels, growing health awareness, and increasing health insurance penetration, all of which are fuelling demand for quality healthcare services. Significant investment momentum from both private players and the government is further supporting the sector.

Key Rating Weaknesses

- **Aggressive capital structure and adequate debt protection metrics**

The company's capital structure is aggressive with total debt of Rs. ~182 crore against adjusted net worth of Rs. ~37 crore as of March 31, 2025 (Prov.), but it includes Rs. ~130 crore of unsecured loans infused by the promoters. The overall gearing ratio as a result stood leveraged at 4.86x as of March 31, 2025 (Prov.), though improved from 13.98x in FY24. Total indebtedness indicated by TOL/TNW stood at 6.52x in FY25 (Prov.), albeit improved from 21.55x in FY24. JRSSHPL's coverage indicators however, remained comfortable, with interest coverage improving to 7.67x in FY25 (Prov.) from 4.18x in FY24, and DSCR strengthening to 4.25x in FY25 (Prov.) from 1.84x in FY24.

- **Significant investments along with loans and advances extended to related parties**

As on March 31, 2025 (Prov.), the company has equity investments along with loans and advances aggregating Rs. ~129 crore made to related parties and companies, albeit decreased from Rs. ~176 crore as on March 31, 2024. Infomerics believes that this exposure to group companies, might impinge its own cash flow and therefore, have an impact on its financial risk profile and therefore will remain a key monitorable going forward.



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- **Exposure to intense competition and regulatory risk in the overall healthcare industry**

The hospital faces stiff competition in Chennai with other hospitals offering comparable services. JRSSHPL mitigates the risk to some extent through its reputation, particularly its niche in liver speciality, along with regular investments in quality and technology to stay competitive. It also faces regulatory risks due to strict compliance norms and potential changes in government health schemes, which can impact operations and revenue.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Service Sector](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Criteria on Rating Watch](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity –Adequate

The liquidity of the company is expected to remain adequate in the near to medium term marked by sufficient cash accruals vis-à-vis its debt repayment obligations. Furthermore, absence of any major debt funded capex also provides support to the liquidity. However, average fund based working capital utilization for the 12 months ended March 2025 stood ~ 99%. Further, liquidity is supported by cash and bank balance of Rs 3.8 crore as on March 31, 2025 (Prov.)

About the Company

JR Super Specialty Hospitals Private Limited (JRSSHPL), established in 2017, operates Dr. Rela Institute and Medical Centre (DRIMC) in Chromepet, Chennai. It is 370 bed multi-speciality hospital commenced operations in 2018 and is led by Dr. Mohammed Rela. and supported by CEO Dr. Ilankumran Kaliamoorthy JRSSHPL is part of the diversified Accord group, promoted by Dr. S. Jagathrakshakan.



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Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	411.86	433.27
EBITDA	39.22	50.75
PAT	8.30	21.34
Total Debt	215.57	182.02
Tangible Net Worth (Adjusted)**	15.42	37.47
EBITDA Margin (%)	9.52	11.71
PAT Margin (%)	2.01	4.93
Overall Gearing Ratio (x) (Adjusted)**	13.98	4.86
Interest Coverage (x)	4.18	7.67

* Classification as per Infomerics' standards.

** Adjusted after taking into account equity investment in group companies

Status of non-cooperation with previous CRA: Nil

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1	Cash Credit	Long Term	40.00	IVR BBB/ RWDI	-	March 06, 2024	January 02, 2023
					-	IVR BBB/ Stable	IVR BBB/ Stable

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About Infomerics:



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Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	-	40.00	IVR BBB/RWDI



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Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-JR-SuperSpecialty-Hospitals-6may25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.