

Asarfi Hospital Limited

September 26, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	80.00	CARE BB+; Stable; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. has been seeking information from Asarfi Hospital Limited to monitor the rating(s) vide e-mail communications/letters dated May 13, 2025, September 11, 2025, September 12, 2025 and September 16, 2025 and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. Further Asarfi Hospital Limited has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on Asarfi Hospital Limited's bank facilities will now be denoted as CARE BB+; Stable; ISSUER NOT COOPERATING*.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The reaffirmation in rating assigned to the bank facilities of Asarfi Hospital Limited (AHL) is on account of improvement in scale of operations backed by increased occupancy and ARPOB level over last few years albeit occupancy still remaining at moderate levels. The rating remains constrained by geographically concentrated revenue stream from single location hospital, highly regulated by government and other regulatory bodies with reputational risk, elongated collection cycle and risk associated with capex. However, the rating derives comfort from satisfactory capital structure and debt coverage indicator, tie-up with corporates government organization, insurance companies and TPAs and diversified revenue profile being a multi-speciality hospital.

Analytical approach: Consolidated

CARE Ratings Limited has taken a consolidated approach view of AHL and its wholly owned subsidiary viz Asarfi Educational Foundation (AEF). AEF is incorporated in FY24, hence did not have any operations till FY23. The list of entity consolidated with AHL is placed at Annexure-6

Outlook: Stable

The stable outlook is on account of expectation in improvement in occupancy and ARPOB level and ramp-up in scale of operation from its newly setup cancer unit.

Detailed description of key rating drivers: At the time of last rating on September 06, 2024 the following were the rating strengths and weaknesses (updated for the information available from BSE).

Key weaknesses

Geographically concentrated revenue stream from single location hospital: AHL is currently operating 300 beds (including 50 beds related to cancer unit) multi-speciality hospital in Dhanbad, Jharkhand. The revenue is being derived from single hospital resulting geographical concentration risk along with revenue stream from single location.

Highly regulated by the government and other bodies with reputational risk: Healthcare sector is highly regulated requiring various statutory approvals. Moreover, healthcare is a highly sensitive sector where any mishandling of a case or negligence on part of any doctor and/or staff of the unit can lead to distrust among the masses. Thus, all the healthcare providers need to monitor each case diligently and maintain standard of services in order to avoid the occurrence of any unforeseen incident. They also need to maintain high vigilance to avoid any malpractice at any pocket.

Elongated collection cycle: AHL has o/s debtors of Rs. 39.79 crores as on March 31, 2025 against Rs.24.42 crores in FY24. Out of the same, around Rs. 38.60 crore has been pending for more than 6 months. Around 50% of the revenue is derived from insurance TPAs, government departments & corporates & rest is on cash basis. However, the company is in process to negotiate the payment terms from said govt. agencies.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Risk associated with capex: In FY25, the company plans to take term loan of Rs. 6.80 crores for upgradation of OT and ICU in FY25 (total project cost of around Rs.8-9 crore). The proposal for the same is under consideration by SBI and it is expected to sanction the said amount by September 2024 (as articulated by lender). The company is planning to set up Health Management and Research Institute at Ranchi, Jharkhand under Asarfi Hospital Limited (AHL) at a project cost of around Rs. 40 crores. Out of the same, Rs.13.06 crores already being paid by the company to Ranchi Smart City Corporation Limited for acquisition of 5.6 acres land (registry of land is pending) out of IPO proceed (Rs.7.65 crore), Rs. 20 crores through proposed term loan and remaining through internal accrual. The institute is expected to become operational from FY28.

