

May 26, 2026

Indraprastha Medical Corporation Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term - Fund based/ CC	32.50	40.00	[ICRA]AA(Stable); reaffirmed
Short-term – Non-fund based	30.00	30.00	[ICRA]A1+; reaffirmed
Long-term - Fund based/term loan [^]	100.00	92.50	[ICRA]AA(Stable); reaffirmed
Total	162.50	162.50	

*Instrument details are provided in Annexure II; [^]Proposed term loan

Rationale

The ratings reaffirmation factors in Indraprastha Medical Corporation Limited (IMCL)'s established market position in the National Capital Region (NCR), healthy operating performance and a robust financial profile. The ratings also factor in IMCL's revenue diversification across specialities, including oncology, neurology, cardiology and nephrology, among others. The financial risk profile remains comfortable as reflected in minimal gearing, robust debt protection indicators and a strong liquidity profile. Further, the ratings factor in the strong parentage of Apollo Hospitals Enterprise Limited (AHEL) along with its promoters, holding a 23.3% stake in IMCL. The entity has significant operational, financial and managerial linkages with AHEL, which is the largest hospital chain in the country. IMCL reported 9.3% YoY revenue growth in FY2026, driven by ARPOB growth of 5-6%, supported by annual tariff revisions, around 400bps improvement in occupancy in addition to case-mix changes. IMCL's operating margins remained healthy at 18.0% in FY2026 similar to FY2025 on the back of benefits from operating leverage and cost-optimisation measures.

The ratings, however, remain constrained by geographical concentration, with IMCL deriving its entire revenues from two hospitals in the NCR. The ratings also factor in the competitive pressures and the necessity to retain medical talent in the highly competitive market where IMCL operates. ICRA also notes IMCL's planned expansion at Sarita Vihar through addition of 350 beds, with an estimated project cost of Rs. 800 crore (excluding land) over the next 2-3 years. The construction for the same is expected to commence from H2 FY2027 and commercialisation of the new beds is expected in Q4 FY2028. IMCL plans to fund this capex through a mix of available cash and bank balances, internal accruals and debt. IMCL expects that a maximum of 30% of the project cost may be funded through debt. In case debt is drawn down to fund part of the capex, this may result in moderation of debt metrics to a certain extent, given the expected dilution in profitability as the new facility will take time to ramp up. Going forward, any time and cost overrun of the project and the impact of the same on the company's financials will remain a key monitorable.

IMCL, in line with other industry players, is exposed to inherent regulatory risks arising from potential pricing restrictions on healthcare products and services by Central and state governments. However, its strong brand position, established operating track record and healthy profitability continue to support its business prospects.

Further, ICRA notes that there is a public interest litigation (PIL) against IMCL, as per which IMCL should also provide free medicines and consumables to EWS patients sponsored by the Delhi Government. Currently, IMCL is providing free treatment to these patients, however, it is charging the patients for medicines and consumables at cost. The matter is currently sub-judice in the Supreme Court. Further, for the Sarita Vihar hospital, lease renewal discussions along with amendment to the original terms is also ongoing with the Delhi Government. As per IMCL, the original lease agreement states that if revised terms

are not mutually agreed, the lease can continue on the same terms for another 30 years. As per the original terms of the lease, IMCL is required to provide free in-patient and out-patient medical facilities to EWS patients. ICRA will continue monitoring the developments in this regard and any other regulatory, governance or legal matters.

The Stable outlook reflects ICRA's expectations that IMCL will continue to maintain a strong credit profile, supported by its improving operating metrics and prudent funding of its capex plans, enabling it to durably maintain its debt protection metrics commensurate with the current ratings.

Key rating drivers and their description

Credit strengths

IMCL enjoys strong operational, financial and managerial linkages with AHEL – IMCL was incorporated as a joint venture (JV) between AHEL and the Delhi Government in 1988. At present, AHEL, along with its promoters, holds a 23.3% stake in IMCL. The entity enjoys significant operational, financial and managerial linkages with AHEL. Apollo Hospitals has a strong brand presence and is a leading healthcare player that owns and operates the largest hospital chain in the country. ICRA expects AHEL to maintain its current ownership and management control while providing necessary support to IMCL in maintaining its operational and financial risk profile. The Delhi Government also holds a 26% stake in IMCL.

