

Rating: Neutral

Issue Offer

Total issue size: INR14,500 Mn (20.9 Mn Shares)
Fresh – INR 5,000 Mn (7.2 Mn Shares)
OFS – INR 9,500 Mn (13.7 Mn Shares)

Issue Summary`

Price Band (INR)	660-693
Face Value (INR)	1
Implied Market Cap (INR Mn)	74983.4
Market Lot	21
Issue Opens on	21 st October 2026
Issue Close on	23 rd October 2026
No. of share pre-issue	100,986,187
No. of share post issue	108,201,194
Listing	NSE, BSE

Issue Break-up (% of Total Issue)

QIB Portion	75
Retail Portion	10
NII Portion	15

Book Running Lead Managers

JM Financial Limited
BofA Securities India Limited
Nuvama Wealth Management Limited

Registrar

MUFG Intime India Private Limited

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	72.8%	55.28%
Public & Others	27.2%	44.72%

Objects of the Issue

Prepayment or scheduled re-payment, in full or part, of certain outstanding borrowings availed by Company	3,209 Mn
Investment in our wholly owned Subsidiary, PMHPL (which also operates hospital in Srinagar), for repayment/prepayment of borrowings, in full or part, of PMHPL	541 Mn
General corporate purposes	-

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Paras Healthcare Ltd. is a clinical specialty-led hospital platform providing tertiary and quaternary care under the “Paras Health” brand. As of June 30, 2026, the company operates eight hospitals with a bed capacity of 2,211 (1,502 operational beds) across Gurugram, Panchkula, Patna, Darbhanga, Kanpur, Udaipur, Ranchi and Srinagar. Its focus specialties (cardiac, oncology, neuro, gastro, orthopedics and renal sciences) contributed 74.70% of FY26 revenue.

Investment Rationale:

Occupancy-led operating leverage: Occupancy rose from 52.46% in FY24 to 61.75% in FY26 and 69.72% in Q1 FY27, with Srinagar (36.08%) and Kanpur (30.96%) still ramping up. Revenue grew from INR 11,290 Mn in FY24 to INR 16,060 Mn in FY26 (19.3% CAGR), while EBITDA rose from INR 1,544 Mn to INR 3,356 Mn and margin expanded from 13.4% to 20.6% (23.7% in Q1 FY27). PAT turned from a loss of INR 153 Mn to INR 438 Mn.

Visible capacity pipeline: A 300-bed Gurugram hospital (FY27) and a 500-bed Ludhiana hospital (FY28) are planned, taking total beds to 3,011 by March 2028, about 36% above current capacity.

Payor mix is a concern: Government schemes and PSUs rose from 29.76% of revenue in FY24 to 41.28% in FY26 and 43.63% in Q1 FY27, while self-pay fell from 40.63% to 31.30%. Trade receivables rose from INR 1,563 Mn (~51 days) in FY24 to INR 3,496 Mn (~79 days) in FY26 and INR 4,476 Mn in June 2026, and FY26 operating cash flow (INR 1,635 Mn) did not cover capex (INR 1,694 Mn).

Large exit component: 65.5% of the issue is an OFS by the promoter (INR 3,000 Mn) and Commelina Ltd (INR 6,500 Mn). Promoter holding falls from 72.80% to ~64% at the upper band.

Valuation & Outlook At the upper price band of INR 693, Paras Healthcare is valued at a post-issue market cap of approximately INR 74,983 Mn, implying ~160x FY26 diluted EPS of INR 4.34 against a listed peer average of 67.8x. On EV/EBITDA it trades at ~24x FY26 (~21x on trailing June 2026 EBITDA) versus a peer average of 33.1x. The EV/EBITDA discount is, in our view, justified by lower ARPOB (Fortis: ~INR 68,800/day), a rising government-payor mix, higher leverage and a still-thin earnings base, which also explains the steep P/E. The company offers exposure to a growing North and East India tertiary-care market with an improving occupancy trajectory and a funded expansion pipeline. However, investors should monitor receivable days, payor mix, interest burden and execution at the new Gurugram and Ludhiana hospitals. **At the upper price band, we recommend Neutral for this issue.**

Particulars (INR Mn)	FY24	FY25	FY26
Revenue	11,510.23	13,142.07	16,287.84
<i>Growth (% YoY)</i>		<i>14.18%</i>	<i>23.94%</i>
EBITDA	1,544.11	1,564.61	3,355.77
<i>Margins</i>	<i>13.42%</i>	<i>11.91%</i>	<i>20.60%</i>
PAT	-153.31	-579.83	438.34
<i>Margins</i>	<i>-1.33%</i>	<i>-4.41%</i>	<i>2.69%</i>

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Stock Rating Scale**Absolute Return**

BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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