Key strengths

Improvement in scale of operations backed by increased occupancy and ARPOB level albeit occupancy remain at moderate levels: The total operating income (TOI) grew by approximately 43.47% in FY25, with revenue from operations reaching Rs. 121.94 crores in FY25 (Rs. 20.25 crore from Cancer Unit), up from Rs. 84.99 crores in FY24 on the back of increasing OPD revenue and ARPOB levels. ARPOB of the hospital has improved from Rs.17,176 in FY24 to Rs.17,505 in FY25 while occupancy has remained moderate at 60-61% for the last 2 year. PBILDT and PAT margin has improved from 19.82% and 4.90% in FY24 to 20.44% and 8.67% in FY25. In case of Cancer unit, occupancy has remained low however improving to 30% in FY25. The ARPOB stood satisfactory at Rs. 30,429 as on FY25.

Satisfactory capital structure and debt coverage indicator: The company's capital structure remains comfortable, however the overall gearing ratio moderated to 0.60x in FY25, compared to 0.45x in FY24 on account of higher drawdown of the term loan related to the new cancer unit. The debt potential metric, marked by TD/GCA, stands at 2.03x in FY25 as against 2.11x in FY24. The interest coverage ratio has remained at 6.11x in FY25 against 6.26x in FY24.

Tie up agreements with various TPA, insurance companies and government agencies: AHL has tie up with various TPAs, corporate and insurance companies to provide medical services, including annual health checkup. AHL has also tie up with government agencies such as Railways, Ex-Servicemen Contributory Health Scheme (ECHS), ESIC etc and health scheme of central government like Ayushman Bharat. Such tie-ups ensures steady referrals of patients to AHL, thereby improving its occupancy rate.

Diversified revenue profile being a multi-speciality hospital: AHL provides secondary and tertiary healthcare services in various fields (Orthopaedics, Cardiology, Cardiac Surgery, Nephrology, Pulmonology, Gastroenterology, Neurology, Laparoscopic Surgery etc.) Cardiology and Neuroscience contribute to major portion of revenue and accounted for around 23% and 17% respectively (29% and 16% respectively in FY24).

Applicable criteria

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

[Hospital](#)

[Consolidation & Combined Approach](#)

[Financial Ratios – Non financial Sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Healthcare Services	Hospital

Asarfi Hospital Limited (AHL) was incorporated on October 04, 2005, and commenced operation in 2008 as a Private Limited Company. Moreover, the constitution of the company was changed to a public limited company in the year 2012 and In July 2023 the shares got listed in BSE-SME. The company is managed by Mr. Udai Pratap Singh who has around two decades of experience in the similar industry. He is supported by promoters Mr. Gopal Singh, Ms. Madhuri Singh, and Dr. Sukanti Kumar Das who is a qualified (MBBS, DGO, MS). AHL provides comprehensive and advanced medical care, including emergency services and has 250 beds. The Hospital has a full-fledged High Dependency Unit, Emergency Department, Outpatient consultation, CCU, ICU, NICU, SICU, Endoscopy, Neurosurgery and Cardiac unit equipped with modern equipment. In September 2023 Asarfi Cancer Hospital (ACH) has come with a 150-bed capacity (50 bed are currently into operation and for remaining bed approvals are pending) at a project cost of Rs. 74.46 crores which is funded through part proceed from IPO of Rs. 12.22 crore (gross & net proceeds of Rs. 26.94 crores and Rs. 23.20 crores respectively), TL of Rs. 28.5 crores and rest through internal accruals. The company is also eligible to receive capital subsidy from state government of around Rs. 12 crores for said cancer unit.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	84.99	121.94	35.68
PBILDT	16.85	24.92	4.19
PAT	4.16	10.58	3.12
Overall gearing (times)	0.45	0.60	-
Interest coverage (times)	6.26	6.11	6.88

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	14.80	CARE BB+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	Proposed	65.20	CARE BB+; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	65.20	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (06-Sep-24) 2)CARE BB-; Stable; ISSUER NOT COOPERATING* (16-May-24)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (18-Apr-23)	-
2	Fund-based - LT-Cash Credit	LT	14.80	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (06-Sep-24)	-	-

*Issuer did not cooperate; based on best available information.

LT: Long term;

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Asarfi Educational Foundation	Full	Subsidiary

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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