

October 30, 2025

Asian Institute of Oncology Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term fund based – Term loan	77.00	77.00	[ICRA]B+ (Stable); reaffirmed
Total	77.00	77.00	

*Instrument details are provided in Annexure I

Rationale

The rating reaffirmation for the bank lines of Asian Institute of Oncology Private Limited (AIOPL) favourably factors in its promoters' extensive experience in the healthcare industry. The company's business is supported by the rising demand for healthcare services and better affordability on the back of increasing awareness and penetration level of health insurance in India. ICRA notes the commencement of operation of the Srinagar hospital in April 2025 and expectation of timely commencement of the Bhubaneswar hospital in December 2025 will further expand its geographical presence.

However, the rating is constrained by the modest scale of operations, continued losses and weak debt metrics on a sustained basis. While the company's average revenue per occupied bed (ARPOB) level is healthy, the low occupancy of about 29% for Cumballa Hill Hospital, Mumbai remains a concern for the company. However, the occupancy is expected to improve with increasing number of consultants at the hospital. The lower occupancy at the newly commenced Srinagar hospital and successful ramp-up of operations at the Bhubaneswar hospital will remain under focus. AIOPL also faces stiff competition from the other established oncology hospitals, limiting its pricing flexibility. Further, the rating adversely factors in AIOPL's large debt-funded capex, which weakens its capital structure and debt protection metrics.

The Stable outlook on the long-term rating reflects ICRA's expectation that the company will continue to benefit from the extensive experience of its promoters, the upcoming new hospital and the proven track record of promoters in the healthcare business.

Key rating drivers and their description

Credit strengths

Strong management body comprising oncology experts – AIOPL is promoted by a consortium of approximately 25 doctors, primarily specialising in oncology, who bring extensive experience in the healthcare sector. The attrition risk among senior medical professionals is minimal as many of them are also key shareholders in the company. Additionally, most of the doctors and consultants have previously served at various reputed hospitals in Mumbai and surrounding regions and enjoy strong professional credibility. The domain expertise of the promoters, coupled with the presence of well-regarded medical professionals on the panel, enhances the hospital's growth prospects.

Healthy demand outlook for healthcare services, supported by increasing population and per capita income – India continues to be an under-invested and under-penetrated healthcare market, with private hospitals accounting for over 70% of the sector's market share. On the supply side, the country faces a significant shortage of hospital beds, while public sector investments remain limited. This scenario presents a strategic opportunity for private players to strengthen and expand their presence. The demand outlook for healthcare services remains stable, supported by strong underlying drivers such as an ageing population, rising health insurance coverage, increasing prevalence of lifestyle-related diseases, higher disposable income, growing health awareness, and robust momentum in medical tourism.

Credit challenges

Moderate scale of operations and weak financial profile – AIOPL's scale of operations remains moderate, with consolidated revenue of Rs. 46.3 crore in FY2025 and Rs. 27.7 crore in H1 FY2026. Owing to the modest scale and relatively lower occupancy level, the company has incurred cash losses in prior years. The Srinagar hospital has commenced operations, while the Bhubaneswar facility is expected to begin full-scale operations by December 2025, contributing to revenue growth in FY2026. ICRA anticipates some improvement in the operating performance of the flagship Mumbai hospital over the medium term. However, successful ramp-up of the newly launched hospitals remains a key monitorable. The company's capital structure and debt protection metrics have been weak owing to substantial debt-funded capex. Going forward, sustained growth in scale and improvement in earnings will be critical for strengthening the company's debt profile.

Stiff competition due to presence of other cancer-specialty hospitals – The company faces intense competition from other multi-speciality hospitals offering oncology services in the region and continues to be vulnerable to regulatory risks and sector-specific challenges.

Liquidity position: Stretched

AIOPL's liquidity position is stretched, as reflected in weak cash flow from operations and operational losses. The company has low cash and bank balances of Rs. 7.3 crore as on March 31, 2025. Against this, the company has a repayment obligation of around Rs. 7 crore in FY2026. The promoters have infused unsecured loan of approximately Rs. 38.6 crore as on March 31, 2025, to fund the acquisitions and other requirement. ICRA expects that the promoters would continue to support the funding requirement in a timely manner, as and when needed.

Rating sensitivities

Positive factors – The rating may be upgraded if there is an increase in revenue and earnings leading to improvement in liquidity position and debt protection metrics on a sustained basis.

