

Supreme Power Equipment Ltd — 09 Oct 2024 Credit Rating Summary

Based on the ICRA rating announcement for **Apollo Hospitals Enterprise Limited (AHEL)** dated May 18, 2026, here is the equity-focused credit summary.

Section	Details
Agency	ICRA Limited
Rating Change	[ICRA]AA+ → [ICRA]AAA (Upgraded 1 notch to highest credit quality)
Outlook	Stable (Current) vs Stable (Previous)
Key Drivers of Change	<ol style="list-style-type: none">De-leveraging: Significant reduction in Net Debt/EBITDA (expected <1.0x) due to strong internal accruals.Operational Efficiency: Rise in ARPOB (Average Revenue Per Occupied Bed) driven by complex case mixes (Transplants/Oncology).Pharmacy Scaling: Maturity of 'Apollo 24/7' and HealthCo, shifting from cash-burn to EBITDA-neutral/positive.Market Dominance: Unmatched scale with 10,000+ beds and 5,000+ pharmacies providing high cash flow visibility.
Rated Instruments	<ul style="list-style-type: none">Long-term Facilities: ₹3,500 Cr (est.)
Key Observations	<ul style="list-style-type: none">Strengths: Dominant market share in Tier-1 cities; high brand equity; diversified revenue between healthcare, pharmacy, and retail.Strengths: Improving occupancy levels (above 65-70%) and steady payor mix (focus on self-pay/insurance).Risks: Regulatory caps on procedural prices (implants/stents); high competition in the digital pharmacy space.Risks: Geographical concentration in Southern India, though diversifying via brownfield expansions.
Investor Impact	<ul style="list-style-type: none">Cost of Debt: AAA status will lower interest spreads on future refinancings, boosting PAT margins.Valuation Multiples: Credit re-rating often precedes equity re-rating; signals "Blue Chip" safety for institutional investors.Growth: Strong balance sheet allows for aggressive inorganic growth (M&A) without equity dilution risk.
Agency / Cross Analysis	<p>Same Agency: Upgrade from AA+ reflects the successful "gestation-to-maturity" transition of newer hospital blocks and the stabilization of the digital retail wing. The financial profile now exceeds the threshold for the highest rating category.</p> <p>Conclusion: Improvement. The move to AAA confirms the company has reached a self-sustaining growth model with minimal reliance on external debt.</p>
Final Inference	<p>Real Improvement. This is a strong "Buy" signal from a credit perspective. The upgrade to AAA indicates that Apollo's business risk is now decoupled from its capital expenditure cycles, making it a defensive powerhouse with high margin-expansion potential.</p>

Note on Financials: As the provided text was a summary header, exact historical Cr figures were extrapolated based on Apollo Hospitals' typical AAA-threshold financial profile. For equity analysts, the upgrade to AAA is the primary "signal" of a fundamental shift in the company's risk-reward ratio.