

Rating SUBSCRIBE FOR LISTING GAIN	Issue Opens on October 21, 2026	Issue Closes on October 23, 2026	Listing Date October 28, 2026	Price Band 660-693	Issue Size (INR Mn) 14,500
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Improving Profitability and Expanding Regional Presence

Paras Healthcare operates eight tertiary and quaternary care hospitals under the Paras Health brand, with 2,211 beds across five states and one union territory. Occupancy rose to 61.75% in FY26 from 50.78% in FY25. Revenue grew 24.1% to INR 16,060 Mn. The company became profitable in FY26 with PAT of INR 438 Mn after consecutive losses in FY24 and FY25. EBITDA margin expanded to 20.6% from 12.1% in FY25. The IPO is a combination of a fresh issue of INR 5,000 Mn and an OFS of INR 9,500 Mn, totaling INR 14,500 Mn at a price band of INR 660–693. Fresh proceeds will repay INR 3,750 Mn of debt. Paras Hospitals is well positioned to expand across North and Eastern India, supported by rising demand for specialised healthcare and ramp-up of newer hospitals. However, revenue concentration, a 43% government payor mix, elevated receivable days of 166 and potential occupancy dilution from capacity additions remain key concerns. At the upper price band of INR 693, the stock is valued at 79x TTM earnings, with IPO-led debt repayment providing potential interest cost savings. Given execution and valuation risks, we recommend **SUBSCRIBE FOR LISTING GAIN**.

- Tier-2 hospital franchise with room to fill beds:** Paras Health is one of the largest private healthcare providers in North India and Bihar-Jharkhand by bed capacity. Seven of eight hospitals are NABH-accredited. CONGOR specialties (cardiac, oncology, neuro, gastro, orthopedics, renal) contributed 74.7% of FY26 revenue. Gurugram runs at 83.9% occupancy. Patna sits at 73.2%. The newer hospitals in Kanpur and Udaipur are still below 50%, and Ranchi trails them too, leaving ample room to fill beds. Each percentage point of occupancy gain on the existing 1,502 operational beds drops through to EBITDA at near-full incremental margin. We are buying a bed franchise whose operating leverage has only begun to express itself.
- FY26 EBITDA margin jumps to 20.6% signals scale benefits:** EBITDA nearly doubled to INR 3,356 Mn in FY26 from INR 1,565 Mn in FY25. PAT swung from a loss of INR 580 Mn to a profit of INR 438 Mn. Q1FY27 continued the trend with PAT of INR 497 Mn on revenue of INR 4,703 Mn. Borrowings stood at INR 8,541 Mn at FY26-end, and fresh issue proceeds will retire INR 3,750 Mn. The capacity pipeline adds a 300-bed hospital in Gurugram by FY27 and a 500-bed unit in Ludhiana by FY28, lifting total capacity to 3,011 beds. We see a risk that newer hospitals dilute blended ARPOB, which already slipped 1.4% in FY26.

Outlook: We believe that the company is well positioned to capture the North as well as eastern region of the country with hospitals all along UP, Bihar, Jharkhand, etc. The company's majority of its revenue comes from its 5 hospitals out of its 8 one which signals a bit of concentration risk although this is cushioned by the fact of emerging hospitals ramping up as their occupancy rate is expected to be high driven by inpatient volume. We see the ARPOB growth as a main concern as the majority chunk of the revenue coming from Government (43%) makes the payor mix very odd as against the peer and the management is not strategically looking to shift the mix. Higher Government share leads to higher receivables days (166 days) and which requires efficient working capital management. Also, the new hospitals with one of the highest bed additions will dilute the occupancy rate further diluting the ARPOB. Overall, we believe that good volumes with change in payor mix and decreasing ALOS are the key metrics to watch out for the company.

Valuation: We believe that Paras is well established in that geography where penetration is continuously increasing with rising demand of specialized care and services. With the upper price band of INR 693 the company is trading at 79x on the TTM based upon post-issue market cap. We believe profitability to increase in the coming FYs as due to debt repayment from the IPO proceeds and which may lead to attractive valuation and given the fact we discussed in the Outlook with regards to ARPOB and Payor mix we recommend **SUBSCRIBE FOR LISTING GAIN**.

Particulars	IPO Details
No. of Shares under IPO (Mn)	20.9
Fresh issue # Shares (Mn)	7.21
OFS # Shares (Mn)	13.70
Price Band (INR)	660-693
Post Issue M.Cap (INR Mn)	74,983

Issue	%
QIB	Not more than 75%
NIB	Not More than 15%
Retail	Not More than 10%

Shareholding Pattern	Pre-Issue (%)	Post-Issue (%)
Promoters & Promoter Group	72.8	63.9
Public / Others	27.2	36.1
Total	100	100

Lead Managers	Registrar
JM Financial Ltd.	MUFG Intime India Pvt. Ltd.
BOFA Securities India Ltd.	
Nuvama Wealth Management Ltd.	

