16 September 2026

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400001,
Maharashtra, India

Scrip Code: 540975

The National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai 400051,
Maharashtra, India

Scrip Symbol: ASTERDM

Dear Sir/ Madam,

Subject: Intimation of revision in Credit Rating of a Material Subsidiary

Ref: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Pursuant to the aforementioned regulation read with SEBI Master Circular dated 30 January 2026, we would like to inform you that ICRA Limited ("ICRA") has revised the credit ratings of KIMS Healthcare Management Limited, a Material Subsidiary of the Company, as under:

Particulars	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Cash Credit	19.00	19.00	[ICRA]AA(Stable); upgraded from [ICRA]AA-; Stable outlook assigned; removed from Rating Watch with Developing Implications
Long-term – Fund-based – Term Load	75.00	75.00	[ICRA]AA(Stable); upgraded from [ICRA]AA-; Stable outlook assigned; removed from Rating Watch with Developing Implications
Short-term – Fund-based – Others	12.00	12.00	[ICRA]A1+; reaffirmed and removed from Rating Watch with Developing Implications
Long-term/Short-term – Unallocated	104.00	104.00	[ICRA]AA(Stable)/[ICRA]A1+; long-term rating upgraded from [ICRA]AA-; short-term rating reaffirmed; Stable outlook assigned; ratings removed from Rating Watch with Developing Implications
Total	**210.00**	**210.00**	

A copy of the Credit Rating letter is enclosed for the reference.

We request you to kindly take the above information on record.

Thanking you,

For **Aster DM Quality Care Limited**
(Formerly Aster DM Healthcare Limited)

HEMISH PURUSHOTTAM
Digitally signed by HEMISH PURUSHOTTAM
Date: 2026.09.16 15:31:58 +05'30'

Hemish Purushottam
Company Secretary and Compliance Officer
M. No.: A24331

September 15, 2026

KIMS Healthcare Management Limited: Long-term rating upgraded to [ICRA]AA (Stable) and Stable Outlook assigned; short-term rating reaffirmed; ratings removed from Rating Watch with Developing Implications

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Long-term – Fund-based - Cash Credit	19.00	19.00	[ICRA]AA(Stable); upgraded from [ICRA]AA-; Stable outlook assigned; removed from Rating Watch with Developing Implications	RBI
Long-term – Fund-based - Term Loan	75.00	75.00	[ICRA]AA(Stable); upgraded from [ICRA]AA-; Stable outlook assigned; removed from Rating Watch with Developing Implications	RBI
Short-term – Non-fund Based - Others	12.00	12.00	[ICRA]A1+; reaffirmed and removed from Rating Watch with Developing Implications	RBI
Long-term/Short-term – Unallocated	104.00	104.00	[ICRA]AA(Stable)/[ICRA]A1+; long-term rating upgraded from [ICRA]AA-; short-term rating reaffirmed; Stable outlook assigned; ratings removed from Rating Watch with Developing Implications	RBI
Total	**210.00**	**210.00**		

**Instrument details are provided in Annexure I*

#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.

Rationale

For arriving at the ratings, ICRA has taken consolidated view of KIMS Healthcare Management Limited (KHML) and its wholly-owned subsidiary, KIMS Nagercoil Institute of Medical Sciences Private Limited (KNIMSPL). ICRA has considered the consolidated financials of KHML, given the operational and financial linkages between the entities and their common management.

ICRA had earlier placed KHML's ratings on Watch with Developing Implications, given the proposed merger of its erstwhile parent, Quality Care India Limited (QCIL) with Aster DM Healthcare Limited (ADMHL). The merger has since been successfully completed and the ADMHL has been renamed to Aster DM Quality Care Limited (ADMQCL), a significantly larger and more diversified healthcare service provider.

