

Artemis Medicare Services Limited

September 30, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long-term / short-term bank facilities	RBI	45.00	CARE A; Stable / CARE A2+	Reaffirmed
Long-term bank facilities	RBI	343.15 (Reduced from 427.90)	CARE A; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to the bank facilities of Artemis Medicare Services Limited (AMSL) continues to derive strength from its resourceful and reputed promoters, experienced management team and steady operational performance driven by sustained higher average revenue per occupied bed (ARPOB) supported by steady inflow of international patients, resulting in healthy operating margins. Ratings also continue to derive comfort from its diversified revenue streams and a comfortable financial risk profile. However, these strengths are constrained by project execution and stabilisation risks associated with its ongoing multi-location expansion capex programme. Ratings continue to remain constrained by intense competition in the healthcare industry, especially in the National Capital Region (NCR), and regulatory risk associated with the healthcare industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in total operating income (TOI) above ₹1,100 crore and profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin above 20% on a sustained basis.
- Timely completion of the ongoing capex and sustained improvement in leverage as marked by total debt to gross cash accruals (TD/GCA) below 2x.

Negative factors

- Change in management or effective control of promoter group.
- Debt funded capex or acquisition leading to TD/PBILDT above 2.25x on a sustained basis.
- Sustained decline in operations with TOI below ₹700 crore and PBILDT margin below 14%.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) takes a consolidated view of the parent, AMSL, and its subsidiary, Artemis Cardiac Care Private Limited (ACCPL), owing to significant business, operational, and financial linkages between the two entities. Entities consolidated are listed under Annexure-5.

Outlook: Stable

The 'Stable' outlook indicates the expected improvement in AMSL's scale of operations, driven by a sustained increase in higher-yielding international patients, supporting a healthy ARPOB, and the gradual ramp-up of the Raipur Hospital.

Detailed description of key rating drivers

Key strengths

Established track record in operations in the healthcare industry with resourceful promoters

AMSL started operations in 2007 and it is established by promoters of the Apollo Tyres Group. Onkar Kanwar, Chairman of AMSL, is also Chairman of Apollo Tyres Limited (ATL) and held 58.38% stake in AMSL through an investment company, Constructive Finance Private Limited, as on June 30, 2026. AMSL's board is represented by key management personnel of ATL and comprises

¹SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

²Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

independent directors from diverse industry sectors. AMSL has been awarded the National Accreditation Board for Hospitals and Healthcare Providers (NABH) and Joint Commission International (JCI) accreditations.

Experienced management supported by a qualified team of doctors

Though AMSL is the maiden venture of the promoter in the healthcare business, the company's operations are well supported by a group of professionals having extensive work experience in renowned hospitals, such as Max Healthcare, Fortis, and Apollo. Dr Devlina Chakravarty, Managing Director, supported by a team of professionals, looks after the day-to-day hospital operations. As on May 31, 2026, AMSL had a team of 509 doctors, 626 administrative employees, 928 nurses, and 406 paramedical staff.

Sustained growth in scale of operations and improvement in profitability margins in FY26 (refers to April 01 to March 31)

The company's TOI has grown at a compound annual growth rate (CAGR) of 18% over the last five years and increased to ₹1,083.12 crore (PY: ₹938.42 crore) in FY26, supported by an increase in operational beds to 551 from 489 with the opening of new floors in Tower 3, while occupancy remained stable at 63% (PY: 64%), supported by growth in medical tourism. Average revenue per occupied bed (ARPOB) improved to ₹83,326 (PY: ₹79,647), driven by a better case mix with sustained demand for complex and higher-value procedures, improved payer mix, and higher contribution from international patients. Consequently, operating profit per bed improved to ₹0.34 crore in FY26 from ₹0.31 crore in FY25. Profitability remains comfortable, with PBILDT margin improving to 17.55% in FY26 (PY: 16.36%), while profit after tax (PAT) margin improved to 9.58% (PY: 8.76%), aided by economies of scale and higher interest income on unutilised preferential issue proceeds. However, the company's margins remain constrained by high doctor payouts amid intense competition in the Delhi-NCR hospital industry and payments to facilitators/agents for international patients. Going forward, profitability is expected to moderate marginally due to initial losses from the newly operationalised Raipur hospital and lower interest income as the preferential issue proceeds are deployed towards their stated objects.

