

January 19, 2026

## KIMS AI Shifa Healthcare Pvt. Ltd.: Ratings upgraded to [ICRA]BBB-/[ICRA]A3 and continue on Rating Watch with Developing Implications

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Cash credit	10.00	10.00	[ICRA]BBB-; upgraded from [ICRA]BB+; continues on Rating Watch with Developing Implications
Long-term – Fund-based – Term loan	9.03	9.03	[ICRA]BBB-; upgraded from [ICRA]BB+; continues on Rating Watch with Developing Implications
Long-term/ Short-term – Non-fund Based	2.00	2.00	[ICRA]BBB-/[ICRA]A3; upgraded from [ICRA]BB+/[ICRA]A4+; continues on Rating Watch with Developing Implications
Long-term/ Short-term – Unallocated	53.97	53.97	[ICRA]BBB-/[ICRA]A3; upgraded from [ICRA]BB+/[ICRA]A4+; continues on Rating Watch with Developing Implications
<b>Total</b>	<b>75.00</b>	<b>75.00</b>	

\*Instrument details are provided in Annexure-I

### Rationale

The ratings upgrade factors in the healthy improvement in KIMS AI Shifa Healthcare Pvt. Ltd.'s (KASHPL) credit profile with significant growth in revenues and earnings, leading to a reduction in debt as well as improved leverage and coverage metrics. KASHPL's revenue grew by 12% in FY2025 despite some moderation in occupancy, on the back of higher average revenue per occupied bed (ARPOB). The company has clocked revenues of Rs. 94.8 crore in H1 FY2026 and is likely to achieve revenue growth of 10-15% in FY2026, supported by healthy occupancy and ARPOB. Its operating margins are expected to remain healthy at 13-15% in the near to medium term. Significant improvement in the company's earnings supported the reduction in debt levels and improvement in its debt metrics. The company is expected to repay its long-term debt in FY2026, which would support further enhancement in its coverage metrics going forward.

The ratings continue to be on Watch with Developing Implications, given the proposed merger of KHML's parent, Quality Care India Limited (QCIL), with Aster DM Healthcare Limited (Aster DM) in a share swap transaction. The merger is expected to be completed by end of Q1 FY2027, subject to regulatory approvals. The merged entity is expected to possess 38 hospitals and seven medical centres across nine states and 27 cities, which will also include four brands under its umbrella, namely Aster DM, CARE Hospitals, KIMSHEALTH and Evercare. ICRA will monitor the impact of the proposed merger on KHML's operations and financial profile.

The ratings draw comfort from the support that KASHPL enjoys by from its parent, KIMS Healthcare Management Limited (KHML) (rated [ICRA]AA-/[ICRA]A1+; Rating Watch with Developing Implications). KHML holds a 51% stake in KASHPL and has an extensive presence in the healthcare industry with strong brand presence in Kerala, as well as a long operational track record of more than two decades. The ratings also consider KASHPL's diversified presence across different specialties, which minimises the concentration risk.

The ratings are constrained by KASHPL's moderate scale of operations and its geographical concentration. The company faces stiff competition from local community hospitals and clinics offering similar services at competitive rates. Moreover, the company's operations remain exposed to regulatory risks wherein any restrictive pricing guidelines would impact its margins.

## Key rating drivers and their description

### Credit strengths

**Extensive experience of the company** – KASHPL benefits from its extensive experience in the healthcare industry and a long operational track record of more than three decades. The company also benefits from the strong brand reputation of its parent hospital at Trivandrum.

**Diversified revenue mix** – The company has a diversified presence across specialities as its top two specialities, orthopaedics (22%) and general medicine (10%), accounting for around 32% of its total revenues in FY2025, reducing the concentration risk. Its significant presence across multiple specialities helps minimise the concentration risk. The company recorded significant growth in revenues and earnings in FY2025 and is expected to clock a 10-15% revenue growth in FY2026 with healthy margins, supported by expected growth in footfalls and ARPOBs. The company is expected to repay its long-term debt by March 2026. Reduced debt levels and healthy earnings are likely to result in improved financial profile going forward.

**Support from parent company, KHML** – The majority shareholder, KHML, is expected to support the company in case of any pressure on its cash flows or liquidity. KHML provided a letter of comfort (LoC) to KASHPL's lenders to ensure timely servicing of financial obligations.

