Ref: NEPHROPLUS/SE/86

September 18, 2026

To
BSE Limited
P.J. Towers, Dalal Street,
Mumbai – 400 001
Scrip Code: 544647
Through: BSE Listing Centre

To
National Stock Exchange of India Limited
5th Floor, Exchange Plaza, Bandra (E),
Mumbai – 400 051
Scrip Symbol: NEPHROPLUS
Through: NEAPS

Sub: Update of Credit Ratings - Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

Dear Sir/Madam,

Pursuant to Regulation 30 read with Schedule III of the SEBI Listing Regulations, we hereby inform the below update received on the credit ratings of the Company from India Ratings and Research Private Limited ("**India Ratings**"), Credit Rating Agency vide its letter dated September 18, 2026:

Particulars	Amount in Rs. Millions	Current Rating / outlook	Previous rating / outlook	Rating Action
Bank Loan Facilities - Long-term	68.90	IND AA-/Stable	IND A+/Positive	Upgraded
Bank Loan Facilities - Short-term	2,700.00	IND AA-/Stable / IND A1+	IND A+/Positive / IND A1+	Upgraded/ Reaffirmed

The detailed rating report issued by India Ratings in this regard is enclosed herewith.

The aforesaid information is also being made available on the Company's website at www.nephroplus.com

For Nephrocare Health Services Limited
(Formerly Nephrocare Health Services Private Limited)

Kathri Kishore
Digitally signed by Kathri Kishore
Date: 2026.09.18 20:03:23 +05'30'

Kishore Kathri
Company Secretary & Head Legal
ICSI M. No. F9895

Encl: a/a

India Ratings & Research
A Fitch Group Company

India Ratings Upgrades Nephrocare Health Services’s Bank Loan Facilities to ‘IND AA-’/Stable; Affirms Short-Term Rating at ‘IND A1+’; Rates Additional Limits

Sep 18, 2026 | Nephrocare Health Services Limited (Formerly Nephrocare Health Services Private Limited) | Healthcare Service Provider

India Ratings and Research (Ind-Ra) has upgraded Nephrocare Health Services Limited’s (NHSL) bank loan facilities’ long-term rating to ‘IND AA-’ from IND A+, with a Stable Outlook, and affirmed short-term rating to ‘IND A1+’. The detailed rating actions are as follows:

Details of Instruments

Instrument Type	Regulator of Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (INR million)	Rating Assigned with Outlook/Watch	Rating Action
Bank loan facilities	RBI	-	-	-	2,262.27	IND AA-/Stable/IND A1+	Long-term rating upgraded; short-term rating affirmed
Bank loan facilities	RBI	-	-	-	506.63	IND AA-/Stable/IND A1+	Assigned

Analytical Approach

Ind-Ra continues to take a fully consolidated view of NHSL and its subsidiaries, while arriving at the ratings. The agency has also factored in the strong operational, legal and strategic linkages among the group entities, common branding under the NephroPlus platform and the integrated management oversight across geographies.

Detailed Rationale of the Rating Action

The upgrade reflects Ind-Ra’s expectation of sustained strengthening of Nephrocare Health Services Limited's (NHSL) business and financial profiles, supported by its leading position in the organised dialysis market, diversified operating profile, recurring demand characteristics and healthy profitability. The ratings continue to benefit from NHSL's established operating track record, scalable business model, increasing contribution from international operations and demonstrated execution capabilities across captive and public-private partnership (PPP) formats. Geographic diversification, along with long-tenured contracts of seven years to 15 years, and scale benefits, translate into healthy clinic economics, resulting in a healthy return on capital employed, which aligns with category medians.

The upgrade also factors in the strengthening of NHSL's financial profile, following the equity raise in December 2025, resulting in improved financial flexibility and a net cash position at FYE26. Ind-Ra expects NHSL to continue benefiting from favourable industry fundamentals, increasing dialysis penetration, expansion across domestic and international markets, and growing contribution from mature overseas operations, particularly in the Philippines and Uzbekistan. The Stable Outlook reflect Ind-Ra's expectation that NHSL will maintain healthy operating performance, comfortable credit metrics and adequate liquidity, while pursuing its growth strategy over the medium term.

List of Key Rating Drivers

Strengths

- Strong business profile; diversified operations
- Scaling global footprint with focused investments
- Strong operating performance and healthy profitability; likely to sustain over medium term
- Strong financial profile and financial flexibility; likely to be sustained

Weaknesses

- Working capital-intensive business model
- Growth-oriented expansion strategy
- Execution risks in new international markets
- Forex and geopolitical risks

Detailed Description of Key Rating Drivers

Strong Business Profile; Diversified Operations: NHSL is among the leading organised dialysis service providers in India, supported by the well-established NephroPlus brand, a diversified operating model and a strong market position across captive, PPP and standalone centre formats. The business benefits from the recurring and non-discretionary nature of dialysis treatments, resulting in stable demand and revenue visibility. NHSL's geographical diversification has strengthened over the last three years, with international operations contributing about 42% to the consolidated revenue in FY26 (FY25: 32%; FY24: 25%).

