

September 24, 2025

Indira IVF Hospital Limited: Rating reaffirmed and assigned for enhanced amount

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Issuer Rating	-	-	[ICRA]A (Stable); reaffirmed
Long-term fund based – Term loan	46.83	346.83	[ICRA]A (Stable); reaffirmed and assigned for enhanced amount
Total	46.83	346.83	

*Instrument details are provided in Annexure I

Rationale

The rating reaffirmation continues to consider the strong business profile of Indira IVF Hospital Limited (Indira IVF/company), characterised by its established brand presence in the Indian in-vitro fertilisation (IVF) industry. With its promoters having an experience of over a decade in the IVF industry, the company has a proven track record and is one of the largest IVF players in the country. Indira IVF has demonstrated revenue growth over the years, backed by a significant increase in footprint and improvement in realisation per cycle. Moreover, the short turnaround time for newly launched centres to reach breakeven, given the high throughput and asset-light business model, underpins the company's healthy financial performance. The company also benefits from the steady inflow of specialist doctors trained at its own training institute, helping it to grow faster while being profitable.

While the number of IVF cycles stagnated in FY2025 at 42,622 compared to 42,484 in FY2024 (a YoY growth of 0.3%), the company's revenue rose by 8.7% to 1,604.5 crore in FY2025, majorly supported by improvement in realisation per cycle to around Rs. 3.7 lakh in FY2025 from Rs. 3.5 lakh in FY2024 (a YoY growth of 7.2%). Incremental revenues from the pharmacy segment also supported the revenue growth to a certain extent. The company's operating margin declined marginally to 33.4% in FY2025 against 34.5% in FY2024.

As of July 2025, the company had 186 operational centres (compared to 165 in March 2025) and considering the favourable demand outlook for the IVF industry, the company has planned for further addition of IVF centres expanding its footprint to around 200 centres by the end of FY2026. Most of these planned additions will be of OPD centres, which require lower capex (in comparison to the main centres). The expected capex for the same is Rs. 50-60 crore in FY2026 and will be funded through combination of internal accruals and external debt. Further, in FY2024, the company entered a new vertical of mother & childcare, wherein it has set up three hospitals under its wholly-owned subsidiary - Matcare Wellness Private Limited (Matcare) located at Varanasi, Pune and Prayagraj. These hospitals provide gynaecology and NICU (Neonatal Intensive Care Unit) services. The company expects to cater to successful IVF patients in Indira IVF, to naturally transition to Matcare for delivery and neonatal care. While the capex for the hospital segment was being funded through internal accruals till now, the company is looking to avail external debt for expansion going forward. The significant addition of new centres and entry into the hospital segment are expected to have some impact on the company's operating margins in the near term. Overall, the impact of Indira IVF's entry into the hospital segment (which has a long gestation period) on the company's overall credit profile will remain a key monitorable.

The company is also actively exploring multiple acquisition opportunities to support its growth through inorganic means. Currently, the company is in advanced stages of acquisition of two entities in the IVF segment with a total estimated outflow of around Rs. 350 crore in multiple tranches between FY2026 and FY2029. Any significant debt-funded capex or major inorganic expansion continues to be an event risk and would be evaluated on a case-to-case basis.

ICRA had earlier noted sizeable funds raised by the company in FY2023 wherein Spaceway Wellness Private Limited (Spaceway, a SPV created for the sole purpose of providing exit to the erstwhile promoters) availed a term loan of Rs. 1,150 crore to fund the acquisition of a 26% stake in Indira IVF for providing exit to the two erstwhile shareholders. The loan was transferred to Indira IVF following the amalgamation of Spaceway into Indira IVF in April 2024. The same was prepaid by the company in FY2025 and currently it has no external debt outstanding as on July 31, 2025. On the back of prepayments of term debt and healthy accruals, the company's Total Debt/OPBDITA improved to 0.8 times as on March 31, 2025 from 1.2 on March 31, 2024. The interest cover also improved to 10.6 times in FY2025 compared to 7.8 times in FY2024 due to lower interest cost.