KHML's ratings upgrade factors in the improved credit profile of its parent, ADMQCL, marked by significant strengthening of the merged entity's business and financial risk profile, underpinned by its larger scale of operations, enhanced geographic diversification, and the complementary operating strengths of ADMHL and QCIL. KHML is strategically important to ADMQCL, given its strong brand position in the Kerala and Tamil Nadu markets and its established presence with bed capacity of 1,560 as on March 31, 2026. ICRA also notes that KHML is likely to be supported by ADMQCL, if required. It is expected to benefit from operational synergies with the parent, which are likely to be enhanced by the large scale of operations.

KHML's flagship hospital in Trivandrum has a strong brand recall, attracting patients from nearby districts in Kerala and Tamil Nadu. Continued healthy occupancy at the flagship hospital, improved footfalls at other hospitals, bed additions, and healthy growth in average revenue per occupied bed day (ARPOB) have resulted in a healthy uptick in revenue at a compounded annual growth rate (CAGR) of around 25% in the five-year period ending in FY2026. Moreover, the company's revenue recorded a strong growth of around 23% in FY2026 on the back of steady occupancy and improved ARPOB across its network, driven by healthy case mix and price rationalisation after investment from ADMQCL. ICRA expects the company to achieve a healthy double-digit revenue growth in FY2027 on the back of expected improvement in ARPOB and healthy occupancy levels. Its operating margin improved materially by 400bps to 30.2% in FY2026 from 26.2% in FY2025, aided by operating leverage from increased scale and cost optimisation initiatives. The strong ramp-up in the recently commenced Nagercoil facility also supported the margin expansion. ICRA expects the company's OPM to remain healthy and stable at 30–33% in the near to medium term. Improved earnings led to further strengthening of KHML's debt metrics with Total debt/OPBITDA improving to 0.4 times in FY2026 (0.5 times in FY2025), interest-coverage to 23.4 times in FY2026 (18.7 times in FY2025) and DSCR to 8.3 times in FY2026 (from 6.0 times in FY2025). The company's debt metrics are estimated to remain strong going forward as well.

The ratings are, however, constrained by the company's continued revenue concentration in its Trivandrum facility, which accounted for around 68-72% of its consolidated revenues and about 74-78% of the OPBITDA in FY2026. The company also remains exposed to competitive intensity in the healthcare sector, particularly in Kerala, risks associated with attracting and retaining qualified medical professionals, and regulatory risks arising from any changes in healthcare pricing policies. Nevertheless, ICRA expects the gradual scaling up of newer facilities, including the Nagercoil hospital, to support diversification of the revenue profile over the medium term while maintaining healthy profitability and credit metrics.

The Stable outlook on the long-term ratings reflects ICRA's expectation that KNIMSPL will see healthy growth in earnings, supported by robust demand and its established position in its target markets.

Key rating drivers and their description

Credit strengths

Strong brand reputation in Trivandrum – KHML's flagship hospital at Trivandrum has a strong brand reputation in Kerala and the nearby districts of southern Tamil Nadu, which results in healthy patient footfalls. Further, the company benefits from the long operational track record and more than two decades of experience of the promoters in the healthcare industry.

Diversified speciality mix – The company has a diverse speciality mix with the top two specialities, oncology (10-12%) and orthopaedics (9-11%), accounting for 20-22% of its total revenues in FY2026. KHML's sizeable presence across multiple specialities helps minimise the concentration risk.

Healthy financial profile – The company's financial profile is comfortable, characterised by robust CAGR of around 25% over the five-year period ending in FY2026, healthy profitability and comfortable debt metrics. Its revenue grew by around 23% in FY2026, on the back of healthy patient volumes and material improvement in ARPOBs across its hospital network. ICRA expects the company to clock a healthy double digit revenue growth, going forward, on the back of likely improvement in occupancy and ARPOB. Its operating margin improved by 400 bps to 30.2% in FY2026 from 26.2% in FY2025, aided by higher scale, improvement in ARPOB, and cost optimisation initiatives. The company's capital structure remained comfortable with total debt/total net worth of 0.2 times as on March 31, 2026. Moreover, its debt metrics improved in FY2026 reflected in an interest coverage of 23.4 times (18.7 times in FY2025), DSCR of 8.3 times (from 6.0 times in FY2025), and TD/OPBIDTA of 0.4 times in FY2026, supported by improved margins and scheduled debt repayments.