### Credit challenges

**Moderate scale of operations and high geographic concentration** – KASHPL's scale of operations remains moderate, indicated by revenues of Rs. 150.8 crore in FY2025 despite a healthy growth of around 12% on the back of higher ARPOB. The company has a high geographical concentration in Kerala, and its scale remains constrained because it operates in only one city, deriving its revenues from a single hospital.

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

### Liquidity position: Adequate

KASHPL's liquidity position is adequate, supported by expected cash flow from operations of Rs. 20-25.0 crore over the next 12 months. As of September 30, 2025, it also had cash balances and investments of around Rs. 12.0 crore, along with unutilised working capital lines of around Rs. 2.0 crore. In comparison, KASHPL's cumulative funding requirements for capital expenditure and repayment obligations are projected at Rs. 12-15.0 crore over the same period, providing comfort to its liquidity profile.

### Rating sensitivities

**Positive factors** – The rating watch could be resolved when further clarity emerges on the proposed merger of KHML's parent, QCIL, with Aster DM Healthcare Limited. ICRA could also upgrade KASHPL's ratings if it demonstrates a substantial increase in its revenues and earnings, leading to improved debt metrics and its liquidity position. An enhancement in the parent entity's credit profile may also lead to ratings upgrade.

**Negative factors** – ICRA could downgrade KASHPL's ratings in case of moderation in the credit profile of its parent company or weakening of linkages between KASHPL and KHML. Significant decline in revenues or profitability, leading to weakening of debt metrics could also impact the ratings.

## Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology Hospitals</a>
Parent/Group support	KHML: The assigned ratings factor in ICRA's expectations that KHML (rated [ICRA]AA-/[ICRA]A1+; Rating Watch with Developing Implications) will extend financial support to KASHPL, should there be a need, given the strategic importance that KASHPL holds for KHML for meeting its diversification objectives. Both KASHPL and KHML share a common name, which in ICRA's opinion would persuade KHML to provide financial support to KASHPL to protect its reputation from the consequences of a Group entity's distress. Further, KHML has provided an LoC to support shortfall in debt servicing
Consolidation/Standalone	Standalone

## About the company

KIMS Al Shifa, incorporated in 1989, runs a multi-speciality hospital in Perinthalmanna (central Kerala), offering tertiary medical care. The hospital caters primarily to Perinthalmanna and its neighbouring districts. KHML acquired a majority stake (51%) in this hospital in January 2015. KIMS Al Shifa hospital is accredited by the National Accreditation Board for Hospitals & Health care Providers (NABH). The hospital has a bed capacity of 350 beds and catered to 18,942 in-patients in FY2025.

### Key financial indicators (audited)

KIMS Al Shifa	FY2024	FY2025
Operating income	140.7	158.0
PAT	8.4	14.4
OPBDIT/OI	15.2%	13.8%
PAT/OI	6.0%	9.1%
Total outside liabilities/Tangible net worth (times)	0.7	0.5
Total debt/OPBDIT (times)	1.1	0.7
Interest coverage (times)	7.3	12.6

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

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Jan 19, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Term loans	Long-term	9.03	[ICRA]BBB-; Rating Watch with Developing Implications	Dec 24, 2024	[ICRA]BB+; Rating Watch with Developing Implications	Aug 14, 2023	[ICRA]BB (Stable)	Jul 28, 2022	[ICRA]BB (Stable)
						Nov 06, 2023	[ICRA]BB; Rating Watch with Developing Implications		
Cash credit	Long-term	10.00	[ICRA]BBB-; Rating Watch with Developing Implications	Dec 24, 2024	[ICRA]BB+; Rating Watch with Developing Implications	Aug 14, 2023	[ICRA]BB (Stable)	Jul 28, 2022	[ICRA]BB (Stable)
						Nov 06, 2023	[ICRA]BB; Rating Watch with Developing Implications		
BG/LC	Long-term / Short-term	2.00	[ICRA]BBB-/[ICRA]A3; Rating Watch with Developing Implications	Dec 24, 2024	[ICRA]BB+/[ICRA]A4+; Rating Watch with Developing Implications	Aug 14, 2023	[ICRA]BB (Stable)/[ICRA]A4	Jul 28, 2022	[ICRA]BB (Stable)/[ICRA]A4
						Nov 06, 2023	[ICRA]BB/[ICRA]A4; Rating Watch with Developing Implications		
Unallocated	Long-term / Short-term	53.97	[ICRA]BBB-/[ICRA]A3; Rating Watch with Developing Implications	Dec 24, 2024	[ICRA]BB+/[ICRA]A4+; Rating Watch with Developing Implications	Aug 14, 2023	[ICRA]BB (Stable)/[ICRA]A4	Jul 28, 2022	[ICRA]BB (Stable)/[ICRA]A4
						Nov 06, 2023	[ICRA]BB/[ICRA]A4; 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
Long-term/ Short-term – Non-fund Based	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
NA	Term loans	FY2016	NA	FY2027	9.03	[ICRA]BBB-; Rating Watch with Developing Implications
NA	Cash credit	NA	NA	NA	10.0	[ICRA]BBB-; Rating Watch with Developing Implications
NA	Bank guarantee	NA	NA	NA	2.0	[ICRA]BBB-/[ICRA]A3; Rating Watch with Developing Implications
NA	Unallocated limits	NA	NA	NA	53.97	[ICRA]BBB-/[ICRA]A3; Rating Watch with Developing Implications