Diversification of revenue streams

AMSL's revenue profile remains well diversified, supported by its integrated facilities and presence across medical specialties. In FY26, no single specialty contributed more than 15% of revenue, with orthopaedics, oncology, neurology, and cardiology collectively accounting for ~43% of total revenue (PY: 45%). The company also operates through asset-light models, such as Daffodils (for mother and child care) and Artemis Lite (neighbourhood hospital), while the operations and maintenance (O&M) arrangement for the Raipur hospital provides further geographical diversification. However, the Gurugram flagship hospital continues to account for the majority of revenue at 95.30% of TOI in FY26, with Daffodils and Artemis Lite contributing 2.80% and cardiac care centres 1.90%. AMSL's ability to complete its brownfield and greenfield capex plans without significant time and cost overruns, and achieve envisaged occupancy levels and cash flow generation, will remain a key monitorable.

Comfortable financial risk profile

The company's financial risk profile remains comfortable, supported by improvement in its capital structure following the conversion of ₹330 crore compulsorily convertible debentures (CCDs) held by International Finance Corporation (IFC) into equity share capital in FY26. Overall gearing improved to 0.32x as on March 31, 2026 (PY: 0.40x), while debt protection metrics remained healthy, with PBILDT interest coverage improving to 6.86x (PY: 4.81x) and TDGCA of 1.65x (PY: 2.21x). Despite the sizeable capex pipeline of ~₹800 crore over the next few fiscals towards Tower 4 at its flagship Gurugram hospital, VIMHANS, and other expansion initiatives, the company is expected to maintain a comfortable financial risk profile, supported by healthy internal accrual generation and adequate debt protection metrics.

Key weaknesses

Risks associated with ongoing expansion and stabilisation of facilities

The company remains exposed to stabilisation risk at Tower 3 of its flagship Gurugram facility and the newly commenced Raipur hospital. The ability to achieve the envisaged occupancy levels and operating efficiencies at these facilities remains critical for improving the company's operating performance. Further, the company is undertaking a sizeable expansion programme involving capex at VIMHANS in Delhi, the Raipur hospital, and towards Tower 4 at Gurugram, which entails execution and funding risks. Any delay in completion of the capex, cost overrun, or slower-than-expected stabilisation of the facilities could adversely impact the company's cash accruals and financial profile.

Competition in the healthcare industry in Delhi-NCR

The company faces intense competition in the Delhi-NCR healthcare market from established private hospital chains such as Fortis Healthcare, Apollo Hospitals and Max Healthcare, and leading government hospitals, including AIIMS, Safdarjung Hospital, and Ram Manohar Lohia Hospital. The competitive intensity extends to patient acquisition and retention of experienced medical

professionals. AMSL's ability to sustain growth in domestic and international patient volumes and maintain its operating performance amid such competition remains a key monitorable.

Exposure to regulatory and geographical concentration risk

The healthcare sector remains subject to regulatory interventions, including pricing controls on medical devices and implants and evolving compliance requirements, which could exert pressure on industry profitability. Any adverse regulatory changes could impact AMSL's margins and remain a key monitorable. The company remains exposed to geographical concentration risk, with over 95% of its revenue generated from its Gurugram hospital. This concentration is relatively higher than larger hospital chains with a wider geographical presence. However, AMSL is gradually mitigating this risk through expansion under the Daffodils and Artemis Lite models and by entering into O&M arrangements for hospitals in other geographies.

