

Company Overview

Paras Healthcare Limited is a clinical specialty-led hospital platform providing tertiary and quaternary healthcare services through eight hospitals with an aggregate capacity of 2,211 beds as of June 30, 2026, across North India, Bihar and Jharkhand, under the "Paras Health" brand. Its clinical portfolio is anchored by six core specialties, Cardiac Sciences, Oncology, Neurosciences, Gastro Sciences, Orthopaedics and Sports Injury, and Renal Sciences (collectively, "CONGOR"), which contributed 74.7% of FY26 operating revenue. The hospital network comprises four mature facilities in Gurugram, Patna, Panchkula and Darbhanga, two emerging hospitals in Ranchi and Udaipur, and two newer facilities in Srinagar and Kanpur. This portfolio combines established, revenue-generating centres with opportunities to improve occupancy and gain operating leverage at newer facilities. The company also operates Paras Labs, a NABL-accredited central reference laboratory in Gurugram, supporting its diagnostic services. Its flexible operating model includes owned, leased, revenue-sharing and public-private partnership arrangements, enabling calibrated capital deployment. In FY26, the company recorded 1,15,496 inpatient discharges, 7,78,707 outpatient consultations and an average revenue per occupied bed (ARPOB) of Rs. 47,398 per day. Its expansion pipeline includes a planned 300-bed hospital in Gurugram by FY27 and a hospital of up to 500 beds in Ludhiana by FY28, taking targeted bed capacity to 3,011 by March 2028. Growth prospects are supported by rising demand for organized healthcare in underserved markets, increasing penetration of high-value specialties, and the ramp-up of newer hospitals, while execution and capacity utilization remain key monitorables.

Objects of the issue

The IPO consists of a fresh issue of Rs. 500 crores and an Offer for Sale of Rs. 950 crores. The company proposes to utilize the proceeds from the issue towards the following objects:

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

Investment Rationale

Strong regional presence, first-mover advantage and established brand equity

Paras Healthcare has established a strong regional presence across North India, Bihar and Jharkhand, positioning itself among the largest healthcare providers in these markets by bed capacity. As of June 30, 2026, the company operated eight hospitals across five states and one union territory, with a total capacity of 2,211 beds, up from 200 beds in June 2006. Its strategy of entering markets with large patient catchments and unmet demand for quality tertiary and quaternary healthcare has enabled it to establish an early presence in key locations. The company has differentiated positioning across several markets, including being the first corporate hospital entrant among listed peers in Gurugram and Patna, while its Srinagar hospital is the largest corporate super-specialty private hospital in Jammu and Kashmir by bed capacity. Its established regional footprint is supported by the growing demand for organized healthcare, with the Indian healthcare delivery market expected to expand at a CAGR of 10-12% between FY25 and FY30 to reach Rs. 11.2–12.2 trillion. North India's healthcare delivery market is projected to grow at a similar rate, while Bihar and Jharkhand are expected to register 9.5-11.5% growth over the same period, providing a favourable demand environment for the company's expansion. In addition, the Paras Health brand benefits from strong patient satisfaction metrics, with a score of 90.60 and a net promoter score of 93.31 as of March 31, 2026. Seven of its eight hospitals are NABH-accredited, reinforcing its focus on clinical quality and patient-centric care. In the future, regional brand recognition, established hospital infrastructure, first-mover advantages in select markets, and rising demand for specialized healthcare could support patient acquisition, referral generation, and expansion across existing catchments. However, sustaining this competitive position will depend on maintaining clinical quality, attracting experienced medical professionals, and improving the utilization and profitability of its hospital network.

