

March 05, 2025

HCG NCHRI Oncology LLP: Update on entity

Summary of rating(s) outstanding

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating outstanding
Long Term – Fund based – Cash Credit	1.00	1.00	[ICRA]A+ (Stable)
Long Term - Fund based – Term Loan	25.53	25.53	[ICRA]A+ (Stable)
Short Term - Non-fund based	2.00	2.00	[ICRA]A1
Total	28.53	28.53	

*Instrument details are provided in Annexure I

Rationale

Material Event

On February 23, 2025, Healthcare Global Enterprises Limited (HCG) informed the stock exchanges about the signing of definitive agreements between HCG, KKR group (KKR) and Aceso Company Pte Ltd. (CVC), through which KKR will become the largest shareholder in HCG and assume sole control of HCG's operations.

ICRA notes that as part of the transaction, KKR will acquire up to 54% of equity in HCG from CVC once the necessary regulatory approvals are received. Pursuant to the Securities and Exchange Board of India's (SEBI) takeover regulations, an open offer will be conducted by KKR to purchase additional equity shares in HCG from public shareholders. Upon completion of the open offer, KKR is expected to hold an equity stake of between 54-77%. ICRA also understands that Dr. BS Ajaikumar, promoter of HCG, will take on the role of Non-Executive Chairman and will be focused on driving clinical, academic and research and development going forward.

ICRA has noted the above event and expects the same to remain credit neutral for HCG. That said, ICRA will continue to monitor any development in this regard and take appropriate rating action, if necessary.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Hospitals
Parent/Group support	Not applicable
Consolidation/Standalone	ICRA has taken a consolidated view on HCG, which includes its subsidiaries and associate companies, while assigning the credit ratings, given the common management and significant operational and financial linkages among them.

About the company

Healthcare Global Enterprises Limited, established in 1989, is present primarily in oncology with the largest cancer care network (21 cancer care centres including Center of Excellence as on September 30, 2024) and three multi-speciality hospitals. It is promoted by Dr. B.S. Ajai Kumar, a radiation and medical oncologist with over 30 years of experience. It was started by Dr. Kumar and four other oncologists as a single cancer care centre, namely Bangalore Institute of Oncology. Thereafter, the company rapidly expanded its presence to Ahmedabad, Chennai, Nasik, Kolkata, Ranchi, Rajkot, Cuttack, Hubli, Mumbai, Nagpur, Vizag, and Vijayawada, among others. The company is present across the oncology value chain, offering services from prevention, screening, diagnosis and treatment to rehabilitation, supportive care, and palliative care.

Before the recent announcement, the company and its promoter has an investment agreement with Aceso Company Pte Ltd. (CVC Group) which was signed in June 2020. After subsequent equity infusion, a majority stake of 60.4% (on fully diluted basis) of HCG was held by the CVC Group. Following the investment, KKR, which is a leading global investment firm, will become the largest shareholder in HCG and assume sole control of HCG's operations.

HCG NCHRI is a limited liability partnership registered under the Limited Liability Partnership Act, 2008 and incorporated in 2016. HCG had entered into a partnership with Dr. Ajay Mehta and Nagpur Cancer Hospitals and Research Institute Private Limited to set up a cancer centre under HCG NCHRI. During FY2024, the company acquired 100% stake of Nagpur Cancer Hospitals and Research Institute Private Limited from the other partners.

In November 2024, HCG executed a Business Transfer Agreement (BTA), with HCG NCHRI, for the acquisition of the oncology business of NCHRI, located at Nagpur, on a slump sale basis. In continuation, HCG executed another BTA on November 09, 2024 with NCHRI for the transfer of its diagnostic business under the brand name "Triesta" and the PET -CT and cyclotron business located at Chennai, on a slump sale basis. As a result, at a consolidated level, there will be no impact on the operational and financial profile of the company.

Key financial indicators (audited)

HCG Consolidated	FY2023	FY2024	9M FY2025*
Operating income (Rs. crore)	1,694.4	1,912.1	1634.7
PAT (Rs. crore)	17.6	40.9	41.2
OPBDIT/OI (%)	17.7%	17.3%	17.2%
PAT/OI (%)	1.0%	2.1%	2.5%
Total outside liabilities/Tangible net worth (times)	1.7	2.1	-
Total debt/OPBDIT (times)	2.9	3.8	-
Interest coverage (times)	2.9	3.0	2.5

Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. Crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

Instrument	Current (FY2025)				Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs crore)	FY2025		FY2024		FY2023		FY2022	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Cash Credit	Long-Term	1.00	Dec 31, 2024	[ICRA]A+ (Stable)	Mar 28, 2024	[ICRA]A+ (Stable)	Dec 22, 2022	[ICRA]A+ (CE) (Stable) withdrawn and [ICRA]A+ (Stable) assigned simultaneously	Sep 27, 2021	[ICRA]A+ (CE) (Stable)
			Mar 05, 2025	[ICRA]A+ (Stable)						
Term Loan	Long-Term	25.53	Dec 31, 2024	[ICRA]A+ (Stable)	Mar 28, 2024	[ICRA]A+ (Stable)	Dec 22, 2022	[ICRA]A+ (CE) (Stable) withdrawn and [ICRA]A+ (Stable) assigned simultaneously	Sep 27, 2021	-
			Mar 05, 2025	[ICRA]A+ (Stable)						
Non-fund based	Short-Term	2.00	Dec 31, 2024	[ICRA]A1	Mar 28, 2024	[ICRA]A1	Dec 22, 2022	[ICRA]A1 (CE) withdrawn and [ICRA]A1 assigned simultaneously	Sep 27, 2021	[ICRA]A1 (CE)
			Mar 05, 2025	[ICRA]A1						