The company is exposed to the regulatory risks inherent to the industry. The Assisted Reproductive Technology (Regulation) Act, 2021, came into effect from January 25, 2022, and aims at regulation and supervision of ART clinics. Restriction of one donor supply to one recipient is one of the regulations, which has impacted donor supply in the industry and increased the donor cost to a certain extent. However, the company has been able to pass on any increase in donor cost, following this regulation, to its customers. Additionally, Indira IVF is focusing on improving the patient (self) cycles to prevent any demand-supply mismatch. While demand shifts in favour of organised players with increasing regulations, the impact of tightened policies on the company and the industry will be monitored. The Indian IVF industry is intensely competitive, with the company facing competition from both local and regional IVF players as well as multi-specialty hospital chains providing fertility services. Nevertheless, the dominant position of the company with an established track record is expected to support the business prospects of the company.

The Stable outlook on the long-term rating reflects ICRA's expectation that the company will continue to maintain its strong revenue increase, supported by healthy growth from its existing centres and incremental revenues from new centres, the hospital segment and new acquisitions.

Key rating drivers and their description

Credit strengths

Strong business profile characterised by established brand position in the Indian IVF industry and vast experience of promoters – Indira IVF's business profile is characterised by its established brand position in the Indian IVF industry with a pan-India presence and market dominance in northern and western India. The company benefits from the vast experience of its promoters, with Dr. Ajay Murdia spearheading the enterprise. Indira IVF has shown significant growth momentum in the past years till FY2024, driven by a significant increase in footprint and a rise in the number of IVF cycles. While the growth slowed down in FY2025, it is expected to remain healthy going forward, supported by expansion through opening new centres, acquisitions and its recent entry into the mother and childcare hospital segment.

Robust financial profile – The company's revenue rose by 8.7% to 1,604.5 crore in FY2025, majorly supported by improvement in realisation per cycle to Rs. 3.7 lakh in FY2025 from Rs. 3.5 lakh in FY2024 (a YoY growth of 7.2%). Incremental revenues from the pharmacy segment also supported the revenue growth to a certain extent. The number of cycles stagnated in FY2025 at 42,622 compared to 42,484 in FY2024 (a YoY growth of 0.3%) due to increasing competition especially in the western regions. The company's operating margin declined marginally to 33.4% in FY2025 against 34.5% in FY2024. While ICRA expects some impact on the operating margin of the company in the near term due to addition of new centres, its entry into the hospital segment and integration of the new acquisitions, the same is expected to remain healthy.

Further, the company is expected to maintain a negative working capital cycle, supported by customer advances. The company paid-off its entire external debt in FY2025 and has no external debt outstanding as on July 31, 2025. On the back of prepayments of term debt and healthy accruals, the company's Total Debt/OPBDITA improved to 0.8 times as on March 31, 2025 from 1.2 times on March 31, 2024. The interest cover also improved to 10.6 times in FY2025 compared to 7.8 times in FY2024 due to lower interest cost. Going forward, the company has planned significant capex for expansion for new centres and hospitals combined with the new acquisitions. The same is expected to be funded by a combination of internal accruals and term debt. Despite this, the debt metrics are expected to remain comfortable. That said, any further significant debt-funded expansion, which could impact the company's debt metrics remains a key monitorable.

Favourable demand outlook for the IVF industry – The demand outlook for the IVF industry remains favourable in India, with several factors such as late marriages, increased pregnancy age, rising infertility rate, greater awareness on infertility treatment and technological advancement, leading to an increased success rate for IVF treatment. Further, with increasing regulations in the industry, a demand shift is expected towards organised players. Indira IVF, along with other organised players, is expected to benefit from the same, thereby supporting its revenue growth and profitability, going forward.

Credit challenges

Incremental debt to be availed to fund ongoing acquisitions, expected to impact financial metrics to certain extent – As of July 2025, the company had 186 operational centres (compared to 165 in March 2025) and considering the favourable demand outlook for the IVF industry, the company has planned for further addition of IVF centres, expanding its footprint to around 200 centres by FY2026. Most of these planned additions will be towards OPD centres, which require lower capex (in comparison to the main centres). The expected capex for the same is Rs.50-60 crore in FY2026 and will be funded through combination of internal accruals and external debt. Further, in FY2024, the company entered a new vertical of mother & childcare, wherein it has set up three hospitals under its wholly-owned subsidiary - Matcare Wellness Private Limited (Matcare) located at Varanasi, Pune and Prayagraj. These hospitals provide gynaecology and NICU (Neonatal Intensive Care Unit) services. The company expects to cater to successful IVF patients in Indira IVF, to naturally transition to Matcare for delivery and neonatal care. While the capex for the hospital segment was being funded through internal accruals till now, the company is looking to avail external debt for expansion going forward.