Issue Details

Offer Period	21st Oct. 2026 - 23rd Oct. 2026
Price Band	Rs. 660 to Rs.693
Bid Lot	21
Listing	BSE & NSE
Issue Size (no. of shares in Cr.)	2.09
Issue Size (Rs. in Cr.)	1,450
Face Value (Rs.)	1

Issue Structure

QIB	75%
NIB	15%
Retail	10%

BRLM	JM Financial Ltd., BofA Securities India Ltd., Nuvama Wealth Management Ltd.
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Registrar	MUFG Intime India Private Ltd.
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Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	72.80	55.28
Public	27.20	44.72
Total	100.00%	100.00%

(Assuming issue subscribed at higher band)

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Paras Healthcare Limited

Strong focus on tertiary and quaternary care with high contribution from CONGOR specialties

Paras Healthcare has established a strong clinical position in tertiary and quaternary healthcare, with a focused presence across CONGOR specialties and the capability to manage complex, high-acuity cases. These specialties contributed 74.70% in FY26, underscoring the company's sustained focus on advanced, specialized healthcare services. Its critical care infrastructure has strengthened, with ICU capacity increasing from 425 beds as of March 2024 to 559 beds as of June 2026, supported by dedicated cardiac, neurological, transplant, neonatal, paediatric, medical and surgical ICUs. The company is further enhancing its clinical capabilities by investing in advanced oncology infrastructure, including LINAC and PET-CT facilities at select hospitals, and introducing robotic surgery programmes in Patna, Panchkula, and Kanpur. Its quaternary care portfolio includes bone marrow transplantation at Gurugram, Patna and Panchkula, kidney and liver transplant programmes at Gurugram and Patna, and deep brain stimulation at Gurugram and Panchkula. These specialized treatment capabilities, combined with the planned expansion of advanced clinical programmes across the network, could support a higher-acuity patient mix, strengthen patient referrals and improve revenue realization. The company's focus on complex procedures and advanced surgeries could also support average revenue per occupied bed (ARPOB) and operating performance. As we advance, expanding oncology and robotic surgery services, deepening penetration of transplant programmes, and installing a LINAC in Srinagar in FY27 could strengthen its competitive positioning and support growth in specialized healthcare services.

Valuation

Paras Healthcare has established a multi-specialty hospital platform with a strong regional presence across North India, a diversified clinical portfolio, and meaningful headroom for growth as it ramps up its newer facilities. The company's growth strategy is focused on improving the operational performance of its emerging hospitals in Ranchi and Udaipur and newer hospitals in Srinagar and Kanpur by increasing bed occupancy, expanding clinical capabilities, attracting experienced clinicians, introducing services in underpenetrated specialties and strengthening referrals through outreach clinics and community screening programmes. Additionally, the company intends to expand its hospital network across underserved markets in North India, targeting regions with low bed density, limited access to advanced tertiary and quaternary care, and improving economic prosperity. The strategy is supported by favourable industry fundamentals, with the North India healthcare delivery market estimated at Rs. 2.1-2.2 trillion in FY24 and projected to grow at a CAGR of 10-12% to Rs. 3.6-3.8 trillion by FY30, driven by rising healthcare expenditure, lifestyle-related diseases, growing middle-class incomes and increasing penetration of organized hospital chains. The region's relatively low bed density of 14-15 beds per 10,000 populations, compared with 29-30 beds in South India, highlights a significant capacity expansion opportunity for organized healthcare providers. On the financial front, Paras Healthcare has improved its financial performance, turning profitable with a PAT of Rs. 438.3 mn in FY26 against a loss of Rs. 579.8 million in FY25, supported by higher operating scale and improved profitability. Patient throughput also strengthened, with inpatient discharges reaching 1,15,496 and outpatient consultations increasing to 7,78,707 in FY26. In the future, improved occupancy at newer hospitals, a richer specialty mix, higher patient volumes, better utilization of existing infrastructure, and operating leverage could support revenue growth and margin expansion. However, the pace of earnings improvement will depend on the successful ramp-up of recently commissioned facilities, sustained profitability across the hospital network and disciplined capital allocation amid the capital-intensive nature of healthcare delivery. **At the upper price band of Rs. 693, the IPO is valued at ~25.7x FY26 EV/EBITDA. We thus recommend a "SUBSCRIBE" rating for the issue.**

Key Risks

- ⇒ The Company's dependence on skilled doctors, nurses and healthcare professionals exposes it to employee attrition risks. Attrition stood at 60.38% in FY26, which could increase recruitment and training costs, disrupt clinical operations and adversely affect patient volumes and profitability.
- ⇒ Government payer categories accounted for ~82.89% of gross trade receivables as of March 31, 2026. Delays in claim processing and collections could increase working-capital requirements, strain cash flows and raise the risk of receivables impairment.
- ⇒ The Company's substantial capital expenditure requirements and borrowings to fund expansion and new hospitals expose it to financial risks. Lower-than-expected utilization or delays in generating operating cash flows could constrain liquidity, debt-servicing capacity and future growth.