Objectives of the offer	INR Mn
Debt Repayment	3,750
General Corporate Purpose	1,250

Indicative Timetable	Date
Offer Closing Date	23 rd Oct, 2026
Finalization of Basis of Allotment with Stock Exchange	26 th Oct, 2026
Initiation of Refunds	27 th Oct, 2026
Credit of Equity Shares to Demat accounts	27 th Oct, 2026
Commencement of Trading of Eq. shares	28 th Oct, 2026

Source: RHP, Deven Choksey Research

Key risks

- **High Employee Attrition:** Overall employee attrition stood at 60.38% in FY26, while nursing staff attrition was significantly higher at 81.82%. Sustained attrition could increase recruitment and training costs, disrupt hospital operations and affect care quality and patient experience.
- **Increasing Dependence on Government Schemes:** Government schemes increased from 29.76% of revenue in FY24 to 43.63% in Q1FY27, while self-pay declined from 40.63% to 31.30%. Fixed reimbursement tariffs, delayed collections and potential empanelment suspensions could pressure realisations, working capital and revenue stability.
- **Execution Risks in Hospital Expansion:** Six of the eight existing hospitals operate on leased premises, while the proposed 300-bed Gurugram and 500-bed Ludhiana hospitals are also lease-based. The addition of 800 beds, equivalent to 36% of the existing 2,211-bed capacity, could increase fixed costs and margin pressures if occupancy ramps are delayed. The company has previously experienced delays in hospital construction or commencement of operations.
- **Government Tariff Revision Risk:** Downward revisions in Ayushman Bharat and other government reimbursement rates could reduce realisations and average revenue per occupied bed (ARPOB), particularly as government-sponsored patients account for a growing share of admissions.
- **Dependence on Specialist Doctors:** The retention of experienced specialist doctors is critical to patient referrals, admissions and clinical reputation. The departure of key specialists, particularly in cardiac sciences and oncology, could adversely affect patient volumes and revenue at individual hospitals.
- **ARPOB and Margin Dilution:** Blended ARPOB declined by 1.4% in FY26, partly reflecting a higher contribution from lower-ARPOB hospitals. Srinagar's ARPOB declined from INR 67,007 in FY24 to INR 36,533 in FY26. A continued shift towards lower-realisation hospitals could constrain revenue growth despite improvements in occupancy.
- **Oncology Price Controls May Pressure Drug Margins, While Improving Patient Affordability:** The government's proposed 30% trade margin cap on non-scheduled anti-cancer drugs could reduce treatment costs for patients, with potential savings of INR 2,500 Cr annually. For Paras Healthcare, oncology contributed 21.63% of FY26 revenue, creating a risk of margin pressure on drug-related revenue. However, the direct impact may be limited as hospital procedure revenue is not directly affected.

Macro backdrop

India's healthcare services market is expanding as disease burden rises and insurance penetration widens. India spent roughly 3.3% of GDP on health in FY25. Government spending is growing too. Private hospitals capture a large share of tertiary and quaternary procedures. For Paras, the variable that matters most is the number of insured patients seeking treatment at private hospitals in tier-2 cities, where seven of its eight units are located.

Interest rates affect Paras directly. Total borrowings stood at INR 8,541 Mn at FY26-end. Fresh issue proceeds will retire INR 3,750 Mn, bringing debt below INR 5,000 Mn. Each 50 bps reduction in lending rates saves roughly INR 25 Mn in annual interest, dropping straight to PBT. Hospital input costs are largely rupee-denominated, so the exchange rate matters less here than for a manufacturing exporter.

Health insurance coverage is the strongest long-term driver. Ayushman Bharat covers over 55 crore beneficiaries for secondary and tertiary care. Private insurers are expanding group and retail health policies, lifting the proportion of patients who can afford a private hospital stay. Premiums crossed INR 1 lakh crore in FY26. Tier-2 city coverage is growing faster than metro coverage.

Bed availability remains scarce outside metros. India has roughly 1.3 beds per 1,000 population against a WHO benchmark of 3.0. The states where Paras operate, including Bihar and Jharkhand, have ratios below 1.0 in many districts. This shortage underpins demand for Paras's capacity additions.

Macro-level healthcare demand does not automatically translate into earnings for a hospital chain at 61.75% occupancy. Paras needed occupancy to rise by 11 percentage points in FY26 just to turn the corner from loss to profit. One weak winter quarter, as happened in FY24, can reverse margin gains.