Established healthcare provider in the NCR and well-diversified speciality mix – IMCL enjoys an established presence in the NCR with a 700-bed facility in Sarita Vihar (operational since 1996) and a 46-bed facility in Noida (since 2006). The long and successful operations of the two clinical establishments reflect positively on the company's track record. Moreover, the revenues are well diversified across specialities, including oncology, neurology, cardiology, transplant hepatobiliary, orthopaedics and nephrology, among others. The top four specialities — oncology, cardiology, nephrology and neurology, accounted for 47% of the in-patient revenues (including pharmacy revenues) in 9M FY2026.

Strong financial risk profile; debt metrics may moderate slightly going forward – IMCL's financial risk profile remains strong, supported by its healthy operating profile, strong liquidity and debt-free balance sheet (excluding lease liabilities). The strong operating profile is reflected in steady footfalls and healthy utilisation, with around 76% occupancy in 9M FY2026, alongside a healthy 6% YoY improvement in ARPOB to Rs. 71,810, which supported healthy YoY revenue growth of 9.3% during 9M FY2026. In line with the 9M FY2026 performance, IMCL's revenue grew by 9.3% YoY in FY2026. Its operating margins also remained healthy and stable at 18% in FY2026 and FY2025, which translated into strong internal accruals and a comfortable liquidity position, with sizeable free cash and liquid balances of Rs. 466.8 crore as on March 31, 2026. IMCL also continues to be debt-free (excluding lease liabilities), which, along with healthy profit margins, has resulted in strong coverage metrics. The company has also planned a Rs. 800-crore capex to fund the 350-bed expansion in its Sarita Vihar facility along with the parking. The project's initial phase is expected to be funded through available liquidity and internal accruals, whereas term debt may be availed to fund the later stages. Further, profitability may also dilute temporarily, given that the new facility may take time to ramp up the occupancy. Therefore, while the debt metrics may moderate slightly going forward, they are expected to remain comfortable.

Credit challenges

Geographical and asset concentration risks – IMCL is exposed to geographical concentration risk as its operations are concentrated in the NCR. Further, its revenues are entirely derived from two hospitals. About 90-95% of its revenues are from the Sarita Vihar facility in New Delhi, comprising 700 of its 746 operational beds. Thus, any decline in patient demand in the NCR or any regulatory headwinds faced in the region will have a direct impact on the company's revenues.

High competition; retention of good consultants remains a key challenge – Given the growing demand for healthcare services in India, the sector has attracted increasing interest from domestic and foreign players. The NCR has various private healthcare chains as well as Government hospitals, leading to significant competition for IMCL, particularly in the international patient segment. Nevertheless, it enjoys strong brand equity of the Apollo brand and has a good track record, providing it some

competitive advantage. Any shortage of manpower will result in higher costs and impact the delivery of healthcare services, making talent retention a critical factor for players like IMCL.

Any adverse ruling on PIL for treatment of economically weak section (EWS) patients can impact profitability – As per the JV arrangement with the Delhi Government, IMCL is required to provide free medical facilities to 33% of in-patient and 40% of out-patient. Accordingly, a portion of its capacity is allocated for such patients, and, for these cases, the company does not levy consultation or hospital charges and provides medicines and consumables at cost. Discussions with the Delhi Government are ongoing on amendment to these EWS-related terms, including whether the original requirement levels will continue or whether a lower level, in line with other hospitals, may be accepted. The matter continues to remain sub judice, and any adverse ruling on the ongoing PIL relating to treatment of economically weaker section (EWS) patients could weaken IMCL's operating profitability and cash flows. ICRA's ratings do not factor in any financial impact of an adverse outcome, given the lack of clarity on the timing and implications, and ICRA will continue to monitor developments on the PIL as well as any other regulatory, governance or legal matters.

Exposure to regulatory risks – IMCL remains exposed to regulatory risks inherent in the healthcare sector, with the possibility of adverse actions by Central and state governments impacting its operating and financial profiles. These include price caps on medical procedures and consumables (such as implants, stents and diagnostics), revisions to reimbursement rates under Government schemes (including Ayushman Bharat and state-sponsored insurance programmes), and potential regulatory oversight on hospital tariffs. Additionally, the increasing policy focus on affordability and accessibility of healthcare services could lead to greater intervention in pricing, standardisation of treatment costs, and tighter compliance requirements. Such measures could constrain revenue growth and profitability, particularly in high-margin specialities, while also resulting in higher compliance costs and operational complexities. Consequently, any tightening of regulatory controls or adverse changes in reimbursement frameworks could exert pressure on IMCL's margins and cash flows, going forward.