Paras Healthcare Limited

Income Statement (Rs. in Crores)

Particulars	FY24	FY25	FY26	Q1FY27
Revenue:				
Revenue from operations	1,129	1,294	1,606	470
Total revenue	1,129	1,294	1,606	470
Expenses:				
Purchases of stock-in-trade	305	336	435	118
Changes in inventories of stock-in-trade	-8	1	-5	-3
Employee benefit expenses	167	174	182	56
Retainers and consultants fee	294	359	394	111
Fair value gain on financial instruments	-13	0	0	0
Other expenses	252	288	287	83
Total expenses	997	1,158	1,293	365
EBITDA	132	136	313	105
Depreciation & amortization	81	116	144	35
EBIT	52	21	169	70
Finance costs	67	91	116	30
Other Income	22	20	23	8
PBT	7	-50	76	48
Current Tax	20	5	35	15
Deferred tax expense/ (income)	2	2	-3	-16
Total tax	22	8	32	-2
Net profit	-15	-58	44	50
Diluted EPS	-1.6	-5.9	4.3	4.9

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in Crores)

Particulars	FY24	FY25	FY26	Q1FY27
Cash Flow from operating activities	92	86	164	64
Cash flow from investing activities	-194	-147	-239	-92
Cash flow from financing activities	94	83	86	6
Net increase/(decrease) in cash and cash equivalents	-8	22	10	-22
Cash and cash equivalents at the beginning of the period	23	15	37	47
Cash and cash equivalents at the end of the period	15	37	47	25

Source: RHP, BP Equities Research

Paras Healthcare Limited

Balance Sheet (Rs. in Crores)

Particulars	FY24	FY25	FY26	Q1FY27
Assets				
Non-Current Assets				
Property, plant and equipment	589	646	674	665
Right-of-use assets	392	521	531	526
Capital work-in-progress	29	38	29	27
Goodwill	5	5	5	5
Other intangible assets	3	2	1	1
Financial assets				
i) Other financial assets	37	32	25	78
Non-current tax assets (net)	35	39	22	24
Deferred tax assets (net)	0	0	0	15
Other non-current assets	16	10	10	14
Total Non Current assets	1,104	1,293	1,296	1,354
Current Assets				
Inventories	28	26	32	35
Financial Assets				
i) Trade receivables	156	235	350	448
ii) Cash and cash equivalents	15	37	47	25
iii) Bank balances other than cash and cash equivalents	145	168	256	274
iv) Other financial assets	25	46	44	53
Current tax assets (net)	0	0	35	0
Other current assets	4	6	12	14
Total current assets	374	518	775	849
Total Assets	1,478	1,810	2,071	2,203
Equity and Liabilities				
Equity Share Capital	10	10	10	10
Other Equity	329	271	385	435
Total Equity	339	280	395	445
Non-Current Liabilities				
Financial Liabilities				
i) Borrowings	358	436	454	459
ii) Lease Liabilities	350	462	493	493
iii) Other financial liabilities	0	1	1	0
Provisions	7	7	9	10
Deferred tax liabilities (net)	2	4	2	0
Total Non-Current Liabilities	718	911	958	962
Current Liabilities				
Financial Liabilities				
i) Borrowings	189	291	400	430
ii) Lease Liabilities	26	42	47	48
iii) Trade Payables	137	191	208	261
iv) Other financial liabilities	47	75	46	36
Other current liabilities	17	16	15	17
Provisions	4	4	3	3
Total Current Liabilities	421	619	718	795
Total Liabilities	1,139	1,530	1,676	1,758
Total Equity and Liabilities	1,478	1,810	2,071	2,203

Source: RHP, BP Equities Research

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

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