Support from parent – KHML is strategically important to ADMQCL, given its strong brand position in the Kerala and southern Tamil Nadu markets, and its established presence. Further, it is expected to benefit from operational synergies with the parent, which are likely to be enhanced by the large scale of operations. While KHML's financial profile and liquidity position remain strong, ADMQCL is expected to the support the company, if required.

Credit challenges

High dependence on Trivandrum hospital – KHML is highly reliant on its Trivandrum facility, which contributed around 70% to its operating income (OI) and around 77% to its OPBITDA in FY2026, leading to geographical concentration risk. Despite the bed addition plans across its existing hospitals over the next 3-5 years, reliance on the Trivandrum hospital is expected to continue. The company's ability to consequently improve OPBITDA levels at hospitals other than Trivandrum remains crucial to reduce its concentration risk.

Regulatory risk and competition inherent to operations – KHML is exposed to regulatory risks as any restrictive pricing on treatments and pharma sales would impact its margins. The healthcare industry faces intense competition in the region from several large and reputed hospitals in the respective micro markets.

Retention of doctors remains key challenge – The retention of doctors would remain a key challenge despite the competitive incentive mechanism currently offered by the entity.

Liquidity position: Strong

KHML's liquidity position is strong, supported by healthy cash and bank balances of Rs. 225-235.0 crore and unutilised working capital limits of around Rs. 30.9 crore as on March 31, 2026. Further, ICRA expects the company's retained cash flows are estimated at Rs. 380-420 crore in FY2027 against debt repayment obligations of around Rs. 30-50 crore, and lease obligations of around Rs. 10-15.0 during the same period. While the company is expected to incur capital expenditure (capex) of around Rs. 150-200 crore in FY2027, the same is expected to be funded through a mix of term debt and internal accruals, thereby providing comfort to its overall liquidity profile.

Rating sensitivities

Positive factors – ICRA could upgrade KHML's ratings if there is a material scale up of operations aided by growth in ARPOBs and improvement in occupancy, while diversifying its revenue profile and maintaining its healthy margins and debt metrics. Improvement in the parent's credit profile could also trigger a rating upgrade.

Negative factors – Pressure on the ratings could arise if a large debt-funded capex, or weaker-than-expected operating performance results in a material weakening of the company's debt metrics or liquidity profile on a sustained basis. Specific credit metrics that could lead to a rating downgrade includes increase in Total Debt/OPBDITA above 1.5 times on a sustained basis. The ratings may also be downgraded if there is a deterioration in the credit profile of the parent, ADMQCL, or weakening of linkages with the parent.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Hospitals
Parent/Group support	Implicit support from parent, Aster DM Quality Care Limited, which holds around 86.7% stake in KHML as on March 31, 2026.
Consolidation/Standalone	For arriving at the ratings, ICRA has taken a consolidated view of KIMS Healthcare Management Limited and KIMS Nagercoil Institute of Medical Sciences Private Limited, as well as the consolidated financials of KHML. As on March 31, 2026, the company had six subsidiaries, which are enlisted in Annexure-II.

About the company

KHML was established in 2002 by a group of professionals in Trivandrum. It is a tertiary and quaternary care hospital with 40 speciality departments. The hospital has been accredited by the National Accreditation Board for Hospitals (NABH), the Australian Council on Healthcare Standards International (ACHSI), the National Accreditation Board for Testing and Calibration Laboratories (NABL), and by NABH for its blood bank.

As on March 31, 2026, the company operated four hospitals across Trivandrum, Kottayam, Kollam, and Perinthalmanna in Kerala, as well as one in Nagercoil, Tamil Nadu, with a total bed capacity of 1,560.

As on March 31, 2026, ADMQCL held a 79.3% stake in KHML, while its subsidiary, Convenient Hospitals Private Limited, held a 7.4% stake. Collectively, ADMQCL and its subsidiary held approximately 86.7% stakes in KHML, with the remaining 13.3% held by individual shareholders, including the founding doctors of KHML.

