



Press Release

Lilavati Kirtilal Mehta Medical Trust (LKMMT)

April 02,2025

The revised press release is provided in relation to the press release published on March 28,2025.

Link to the press release dated March 28,2025 published on Infomerics website:

[pr-LKMMT-28mar25.pdf](#)

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Issuer Rating	-	IVR AA/Stable (IVR Double A with Stable Outlook)	-	Assigned	NA

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.; NA: Not Applicable

Detailed Rationale

Infomerics Ratings has assigned Issuer rating of IVR AA/Stable to Lilavati Kirtilal Mehta Medical Trust (LKMMT). The rating assigned factors in the established market position in the city of Mumbai, strong brand equity, access to high-quality medical staff, advanced technology and equipment, healthy operational efficiencies and strong financial risk profile. The rating strengths are, however, tempered by exposure to regulatory restrictions, concentration risk and intense competition from other hospitals.

The Stable outlook reflects strong position of the LKMMT in healthcare segment leading to sustained revenues and profitability. Outlook also factors in strong liquidity position with no debt on books of the LKMMT.

Key Rating Sensitivities:

Upward Factors

- Substantial and sustained growth in operating income and improvement in profitability.

Downward Factors

- Deterioration in operating income and profitability impacting cash flows and liquidity of the trust.



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- Any large debt funded capex impacting the capital structure and/or liquidity of the trust.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Established market position and strong brand equity

Lilavati Kirtilal Mehta Medical Trust was incorporated in 1978 and founded by Ms. Charu Mehta and Late Mr. Kishor Mehta, the Permanent Trustees for Life of the LKMMT. The other Permanent Trustees are Mr. Prashant Mehta, Mr. Rajiv Mehta and Mr. Rajesh Mehta, who have over two decades of experience. Lilavati Hospital and Research Centre (Lilavati Hospital), Mumbai began its operations in 1997 with 10 beds and 22 doctors initially. Today it is one of the leading multi-specialty hospitals in Mumbai with 323 bed capacity. Over the years the hospital has built a strong reputation for its quality healthcare services. Its outstanding medical treatment aligned with renowned doctors attracts not only local residents but also patients from across the globe.

Access to high-quality medical staff, advanced technology and equipment

Lilavati Hospital has access to highly skilled and experienced team of doctors, nurses, and specialists. The hospital is known for its distinguished medical professionals particularly in specialties like cardiology, orthopaedics, neurology, and oncology. It has more than 300 consultants and manpower of nearly 1,800 employees and attends to nearly 300 In-patients and 1,500 Out-patients daily. As informed by the management, the Lilavati nursing team has been trained for excellence by the Mayo Clinic (USA). Further, Lilavati Hospital is well-equipped with the latest medical technologies and state-of-the-art diagnostic and treatment facilities. The hospital has advanced imaging systems such as MRIs, CT scanners, 12 state-of-the-art operation theatres, and specialized equipment for robotic surgeries, which help enhance the precision and speed of treatments.

Strong financial risk profile supported by healthy operational efficiencies

Lilavati Hospital's revenue has improved at a CAGR of ~7% in last three years from Rs.478.03 crore in FY22 (refers to period April 01 to March 31) to Rs.550.39 crore in FY24 due to improved occupancy level at 85% in FY24 (~80% in FY23). EBITDA margins are healthy at 12.32% in FY24 and 13.29% in FY23. Operating profitability is supported by significant footfalls as it is easily accessible from all parts of Mumbai and is very close to Mumbai airport.,



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inherent advantages available in metros such as high per capita income, high insurance penetration, propensity to pay for high-end quaternary care facilities, availability of senior clinical talent, and higher health awareness. The hospital's Average Revenue Per Occupied Bed (ARPOB) is~ Rs.65,000 – Rs.70,000 with Average Length of Stay (ALOS) of 4-5 days. PAT margin stood at ~16% in FY23 and FY24. The Trust has a strong net worth of Rs.995.20 crore as on March 31,2024 (PY: Rs.901.32 crore) and no borrowings on its books as on date. The total indebtedness as reflected by TOL/TNW stood comfortable at 0.08x as on March 31, 2024 (PY:0.10x). During 9MFY25 (Unaudited) trust made a revenue of Rs.465.64 crore and EBITDA margin of 11.67%.

Key Rating Weaknesses

Exposure to regulatory restrictions and concentration risk

The pricing of multiple medical inputs is controlled by government regulatory agencies, more specifically by NPPA (National Pharmaceutical Pricing Authority) in India with the motive of bringing transparency and rationale in the billing process and to maintain a viable ceiling on the prices of medical inputs. The hospitals are also mandated to treat certain patients belonging to the economically weaker section of the society at a subsidized cost. This further poses a financial burden on the hospitals, due to the rising equipment and operating costs and in some cases. Additionally, the NABH (National Accreditation Board for Hospitals and Healthcare) providers, under the purview of the Ministry of Commerce (under GoI) provide guidelines for running hospitals emphasizing protocols and internal control mechanisms. Also, the LKMMT operates a single hospital in the Mumbai region and therefore, its cash flow remains exposed to adverse events or challenges related to that location, which may have an impact on society's overall financial position.

Intense competition from other hospitals

Mumbai has many established private and government hospitals, and Lilavati Hospital competes with these institutions for patient attention. While it has a strong brand and reputation, the growing number of well-equipped private hospitals with similar expertise and services could lead to a reduction in market share. LKMMT is thus looking at establishing a 250-bed cancer hospital adjacent to the existing hospital after securing necessary approvals from the concerned authorities. The project is proposed to be funded through own funds and



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donations. This will help diversify into a different specialty and ramp up scale of operations with higher ARPOB.

Analytical Approach: Standalone

Applicable Criteria:

[Criteria of assigning Rating Outlook](#)

[Rating methodology for Service Sector entities](#)

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

[Policy on Default Recognition](#)

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

Liquidity –Strong

The liquidity position of the trust is strong, as reflected by gross cash accrual of ~Rs. 109 crores in FY24 with no debt repayment obligations. Further, the trust has ~Rs. 609 crores in cash and cash equivalents as on February 17, 2025, providing a substantial cushion for meeting daily operational needs and any unexpected expenses. The current ratio is healthy at 2.00x as on March 31, 2024.

About the trust

Lilavati Kirtilal Mehta Medical Trust was incorporated in 1978 and founded by Ms. Charu Mehta and Late Mr. Kishor Mehta. Lilavati Hospital and Research Centre, Mumbai began its operation in 1997 and today operates a 323-bed capacity multi-specialty hospital in Bandra (West), Mumbai, Maharashtra. The hospital has NABH accreditation, NABH Blood Bank Accreditation and NABH Institutional Ethics Committee Accreditation.

Financials (Standalone):

(Rs crore)

For the year ended/ As on*	31-03-2023	31-03-2024
	(Audited)	(Audited)
Total Operating Income	522.71	550.39
EBITDA	69.47	67.83
PAT	92.40	95.65
Total Debt	0.00	0.00



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For the year ended/ As on*	31-03-2023	31-03-2024
Tangible Net Worth	901.32	995.20
EBITDA Margin (%)	13.29	12.32
PAT Margin (%)	16.60	16.18
Overall Gearing Ratio (x)	0.00	0.00
Interest Coverage (x)	-	-

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: None

Any other information: Nil

Rating History for last three years:

Sr. No	Name of Security/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/ Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2023-22
					-	-	-
1.	Issuer Rating	Long Term	-	IVR AA/Stable	-	-	-

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 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.



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

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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
Issuer Rating	-	-	-	-	-	IVR AA/ Stable

Annexure 2: Facility wise lender details: Not Applicable

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

Annexure 4: List of companies considered for consolidated 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.