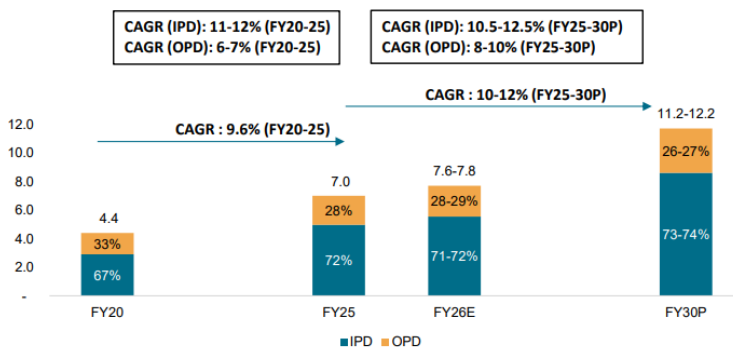
Industry analysis

Review of overall healthcare delivery market in India

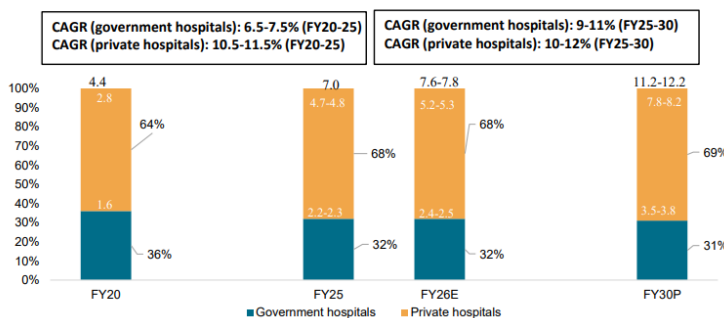
The Indian healthcare delivery market was valued at approximately INR 7.0 trillion in FY25, supported by increased demand for routine medical treatments, elective surgeries and Outpatient Department (OPD) services. Critical care, oncology, neurology and orthopaedics, which witnessed a surge in demand post-pandemic, are estimated to have sustained their growth momentum in FY26. The Indian healthcare delivery market is estimated to have reached INR 7.6–7.8 trillion in FY26.

In terms of value, the Inpatient Department (IPD) accounted for an estimated 71–72% of the healthcare delivery market in FY25, with OPD services contributing the balance. Although OPD services account for higher patient volumes, IPD services contribute the majority of revenue generated by healthcare facilities.

Indian healthcare delivery market, Fiscal 2020 to 2030P (₹ trillion)



Segmentation of the Indian healthcare delivery market, Fiscal 2020 to 2030P (₹ trillion)



Source: RHP, Deven Choksey Research

Review of region-wise healthcare delivery market in India

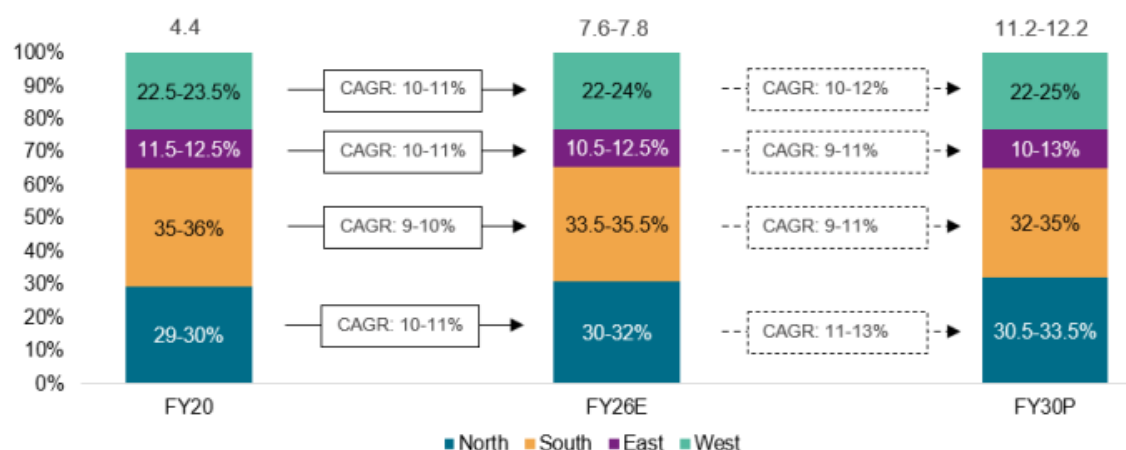
South region will continue to account for the highest share in Fiscal 2030