Key financial indicators (audited)

KHML (consolidated)	FY2025	FY2026
Operating income	1,264.8	1,553.6
PAT	213.9	233.9*
OPBDIT/OI	26.2%	30.2%
PAT/OI	16.9%	15.1%
Total outside liabilities/Tangible net worth (times)	0.3	0.4
Total debt/OPBDIT (times)	0.5	0.4
Interest coverage (times)	18.7	23.4

*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; *The PAT was adjusted with one-time expense of around Rs. 68.8 crore related to the stake sale of GCC operations. Excluding this exceptional item, the PAT would have been around Rs. 302.7 crore in FY2026.*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current rating (FY2027)				Chronology of rating history for the past 3 years					
					FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Sept 15, 2026	July 10, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based - Term Loan	Long term	75.00	[ICRA]AA (Stable)	[ICRA]AA-; Rating Watch with Developing Implications	Jan 19, 2026	[ICRA]AA-; Rating Watch with Developing Implications	Dec 24, 2024	[ICRA]A+; Rating Watch with Developing Implications	Aug 14, 2023 Nov 06, 2023	[ICRA]A (Stable) [ICRA]A; Rating watch with Developing Implications
Fund-based – Cash Credit	Long term	19.00	[ICRA]AA (Stable)	[ICRA]AA-; Rating Watch with Developing Implications	Jan 19, 2026	[ICRA]AA-; Rating Watch with Developing Implications	Dec 24, 2024	[ICRA]A+; Rating Watch with Developing Implications	Aug 14, 2023 Nov 06, 2023	[ICRA]A (Stable) [ICRA]A; Rating watch with Developing Implications
Non-fund Based – BG/LC	Long term / Short term	0.00	-	-	-	-	Dec 24, 2024	[ICRA]A+ Rating Watch with Developing Implications /[ICRA]A1; Rating Watch with Developing Implications	Aug 14, 2023 Nov 06, 2023	[ICRA]A (Stable)/ [ICRA]A2+ [ICRA]A Rating Watch with Developing Implications / [ICRA]A2+; Rating watch with Developing Implications
Non-fund Based – BG/LC	Short-term`	12.00	[ICRA]A1+	[ICRA]A1+; Rating Watch with Developing Implications	Jan 19, 2026	[ICRA]A1+; Rating Watch with Developing Implications	-	-	-	-
Unallocated	Long term / Short term	104.00	[ICRA]AA (Stable)/ [ICRA]A1+	[ICRA]AA- Rating Watch with Developing Implication/ [ICRA]A1+; Rating Watch with Developing Implications	Jan 19, 2026	[ICRA]AA Rating Watch with Developing Implications/ [ICRA]A1+; Rating Watch with Developing Implications	Dec 24, 2024	[ICRA]A+ Rating Watch with Developing Implications / [ICRA]A1; Rating Watch with Developing Implications	Aug 14, 2023 Nov 06, 2023	[ICRA]A (Stable)/ [ICRA]A2+ [ICRA]A Rating Watch with Developing Implications/ [ICRA]A2+; Rating watch with Developing Implications

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund-based - Cash Credit	Simple
Long-term – Fund-based - Term Loan	Simple
Short-term – Non-fund Based - Others	Simple
Long-term/Short-term – Unallocated	Not applicable

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	Financial Sector Regulator#
NA	**Term loan**	FY2020	NA	FY2030	75.00	[ICRA]AA(Stable)	RBI
NA	**Cash credit**	NA	NA	NA	19.0	[ICRA]AA(Stable)	RBI
NA	**Bank guarantee**	NA	NA	NA	6.0	[ICRA]A1+	RBI
NA	**Letter of credit**	NA	NA	NA	6.0	[ICRA]A1+	RBI
NA	**Unallocated limits**	NA	NA	NA	104.00	[ICRA]AA(Stable)	RBI

Source: Company

#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.

