

## PRESS RELEASE

### OM HOSPITAL & RESEARCH CENTER PRIVATE LIMITED

January 2026

#### Ratings

Instrument/Facilities	Amount (NPR Mn)	Ratings	Rating Action
Long Term Bank Facilities	428.55	IRN BB+	Assigned
Short Term Bank Facilities	160.00	IRN A4+	Assigned
<b>Total</b>	<b>588.55</b>		

*Details of facilities are in Annexure 1 below*

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has assigned the rating of IRN BB+ [Double B Plus] to long term bank facilities of NPR 428.55 Mn and IRN A4+ [A Four Plus] to short term bank facilities of NPR 160.00 Mn.

#### Detailed Rationale

The ratings assigned to the bank facilities of OM Hospital & Research Center Private Limited (OMHRC) factor in the company's long-established operational track record of over three decades, supported by an experienced promoters and seasoned management team, along with its established market position, particularly in the gynecology segment, which continues to anchor patient inflows and revenues. The ratings also derive comfort from the steady improvement in the company's operating performance, marked by consistent growth in revenues driven by stable patient footfalls across OPD and IPD segments, coupled with a gradual improvement in average revenue per occupied bed (ARPOB) on the back of better pricing and service mix. Further, the company's financial risk profile has strengthened, as reflected in the moderation in leverage, with the overall gearing ratio improving to 1.09x as of mid-July 2025 from 1.86x as of mid-July 2024, supported by equity infusion by the promoters and accretion to reserves. The ratings also positively factor the favorable demand outlook for the healthcare sector, supported by rising medical insurance penetration, increasing health awareness and growing preference for organized healthcare services. Additionally, OMHRC's ongoing strategic shift towards strengthening its multi-specialty offerings, amid increasing population density and healthcare demand in the Kathmandu Valley, is expected to support its business profile and operating stability over the medium term.

Nonetheless, the ratings remain constrained by the company's modest bed occupancy levels, which averaged around ~31% during the last three fiscal years ending FY25 and remained lower than the industry average for tertiary care hospitals, thereby limiting operating leverage. The ratings are further constrained by the company's comparatively lower operating profitability vis-à-vis peer hospitals, primarily on account of exposure to government healthcare schemes, provision of pharmaceuticals on a rental basis, high consultancy fee expenses and generally lower tariff structure compared to peers, which collectively weigh on margin expansion. The ratings also take cognizance of the intense competition in the highly fragmented healthcare market in the Kathmandu Valley, characterized by the presence of several well-established multi-specialty hospitals, along with inherent reputation and regulatory risks associated with the sector. Going forward, OMHRC's ability to improve its revenue profile and operating margins in line with the planned capex, while strengthening its capitalisation and coverage indicators amid rising competitive intensity, will remain the key rating sensitivities.

#### Detailed Description of Key Rating Drivers

#### Key Rating Strengths

## **Experienced promoters and established operating track record**

OMHRC benefits from the long and established operating track record of over three decades in the healthcare sector, supported by an experienced promoters and senior medical professionals. The hospital is chaired by Dr. Anand Prasad Shrestha, a pioneer radiologist in Nepal, and the Board comprises senior clinicians across key specialties along with experienced business professionals. Further, the experienced management team supports effective strategy execution and operational stability, which remains a key credit positive.

## **Improving revenue and profitability trajectory**

OMHRC's financial performance exhibits a sustained improvement in operating scale and profitability, with Total Operating Income (TOI) registering a healthy CAGR of ~16% over the five fiscal years ending FY25, despite pandemic-related disruptions. The expansion in operating scale, along with improved cost efficiencies, has resulted in an improvement in operating profitability, with EBITDA margin increasing to 12.90% in FY25 from 2.39% in FY21, reflecting improved operational efficiency. The company has also reported a moderate profit in FY25, with PAT margin improving to 5.59% in FY25 from 2.08% in FY24, while Gross Cash Accruals (GCA) stood at NPR 114 Mn in FY25 and have remained positive and on an improving trend since FY21, indicating strengthening internal cash generation and improved overall financial health.