Ind-Ra expects the company's scale, diversified presence and recurring demand profile to continue supporting its business risk profile over the medium term. As per the company's FY26 annual report, NHSL holds more than 50% share in the organized Indian dialysis market. As on 31 March 2026, NHSL's asset-light model spans the following three clinic formats: captive (272 clinics), PPP (182 clinics) and standalone (70 clinics), with approximately 52% of clinics operating under revenue-sharing arrangements that limit the upfront capital requirement. Captive arrangements typically carry tenures of seven to 15 years, providing revenue visibility, and contract renewal rates have historically exceeded more than 95%. Ind-Ra notes that approximately 73% of revenue is generated from Tier II and Tier III cities and towns, with approximately 79% of its clinics in India located outside the top metros.

Scaling Global Footprint with Focused Investments: International operations have become a meaningful contributor to NHSL's consolidated profitability profile, with their share in overall profitability witnessing a consistent increase from FY24 to FY26. The Philippines remains a key growth market, driven by favourable industry dynamics and consolidation opportunities, while Uzbekistan provides stable revenue through long-term PPP arrangements. NHSL has also established platforms in Saudi Arabia and Kazakhstan to support future growth. Ind-Ra expects international operations to continue enhancing revenue diversification and profitability, although profitability ramp-up and funding requirements in newer markets remain monitorable.

Strong Operating Performance and Healthy Profitability; Likely to Sustain Over Medium Term: NHSL's operating performance strengthened during FY24-FY26, supported by growth in treatment volumes, increasing contribution from PPP centres and scale-up of international operations. The company's consolidated revenue increased to INR10.0 billion in FY26 (FY25: INR7.6 billion; FY24: INR5.7 billion), while EBITDA grew to INR2.3 billion (INR1.7 billion; INR1.0 billion). The EBITDA margins improved to 22.7% in FY26 (FY25: 22.0%; FY24: 17.6%). The healthy momentum continued in 1QFY27, with revenue increasing to INR2.8 billion (1QFY26: INR2.3 billion) and adjusted EBITDA to INR0.7 billion (INR0.5 billion). Ind-Ra expects profitability to remain supported by its operating leverage, utilisation improvement and increasing contribution from mature international operations.

Strong Financial Profile and Financial Flexibility; Likely to be Sustained: NHSL's financial profile strengthened materially in FY26, following the equity raise and continued healthy operating performance. The company's cash and equivalents (including fixed deposits and current investments) increased to INR4.3 billion at FYE26 (FYE25: INR1.9 billion; FYE24: INR0.3 billion), while its debt reduced to INR0.8 billion (INR2.6 billion; INR2.7 billion), resulting in a net cash position (net leverage (total net debt/operating EBITDA) improved: 0.4x; 2.4x). Although the interest coverage (EBITDA/gross interest expense) moderated to 3.8x in FY26 (FY25: 8.0x; FY24: 5.0x), primarily due to a one-time, noncash fair value remeasurement charge on bonus compulsorily convertible preference shares recognised under finance costs. Excluding this accounting adjustment, the interest coverage remained significantly stronger and more reflective of the company's underlying debt-servicing capability. Ind-Ra expects NHSL to maintain a prudent financial policy, supported by healthy cash flow generation, adequate liquidity and disciplined capital allocation.

Working Capital-Intensive Business Model: NHSL continues to operate under a working capital-intensive business model due to the sizeable contribution (more than 60%) of revenue from government-sponsored healthcare schemes and PPP projects. Although collection efficiency has improved, debtor period remained at 116 days in FY26 (FY25: 130 days; FY24: 137 days), which is higher than most corporate hospital operators, which derive a lower proportion of revenue from government-funded schemes; therefore, have shorter receivable cycles. Continued improvement in receivable collections and working capital management remains a key monitorable.

Growth-Oriented Expansion Strategy: NHSL continues to pursue growth through capacity additions, PPP opportunities and selective acquisitions across India and international markets. While the company's operating model remains relatively capital-efficient compared to hospital operators, the timely ramp-up of new centres and maintaining profitability across the newly entered markets remain key monitorables. Ind-Ra expects growth to remain supported by the essential nature of dialysis treatments, increasing patient volumes and continued expansion of organised dialysis infrastructure.

Execution Risks in New International Markets: NHSL continues to expand its international presence through acquisitions and greenfield opportunities. While the company has demonstrated a strong track record in scaling operations in the Philippines and Uzbekistan, the successful ramp-up of operations in newer markets, achievement of targeted utilisation levels and maintenance of profitability remain key monitorables. Any delays in expansion, integration challenges or higher-than-expected capital requirements is likely to impact the growth pace.