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company Name	KHML Ownership	Consolidation Approach
KIMS Healthcare Management Limited	100.0% (rated entity)	Full Consolidation
KIMS Al Shifa Healthcare Private Limited	51.0%	Full Consolidation
KIMS Kottayam Institute of Medical Sciences Private Limited	100.0%	Full Consolidation
KIMS Kollam Multi Specialty Hospital India Private Limited	100.0%	Full Consolidation
KIMS Nagercoil Institute of Medical Sciences Private Limited	100.0%	Full Consolidation
Spiceretreat Hospitality Services Private Limited	100.0%	Full Consolidation
KIMS HEALTH Executive Leisure Private Limited	100.0%	Full Consolidation

Source: *KHML; Stake as on March 31, 2026*

ANALYST CONTACTS

Jitin Makkar
+91 0124 4545 368
jitinm@icraindia.com

Srikumar K
+91 44 4596 4318
ksrikumar@icraindia.com

Nithya Debbadi
+91 40 6939 6416
nithya.debbadi@icraindia.com

Raviteja Etikala
+91 40 6939 6418
etikala.teja@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

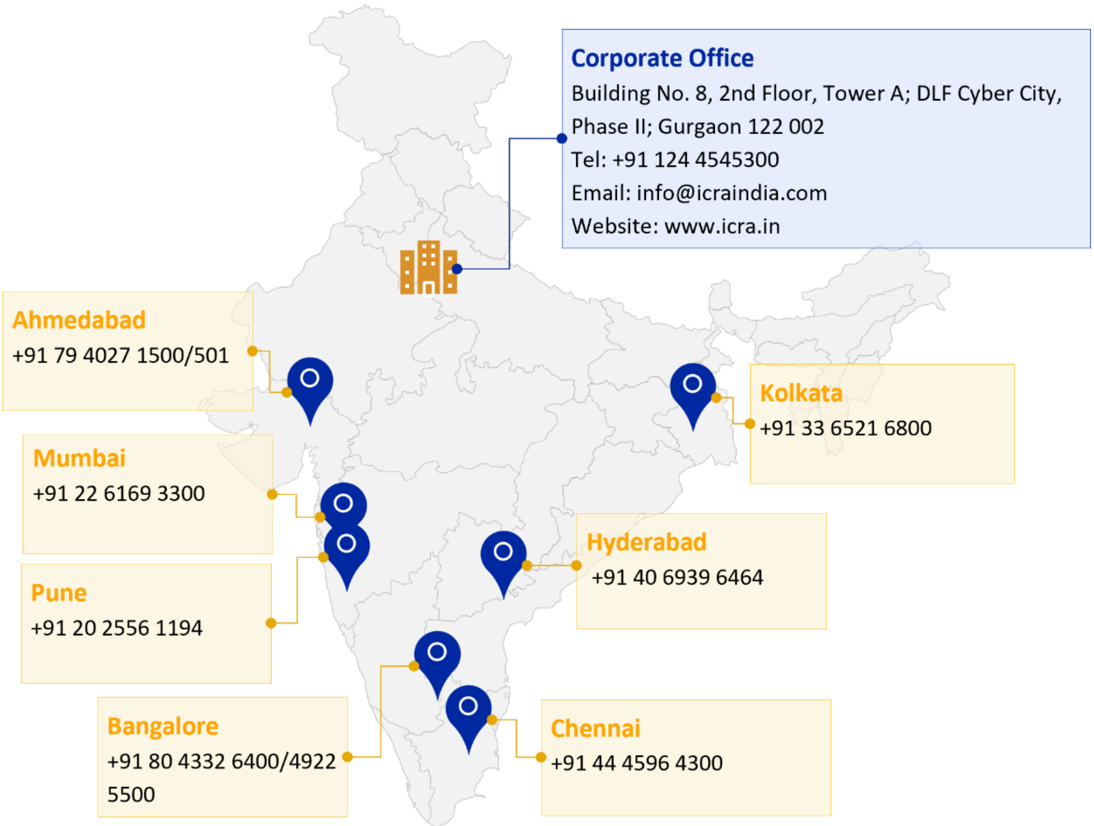
For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches



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