Environmental and social risks

Environmental considerations: Although exposure to environmental risks remains low for companies operating in the healthcare industry, IMCL remains exposed to risks arising from the generation and disposal of biomedical, hazardous and other pollutant waste across its hospital network. Any non-compliance with applicable environmental and waste-management regulations could result in regulatory action, financial penalties, reputational damage and, in extreme cases, temporary disruption to hospital operations, impacting operating profile and cash flows.

Social considerations: Exposure to social risks is moderate for the healthcare sector. The social risks for industry players include litigation exposure, and high compliance standard requirements set by the Central and state governments, given the importance of the service being provided. Further, the regulatory nature such as price-control measures, could impact the earnings of industry players. Additionally, hiring and retaining quality human capital, who could drive patient footfalls, are key to earnings of industry players.

Liquidity position: Strong

IMCL's liquidity position remains Strong, owing to its healthy free cash and liquid balances, which stood at Rs. 466.8 crore and unutilised fund-based working capital limits of Rs. 40 crore as on March 31, 2026, respectively. The company also enjoys strong financial flexibility, given its debt-free balance sheet and expected financial support from its promoter, AHEL, if required. Apart from regular maintenance capex, IMCL has capex plans to set up a new hospital block adjacent to the existing Sarita Vihar hospital. IMCL expects to incur a capex of Rs. 800 crore (including parking infrastructure) towards the same over FY2027-2029. The capex would be partly funded through debt.

Rating sensitivities

Positive factors – Significant improvement in the scale of operations and/or diversification of geographical base or resolution of ongoing litigation with the Delhi Government while maintaining the current financial risk profile on a sustained basis could lead to ratings upgrade.

Negative factors – Pressure on revenues and accruals or large debt-funded capex, leading to deterioration in the financial risk profile of the entity on a sustained basis, could lead to a downward revision in ratings. Specific downgrade triggers would be total debt/OPBITDA of more than 2.0 times on a sustained basis. Adverse outcome of the PIL pertaining to the provision of free medicines and consumables to economically weak section (EWS) patients would also be a downward rating trigger. Weakening of AHEL’s credit profile or IMCL’s linkages with AHEL could also exert pressure on IMCL’s ratings.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Hospitals
Parent/Group support	Parent: Apollo Hospitals Enterprise Limited (AHEL) The ratings assigned to IMCL factor in the very high likelihood of its parent, AHEL Limited, extending financial support because of close business linkages between the entities. ICRA expects AHEL to be willing to extend financial support to IMCL, out of its need to protect its reputation from the consequences of a Group entity’s distress.
Consolidation/Standalone	Standalone

About the company

Incorporated in 1988 as a JV between Apollo Hospitals Enterprise Ltd. (AHEL) and the Delhi Government, Indraprastha Medical Corporation Ltd. (IMCL) operates two hospitals, one each in New Delhi (700-bed super-specialty tertiary care hospital) and Noida (46-bed hospital).

IMCL commenced operations in 1996 and was the first hospital in India to receive international accreditation from Joint Commission International (JCI) in July 2005. The 700-bed hospital’s 15-acre land in Sarita Vihar, Delhi was leased for a period of 30 years by the Delhi Government at a nominal lease rent. In turn, IMCL provides free medical facilities to EWS (Economically Weak Section) patients referred by the Delhi Government. In 2006-2007, IMCL opened its Noida hospital with 46 beds, which is a mother and child care hospital.

IMCL has strong operational linkages with AHEL. Mr. Pattabhiraman Shivakumar, the Managing Director, is from the AHEL Group. At present, there is one board member from the Delhi Government along with other four members from AHEL (promoter group). The company has recently announced a sizeable expansion where a 350-bed facility is being added adjacent to its existing Sarita Vihar facility.