The impact of Indira IVF's entry into the hospital segment (which has a long gestation period) on the company's overall credit profile will remain a key monitorable. Further, the company is in advanced stages of acquisition of two entities in the IVF segment with a total estimated outflow of around Rs. 350 crore in multiple tranches between FY2026 and FY2029. Overall, the company is planning to incur the capex of Rs. 650-700 crore in FY2026, majority of which is towards planned acquisitions and is expected to be funded through a combination of debt and internal accruals. Any significant debt-funded capex or major inorganic expansion continues to be an event risk and would be evaluated on a case-to-case basis.

Exposure to regulatory risks inherent in the sector – Like other players, Indira IVF is exposed to the regulatory risks inherent to the industry. The IVF industry is exposed to the Assisted Reproductive Technology (Regulation) Act, 2021, which aims at regulation and supervision of ART clinics and banks, limit on donor supply and embryo transfer to ensure prevention of misuse, and safe and ethical practice of ART services. One of the regulations include restriction of one donor supply to one recipient, which has impacted donor supply in the industry and increased the donor cost to a certain extent. However, the company has been able to pass on any increase in donor cost, following this regulation, to its customers. Additionally, Indira IVF is focusing on improving the patient (self) cycles to prevent any demand-supply mismatch. The impact of the ART regulations on the company and the industry will continue to be a key monitorable. While the industry currently does not have any pricing caps, any adverse regulation impacting pricing power of the industry players may result in moderation of revenue and profitability metrics of the Group.

Exposed to intense competition – The Indian IVF industry is highly fragmented and intensely competitive, with Indira IVF facing competition from both specialised IVF players as well as multispecialty hospital chains, which offer fertility services. An increasing degree of competition is also observed from local/regional and fragmented IVF players. Such competition may moderate profit margins, although the dominant position of the company with an established track record is expected to support its business prospects.

Liquidity position: Adequate

The company's liquidity profile is adequate, supported by free cash, bank balance and liquid investments of Rs. 209.5 crore as on July 31, 2025. The company has completely prepaid its term debt (availed for share buyback from the erstwhile promoters) in FY2025. The company is planning to incur the capex of Rs. 650-700 crore in FY2026, majority of which is towards planned acquisitions. The same is expected to be funded through a combination of debt and internal accruals. Overall, ICRA expects

the company to be able to service its existing repayment obligations and capital commitments from the available liquidity buffer, new debt and continued healthy cash flow generation.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if there is substantial revenue growth while maintaining the strong profitability levels, and demonstrating improvement in debt metrics, on a sustained basis.

Negative factors – Pressure on the rating could arise with significant contraction in revenues/profit margins or weakening of coverage or return indicators owing to sizeable debt-funded organic/inorganic expansion. Specific trigger for a rating downgrade would be Total Debt/OPBDITA of more than 2.3 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Hospitals
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the rating, ICRA has considered the consolidated financials of Indira IVF.

About the company

Starting as a standalone clinic in Udaipur, Rajasthan, by Dr. Ajay Murdia in 1988, Indira IVF was incorporated in FY2015 for providing medical treatment for infertility issues in both males and females, performing IVF, intra-uterine insemination (IUI) and other allied treatments. Indira IVF has grown into one of the leading fertility chains in India with 186 centres across the country as of July 2025. The fertility centres are equipped with advanced technologies to cater to infertility treatments like IVF, laser assisted hatching, cryopreservation, intracytoplasmic sperm injection (ICSI), IUI, blastocyst culture and transfer, laparoscopy, hysteroscopy, including donor programmes.