Liquidity: Adequate

AMSL's liquidity profile is adequate as reflected by scheduled debt repayments of ₹36.91 crore in FY27 against projected GCA of ~₹175 crore. The company had free cash and bank balance of ~₹143 crore at the consolidated level as on March 31, 2026. Average utilisation of working capital limits of ₹45 crore remained nil for the 12-month period ended August 2026, providing additional liquidity cushion to the company. The company has envisaged a sizeable capex of ~₹800 crore over the next three fiscals towards Tower 4 at its flagship Gurugram hospital, expansion at VIMHANS, Delhi, the Raipur hospital and other initiatives. Liquidity will depend on the company's ability to generate healthy internal accruals and maintain adequate financial flexibility to fund the planned capex while meeting its debt repayment obligations.

Environment, social, and governance (ESG) risks

The healthcare sector remains exposed to environmental, social and governance (ESG) risks arising from biomedical waste management, energy consumption, water usage, patient safety, data privacy and evolving regulatory requirements. Non-compliance with these requirements or the need for additional investments towards sustainability and compliance measures could impact operating costs and profitability. AMSL has undertaken various initiatives to mitigate such risks, including IGBC Platinum certification, rooftop solar installations, energy-efficient equipment, rainwater harvesting, and organic waste management. On the social front, AMSL promotes access to healthcare for economically weaker sections through Ayushman Bharat empanelment, financial assistance programmes, tuberculosis elimination initiatives, health camps, and community outreach activities. The company has also implemented measures to enhance the safety and accessibility of services for contractual workers, elderly patients, and persons with disabilities. While ESG-related risks remain inherent to the healthcare sector, AMSL's initiatives support its sustainability profile. Nevertheless, compliance with evolving ESG and regulatory requirements remains a key monitorable.

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Hospital](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Healthcare services	Hospital

Incorporated in May 2004, AMSL is engaged in healthcare services. AMSL owns and operates a 551-bed multi-specialty tertiary care hospital in Gurgaon (PY: 489 beds). AMSL's specialty areas include orthopaedics, oncology, cardiovascular, neurosciences, bariatric, and minimally invasive surgery, among others. AMSL has been awarded with the NABH and JCI accreditation. Onkar Kanwar (Chairman of AMSL) is also the chairman of Apollo Tyres Limited. In FY19, AMSL approved an investment in ACCPL, which is a joint venture with Philips Medical Systems B.V (35% shareholding). ACCPL is a subsidiary of the AMSL with 65% shareholding formed primarily for operating and setting up of cath lab units in Tier-2/3 cities in India.

Consolidated financials:

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
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Total operating income	938.42	1083.12	287.32
PBILDT*	153.51	190.06	56.45
Profit after tax (PAT)	82.18	103.72	31.44
Overall gearing (x)	0.40	0.32	NA
Interest coverage (x)	4.81	6.86	8.74

A: Audited; UA: Unaudited; NA: Not available; Q1FY27: Refers to April 01 to June 30; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and taxation

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:

A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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/ ST-Working Capital Limits	RBI	Simple	-		-	-	45.00	CARE A; Stable / CARE A2+
Term Loan-Long Term	RBI	Simple	-		-	31-03-2034	343.15	CARE A; Stable

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 2026-2027	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
1	Term Loan-Long Term	LT	343.15	CARE A; Stable	-	1)CARE A; Stable (12-Aug-25)	1)CARE A; Stable (03-Sep-24)	1)CARE A-; Stable (28-Aug-23)
2	Fund-based - LT/ST-Working Capital Limits	LT/ST	45.00	CARE A; Stable / CARE A2+	-	1)CARE A; Stable / CARE A2+ (12-Aug-25)	1)CARE A; Stable / CARE A2+ (03-Sep-24)	1)CARE A-; Stable / CARE A2 (28-Aug-23)

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Lender details**

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

Annexure-5: List of entities consolidated

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Artemis Cardiac Care Private Limited	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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