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term – Fund based – Cash Credit	Simple
Long Term - Fund based – Term Loan	Simple
Short Term - Non-fund based	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Outlook	Rating and
NA	Long Term – Fund based – Cash Credit	-	-	-	1.00	[ICRA]A+ (Stable)	
NA	Long Term - Fund based – Term Loan	FY2015	-	FY2029	25.53	[ICRA]A+ (Stable)	
NA	Short Term - Non-fund based	-	-	-	2.00	[ICRA]A1	

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
HCG Medi-Surge Hospitals Private Limited	74.00%	Full Consolidation
Malnad Hospital & Institute of Oncology Private Limited	70.25%	Full Consolidation
Healthcare Global Senthil Multi Specialty Hospital Private Limited	100.00%	Full Consolidation
Niruja Product Development and Research Private Limited	100.00%	Full Consolidation
BACC Healthcare Private Limited	100.00%	Full Consolidation
Healthcare Diwan Chand Imaging LLP	75.00%	Full Consolidation
HCG Oncology Hospitals LLP	100.00%	Full Consolidation
HCG Oncology LLP	74.00%	Full Consolidation
HCG NCHRI Oncology LLP	100.00%	Full Consolidation
HCG Manavata Oncology LLP	51.00%	Full Consolidation
HCG EKO Oncology LLP	100.00%	Full Consolidation
HCG (Mauritius) Private Limited	100.00%	Full Consolidation
HCG Sun Hospitals LLP	100.00%	Full Consolidation
Healthcare Global (Africa) Private Limited	100.00%	Full Consolidation
HealthCare Global (Uganda) Private Limited	100.00%	Full Consolidation
HealthCare Global (Kenya) Private Limited	100.00%	Full Consolidation
HealthCare Global (Tanzania) Private Limited	100.00%	Full Consolidation
Cancer Care Kenya Limited	100.00%	Full Consolidation
Suchirayu Health Care Solutions Limited	78.60%	Full Consolidation
Advanced Molecular Imaging Limited – Joint venture	50.00%	Limited Consolidation
Nagpur Cancer Hospital & Research Institute Private Limited	100.00%	Full Consolidation

Source: Annual Report 2024

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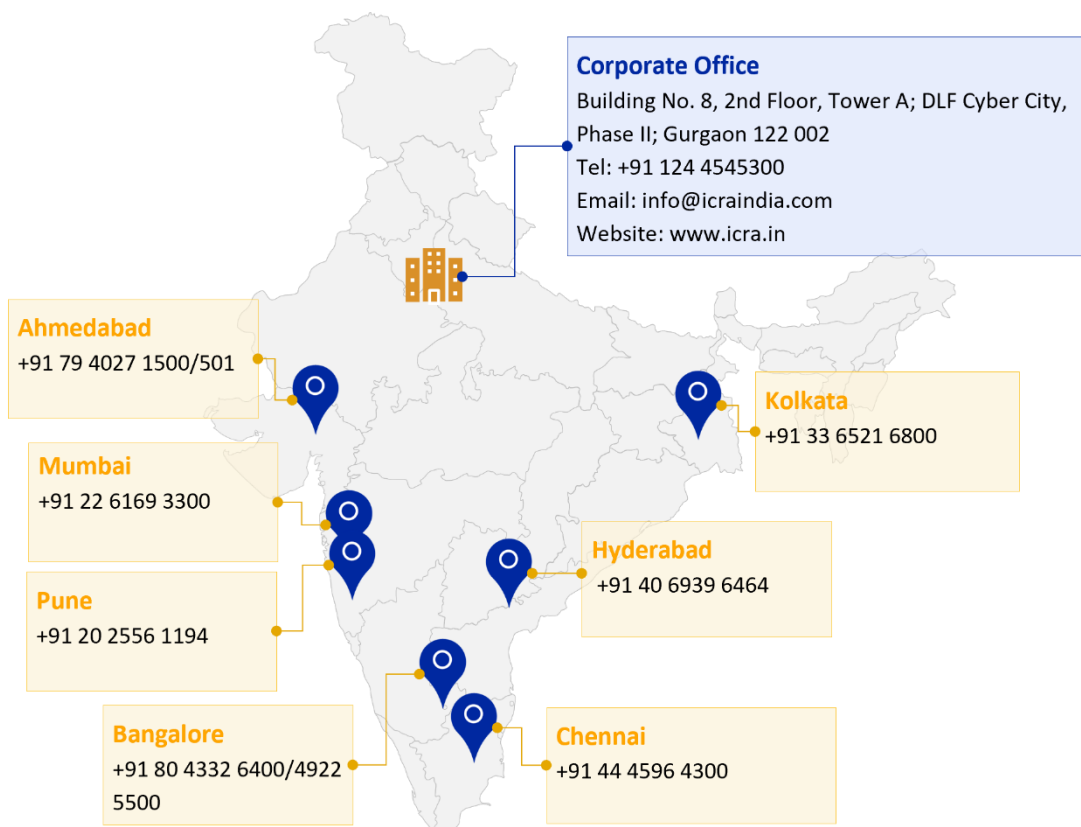
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