Key financial indicators (audited)

IMCL Standalone	FY2025	FY2026*
Operating income	1,356.4	1,482.5
PAT	161.0	183.6
OPBDIT/OI	18.0%	18.0%
PAT/OI	11.9%	12.4%
Total outside liabilities/Tangible net worth (times)	0.4	0.3
Total debt/OPBDIT (times)	0.1	0.1

Interest coverage (times)

39.0

44.3

Source: Company, ICRA Research; *Results; 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

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	FY2027		FY2026		FY2025		FY2024	
		Amount rated (Rs crore)	May 26, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based-Cash credit	Long-term	40.00	[ICRA]AA (Stable)	-	-	Mar 27, 2025	[ICRA]AA (Stable)	Mar 26, 2024	[ICRA]AA (Stable)
Fund-based-Term loan*	Long-term	92.50	[ICRA]AA (Stable)	-	-	Mar 27, 2025	[ICRA]AA (Stable)	-	-
Non-fund based-Others	Short-term	30.00	[ICRA]A1+	-	-	Mar 27, 2025	[ICRA]A1+	Mar 26, 2024	[ICRA]A1+
Commercial Paper	Short-term	-	-	-	-	Mar 27, 2025	[ICRA]A1+; withdrawn	Mar 26, 2024	[ICRA]A1+

Note: * Proposed term loan

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI

16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)
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(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund-based – Cash credit	Simple
Short term Non-Fund based limits	Simple
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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Cash credit	NA	NA	NA	40.00	[ICRA]AA (Stable)

NA	Non- Fund based limits	NA	NA	NA	30.00	[ICRA]A1+
NA	Term loan*	NA	NA	NA	92.50	[ICRA]AA (Stable)

Source: Company; * Proposed term loan

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

Annexure III: List of entities considered for consolidated analysis: Not Applicable

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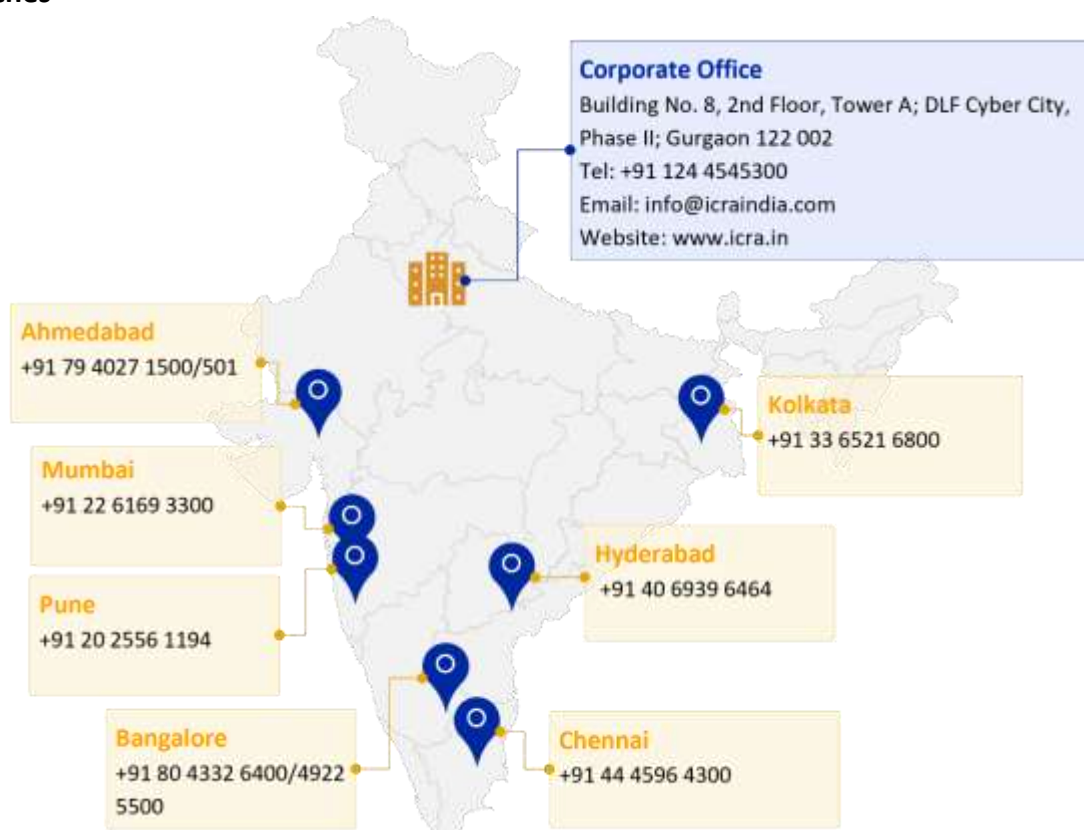
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