Key financial indicators (audited)

Indira IVF Consolidated	FY2024	FY2025
Operating income	1,476.4	1,604.5
PAT	266.2	297.8
OPBDIT/OI	34.5%	33.4%
PAT/OI	18.0%	18.6%
Total outside liabilities/Tangible net worth (times)	-17.5	2.9
Total debt/OPBDIT (times)	1.2	0.8
Interest coverage (times)	7.8	10.6

Source: Company, ICRA Research; 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: None

Rating history for past three years

Current (FY2026)					Chronology of rating history for the past 3 years					
FY2026					FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Issuer rating	Long-term	-	Sep 24, 2025	[ICRA]A (Stable)	Sep 27, 2024	[ICRA]A (Stable)	Jun 26, 2023	[ICRA]A (Stable)	Apr 14, 2022	[ICRA]A (Stable)
Term loan	Long-term	346.83	Sep 24, 2025	[ICRA]A (Stable)	Sep 27, 2024	[ICRA]A (Stable)	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Issuer Rating	Not Applicable
Long-term fund based – Term loan	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 rating and outlook
NA	Issuer Rating	NA	NA	NA	-	[ICRA]A (Stable)
NA	Long-term fund based – Term loan	FY2023	NA	FY2025	346.83	[ICRA]A (Stable)

Source: Company

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Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Indira IVF Hospital Limited	-	Full consolidation
Matcare Wellness Private Limited	100%	Full consolidation

Note: ICRA has considered the consolidated financials of Indira IVF

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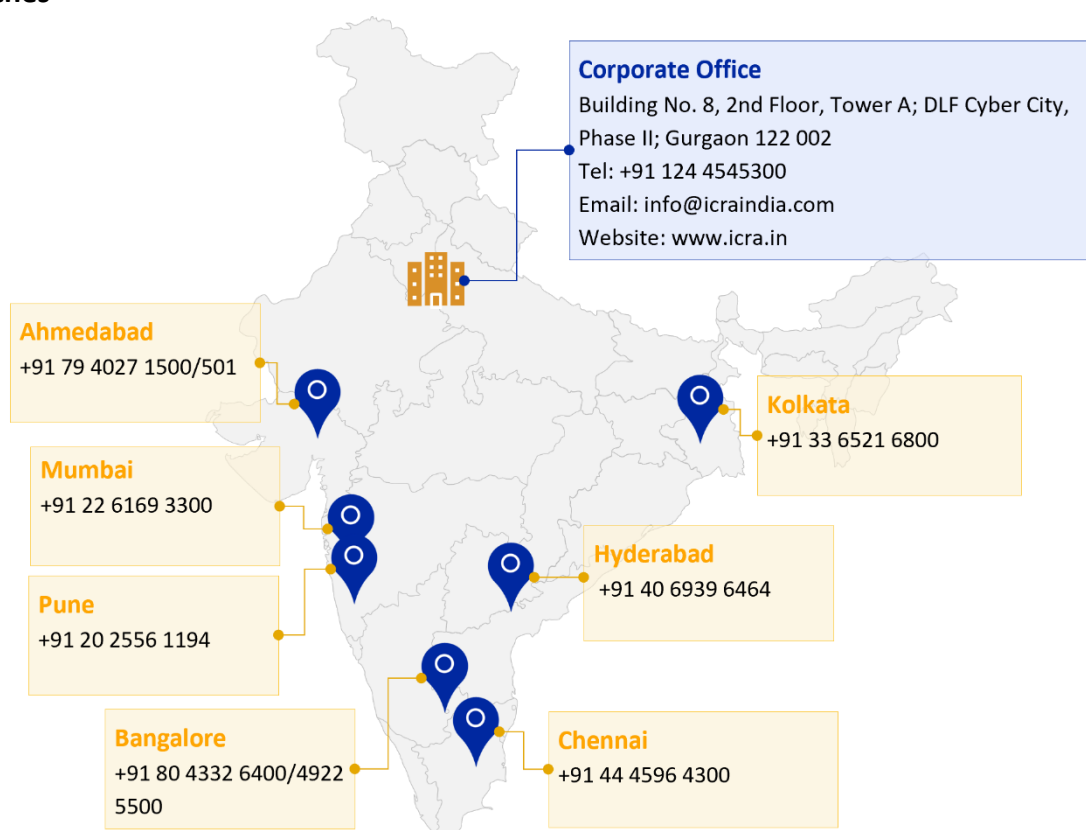
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