## **Moderate capital structure with improving debt coverage indicators**

OMHRC's capital structure remains moderate, with a marked improvement in leverage indicators, supported by equity infusion by the promoters and accretion to reserves. Overall gearing improved to 1.09x as of mid-July 2025 from 1.86x as of mid-July 2024, while TOL/TNW declined to 2.25x in FY25 from 3.58x in FY24, reflecting a strengthening net worth base. Debt coverage indicators have also improved and remain moderate, as evidenced by an increase in interest coverage ratio to 2.96x in FY25 from 1.58x in FY24 (1.12x in FY23) and improvement in DSCR to 1.83x in FY25 from 1.28x in FY24 (0.75x in FY23). The improvement in coverage metrics is primarily driven by enhanced profitability and relatively lower finance costs, supporting the company's debt servicing ability.

## **Favorable industry outlook and locational advantages**

The healthcare industry outlook remains favorable, supported by improving affordability due to rising per capita income and increasing penetration of medical insurance, growing awareness and demand for quality healthcare services, technological advancements enabling early diagnosis and improved treatment outcomes, and a higher incidence of lifestyle-related diseases. These factors are expected to sustain demand for organized healthcare services over the medium to long term. Further, the company benefits from its strategically located multi-specialty hospital with established infrastructure in the densely populated Kathmandu Valley, which continues to support patient inflow and augurs well for incremental revenue growth.

## **Key Rating Weaknesses**

### **Modest occupancy levels**

OMHRC's occupancy rate has remained modest at ~31% on an average during the last three fiscal years ending FY25, which is lower than the industry average for tertiary care hospitals. The relatively low occupancy is largely structural in nature and is influenced by advancements in medical technology, especially the increased adoption of minimally invasive laparoscopic procedures. As OMHRC is primarily a gynaecology focused hospital, a significant portion of its surgical procedures are now performed using laparoscopic techniques, which involve smaller incisions, lower post-operative complications and faster recovery. Consequently, the average length of patient stay has reduced, leading to quicker discharges and lower bed occupancy despite stable and gradually increasing patient volumes.

## Intense competitive environment and consultant retention risk

OMHRC operates in a highly competitive healthcare market in the Kathmandu Valley, marked by the presence of large, well-established multi-specialty hospitals as well as increasing capacity additions by private players, including new entrants. This heightened competition has intensified pressure on patient acquisition and occupancy levels. Going forward, improvement in bed utilization will be significantly influenced by the hospital's ability to attract and retain senior and reputed consultants, which remains a key challenge amid strong demand for experienced medical professionals across the sector.

## Analytical Approach: Standalone

### Applicable Criteria:

[Corporate Credit Rating Methodology](#)

### About the Company:

Incorporated in December 1995, Om Hospital & Research Centre Private Limited (OMHRC) is a private, multi-specialty tertiary care hospital located in Chabahil, Kathmandu, operating a 175-bed full-service facility. The hospital offers a wide range of clinical, surgical and diagnostic services, supported by 24/7 emergency, ICU and critical care facilities, along with routine inpatient and outpatient services across major specialties. OMHRC operates several specialised centres including IVF, dialysis, oncology, imaging and laboratory services, physiotherapy, wellness, and preventive clinics. Mr. Bhola Prasad Rijal (5.85%) and Mr. Bijay Malla (5.09%) are two top shareholders of the company.

## Financial Indicators (Standalone)

For the year ended* As on	FY22	FY23	FY24	FY25
	Audited	Audited	Audited	Audited
Total Operating Income (NPR Mn)	701	724	829	880
EBITDA Margin (%)	5.32	8.78	9.66	12.90
Interest Coverage Ratio (x)	0.80	1.12	1.58	2.96
Current Ratio (x)	0.40	0.99	1.06	1.78
Overall Gearing Ratio (x)	2.40	2.06	1.86	1.09
TOL/TNW (x)	4.64	3.83	3.58	2.25
DSCR (x)	0.49	0.75	1.28	1.83

*Earnings before Interest Tax Depreciation Amortization (EBITDA)*

*Total Outside Liabilities/Tangible Net Worth (TOL/TNW)*

*\*Classification as per Infomerics Nepal standards*

## Annexure:1 Detail of Facilities:

Name of Instruments/ Facilities	Type of Facilities	Amount (NPR Mn)	Ratings
Fund Based Bank Facilities- Term Loan	Long Term	428.55	IRN BB+
Non-Fund Based Bank Facilities- Letter of Credit	Short Term	160.00	IRN A4+
<b>Total Facilities</b>		<b>588.55</b>	

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### About Infomerics Credit Rating Nepal Limited:

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