Negative factors – The rating could witness a downward pressure in case there is a substantial decline in revenue and earnings on leading to further deterioration in debt protection metrics. Any unanticipated debt funded capex which impacts the debt protection metrics on a sustained basis would also be a downward rating trigger.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Hospitals
Parent/Group support	NA
Consolidation/Standalone	Consolidated financial statement of Asian Institute of Oncology Pvt Ltd (AIOPL) along with its subsidiaries is given in annexure II

About the company

AIOPL was incorporated in 2002 by an association of 25 doctors (including Dr. S.H. Advani, Dr. R. K. Deshpande, Dr. Deepak Parikh among others), who specialised in oncology. The company is owned by Mr. R. K. Deshpande, having a 33.43% equity stake, Dr. Jagdeesh Kulkarni with a 5.85% equity ownership, Dr. Sanjay Sharma with a 3.09% equity ownership and the rest is owned by corporate entities having similar promoters. The company currently has three operational hospitals, which are in Cumballa Hill, Mumbai and Srinagar, Jammu & Kashmir and Indore, Madhya Pradesh. The new hospital in Bhubaneswar is expected to commence operations from December 2025.

Key financial indicators (audited)

AIOPL (Consolidated)	FY2024	FY2025
Operating income	40.7	46.3
PAT	31.0	-5.9
OPBDIT/OI	-24.5%	-3.3%
PAT/OI	76.0%	-12.8%
Total outside liabilities/Tangible net worth (times)	1.2	2.9
Total debt/OPBDIT (times)	-8.3	-60.5
Interest coverage (times)	-2.3	-0.3

Source: Company, ICRA Research; 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

Instrument	Type	Current rating (FY2026)		Chronology of rating history for the past 3 years		
		Amount rated (Rs. crore)	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023
			Oct 30, 2025	July 23, 2024	-	-
1 Term loans	Long term	77.00	[ICRA]B+ (Stable)	[ICRA]B+ (Stable)	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
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	Term Loan 1	FY2022	NA	FY2030	40.00	[ICRA]B+ (Stable)
NA	Term Loan 2	FY2024	NA	FY2034	37.00	[ICRA]B+ (Stable)

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	AIOPL's ownership	Consolidation approach
Asian Oncology Private Limited	99.00%	Full consolidation
Triumph Cancer Institute Private Limited	99.99%	Full consolidation
Medirad Tech India Limited	99.99%	Full consolidation

Source: Company

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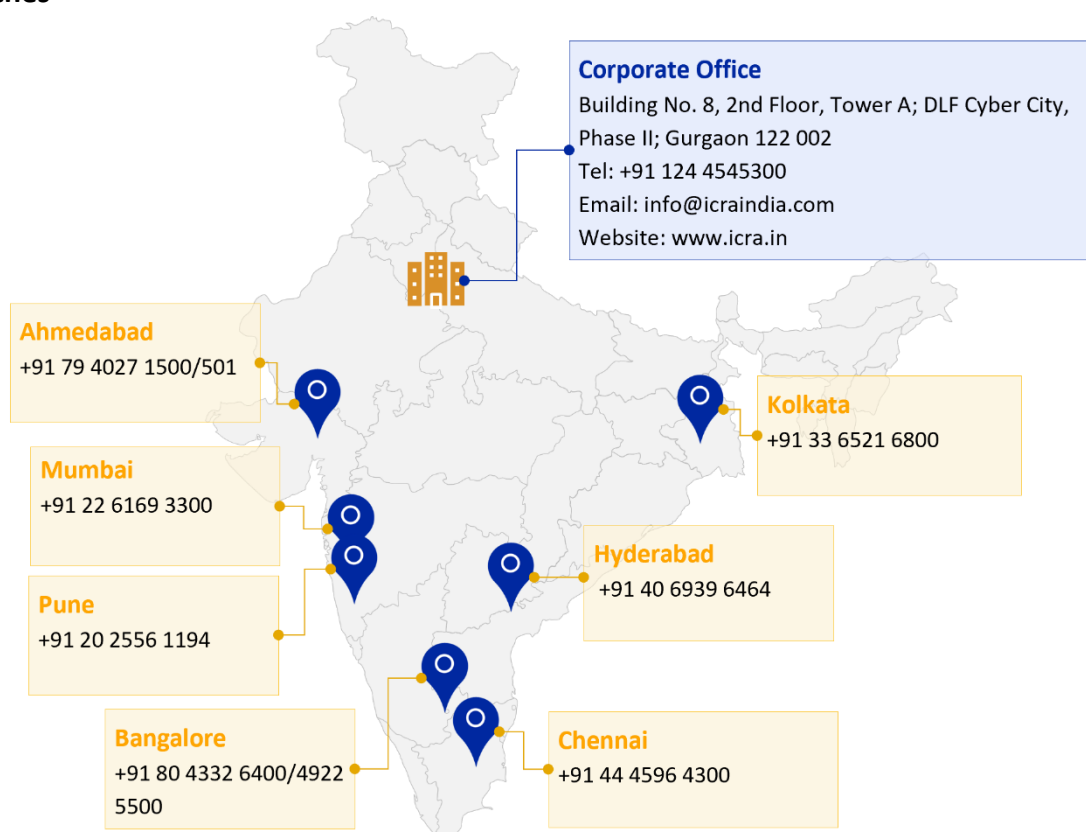
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