Forex and Geopolitical Risks: With international operations contributing about 42% to the consolidated revenue in FY26, NHSL remains exposed to foreign exchange fluctuations, and country-specific regulatory and geopolitical risks. However, these risks are partly mitigated by diversification across multiple geographies, local operating teams and the essential nature of dialysis services.

Liquidity

Adequate: NHSL's liquidity profile strengthened materially in FY26, following the equity raise and continued healthy operating performance. Cash and equivalents (including fixed deposits and current investments) increased to INR4.3 billion at FYE26 (FYE25: INR1.9 billion; FYE24: INR0.3 billion), providing significant financial flexibility to support growth initiatives and debt servicing requirements. The group's debt reduced substantially during FY26, with all India-level term loans repaid. As of August 2026, the only outstanding term borrowing pertains to the Uzbekistan subsidiary, where the outstanding term loan stood at about INR67 million. Scheduled debt repayments remain modest, with term loan repayments of about INR67 million due after 1QFY27 in FY27. The term loan is expected to be fully repaid during FY27 and, consequently, there are no material term debt repayments due in FY28, with repayment obligations thereafter largely comprising lease liabilities. Management does not anticipate any material additional term debt requirement to support planned expansion over the medium term.

NHSL's liquidity is further supported by low utilisation of banking lines. The average utilisation of fund-based limits stood at around 27% during the 12 months ended August 2026, while utilisation of non-fund-based limits stood at around 39% over the same period. The company generated operating cash flow of INR2.3 billion in FY26 (FY25: INR1.4 billion) and maintained positive free cash flow generation, despite continued investments in network expansion. Ind-Ra expects liquidity to remain supported by healthy operating profitability, positive cash generation, a net cash balance sheet and adequate financial flexibility over the medium term.

Rating Sensitivities

Positive: Substantial improvement in scale, profitability and revenue diversification, while maintaining strong liquidity and current credit profile, all on a sustained basis, could lead to a positive rating action.

Negative: Any sustained deterioration in profitability, material elongation in the working capital cycle, weakening of liquidity and/or aggressive debt-funded capex or acquisitions, resulting in the consolidated net leverage exceeding 1.0x on a sustained basis, could lead to a negative rating action.

Any Other Information

Not applicable

About the Company

NHSL, operating under the NephroPlus brand, is one of India's leading organised dialysis service providers. The company provides dialysis services through captive, PPP and standalone centre formats. As of 1QFY27, NHSL operated 550 clinics across India and international markets, including the Philippines, Uzbekistan and Nepal.

Key Financial Indicators

Particulars (Consolidated; INR billion)	**FY26**	**FY25**
Revenue	10.0	7.6
EBITDA	2.3	1.7
EBITDA margin (%)	22.7	22.0
Gross interest coverage (x)	3.8	8.0
Net leverage (x)	NA*	0.4
Source: NHSL; Ind-Ra *net cash position NA – not applicable		

Particulars (Standalone; INR billion)	**FY26**	**FY25**
Revenue	6.3	5.4
EBITDA	0.9	1.0
EBITDA margin (%)	14.0	17.5
Gross interest coverage (x)	1.8	6.6
Net leverage (x)	NA*	0.8
Source: NHSL; Ind-Ra *net cash position NA – not applicable		

Correction in Previous Rating Action Commentary

Ind-Ra corrects all the previously published rating action commentary to remove inadvertent references to the issuer rating in the rating history table of the RAC.

Status of Non-Cooperation with Previous Rating Agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook	
	Rating Type	Rated Limits (INR million)	Current Rating	20 June 2025	22 March 2024
Bank loan facilities	Long-term/short-term	2,768.90	IND AA-/IND A1+	IND A+/Positive/IND A1+	IND A/Stable/IND A1

Disclosure on instruments / activities and names of regulators:

A list of products/activities or ratings of instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by Ind-Ra on its website. A link to the same has been provided below for ready reference:

Rating Activities

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Bank wise Facilities Details

The details are as reported by the issuer as on (18 Sep 2026)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	Citibank N.A.	Fund/Non-Fund Based Working Capital Limit	650	IND AA-/Stable / IND A1+
2	HDFC Bank Limited	Fund-based/Non-fund-based limit	400	IND AA-/Stable / IND A1+
3	Hongkong Shanghai Banking corporation	Fund-based/Non-fund-based limit	1650	IND AA-/Stable / IND A1+
4	Asian Development Bank	Term Loan	68.9	IND AA-/Stable

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

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About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

APPLICABLE CRITERIA AND POLICIES

Corporate Rating Methodology

Parent and Subsidiary Rating Linkage

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process

Evaluating Corporate Governance

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