Source: Company

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

**Annexure II: List of entities considered for consolidated analysis - Not applicable**

## ANALYST CONTACTS

**Jitin Makkar**

0124 4545 368

[jitinm@icraindia.com](mailto:jitinm@icraindia.com)

**Nithya Debbadi**

+91 40 6939 6416

[nithya.debbadi@icraindia.com](mailto:nithya.debbadi@icraindia.com)

**Srikumar K**

+91 44 4596 4318

[ksrikumar@icraindia.com](mailto:ksrikumar@icraindia.com)

**Raviteja Etikala**

+91 40 6939 6418

[etikala.teja@icraindia.com](mailto:etikala.teja@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

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

[info@icraindia.com](mailto: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](http://www.icra.in)

## ICRA Limited



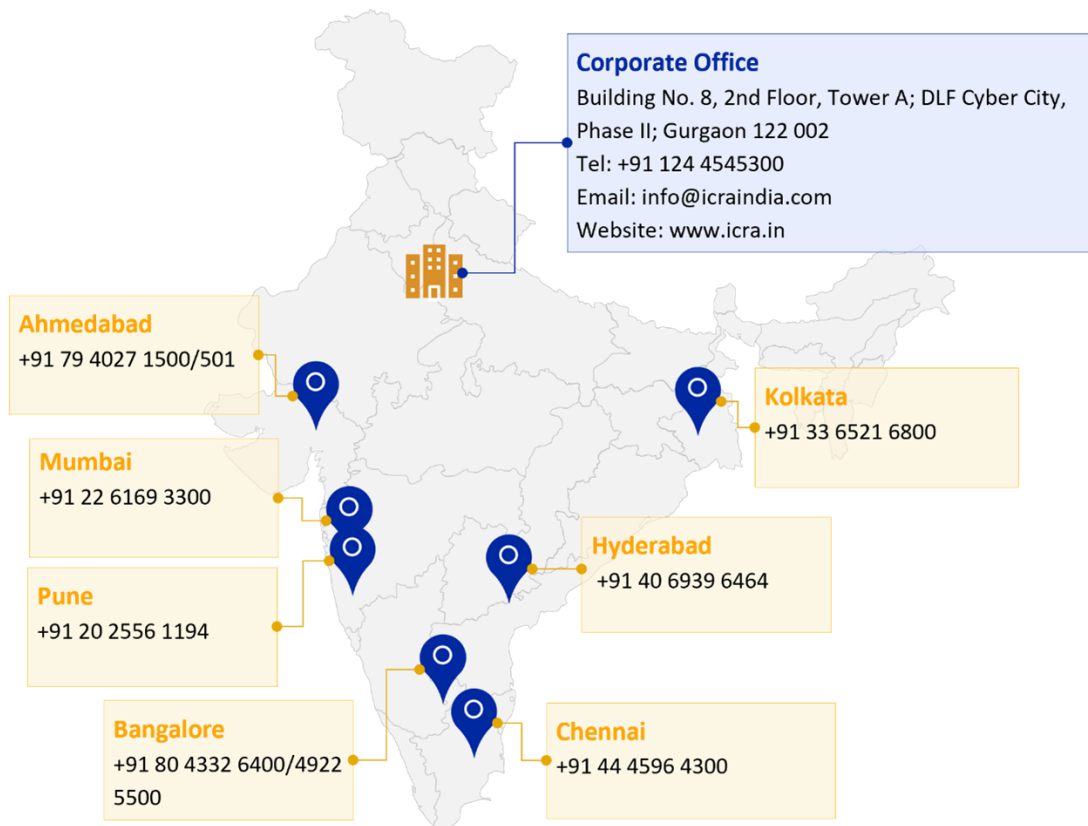
### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents