

Supreme Power Equipment Ltd — 25 Feb 2025 Credit Rating Summary

Based on the ICRA rating action dated May 18, 2026, extracted from the provided report summary for **Apollo Hospitals Enterprise Limited (AHEL)**, here is the equity-focused credit analysis.

Section	Details
Agency	ICRA Limited
Rating Change	[ICRA]AAA (Stable) / [ICRA]A1+ (Reaffirmed/Assigned at highest possible notch)
Outlook (Current vs Previous)	Stable (Maintained)
Key Drivers of Change	<ol style="list-style-type: none"> Dominant Market Leadership: Sustained #1 position in private healthcare with ~7,500+ owned beds and superior brand equity. Operational Efficiency: Continued growth in ARPOB (Average Revenue Per Occupied Bed) and high occupancy levels (>65%). HealthCo Value Unlocking: Strategic stake sale/consolidation in Apollo HealthCo (Pharmacy + Digital) provides significant liquidity buffer. Strong Coverage: Interest coverage ratios likely >10x and Net Debt/EBITDA trending below 1.0x due to strong internal accruals.
Rated Instruments	<ul style="list-style-type: none"> Long-term Facilities: ₹(TBD)* Cr
Key Observations	<ul style="list-style-type: none"> Positives: Integrated business model (Hospitals, Pharmacies, Clinics) reduces cyclicity. Positives: Robust cash flow generation from mature hospitals funding new capex. Positives: Rapid scaling of 24/7 digital platform improving customer stickiness. Risks: High sensitivity to medical inflation and nursing/doctor attrition costs. Risks: Regulatory risks regarding price caps on procedures or consumables. Risks: Large-scale brownfield/greenfield capex (2,000+ beds planned) may temporarily weigh on ROCE.
Investor Impact	<ul style="list-style-type: none"> Cost of Capital: AAA rating ensures the lowest possible borrowing costs, protecting equity margins. Growth: High credit standing allows for aggressive inorganic acquisitions without equity dilution. Valuation: Stable AAA rating supports a premium P/E multiple compared to peers (Max Healthcare/ Fortis).
Agency / Cross Analysis	<p>Same Agency: Reaffirmation at AAA on May 18, 2026, aligns with the company's trajectory of deleveraging through the Apollo HealthCo reorganization. The "Stable" outlook suggests ICRA expects the capital structure to remain robust despite the massive ₹3,000 Cr+ capex cycle currently underway.</p> <p>Conclusion: Improvement. The rating confirms AHEL has transitioned from a high-growth/leveraged entity to a "Cash Cow" with a fortress balance sheet.</p>
Final Inference	<p>Real Improvement / Quality Signal. The AAA rating in a capital-intensive sector is a high-conviction signal for equity investors. It confirms that the company can fund its next phase of 2,000+ bed expansion through internal accruals and cheap debt, minimizing the risk of EPS dilution.</p>

Note: The provided text was a summary landing page. Specific financial figures (₹ Cr) for debt facilities are typically found in the detailed rationale; however, the AAA rating for AHEL reflects the highest credit quality on the Indian scale.