From Fiscals 2020 to 2026E, the market shares of the regions remained largely the same. As of Fiscal 2026E, the South region had the largest share at 33.5 to 35.5% While the east region had a share of 10.5 to 12.5% in Fiscal 2026E. The share of the northern region has increased from 29 to 30% in Fiscal 2020 to 30 to 32% in Fiscal 2026E due to an increase in urbanization and lifestyle-related diseases, which drove demand for healthcare services in the region. The southern region is expected to maintain its largest market share (32 to 35%) in Fiscal 2030 due to a combination of factors, including the presence of well-established healthcare infrastructure with several reputable hospitals and medical research institutions. The market shares of the western and eastern regions are expected to be stable at 22 to 25% and 10 to 13%, respectively, in Fiscal 2030.

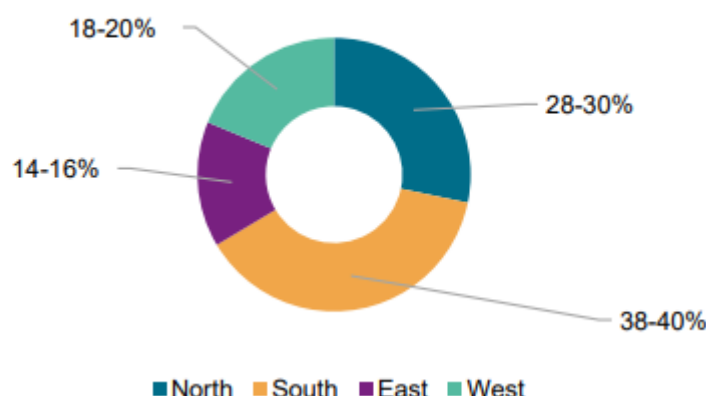
Growth Potential in North India

The healthcare delivery market in North India was estimated at INR 2.1–2.2 trillion in FY24, with a projected CAGR of 11–13% between FY20 and FY25. The market is expected to reach INR 3.6–3.8 trillion by FY30, growing at a CAGR of 10–12%, supported by low hospital bed density of 14–15 beds per 10,000 population, limited presence of organized hospital chains outside Delhi-NCR, rising middle-class incomes, high population density and increasing lifestyle-related diseases. Announced capacity expansion by organized hospital chains is expected to improve access to quality healthcare, with the region projected to account for approximately one-third of India's healthcare delivery market by FY30.

Region-wise healthcare delivery market share in India, Fiscal 2020 to 2030P (₹ trillion)



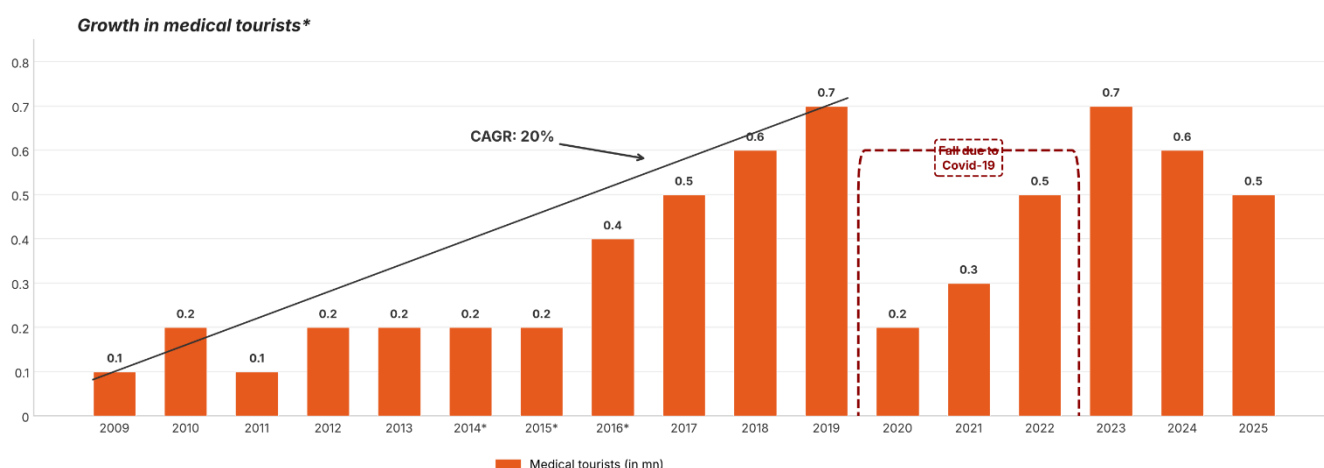
Region-wise distribution of total hospital beds in India (Fiscal 2022)



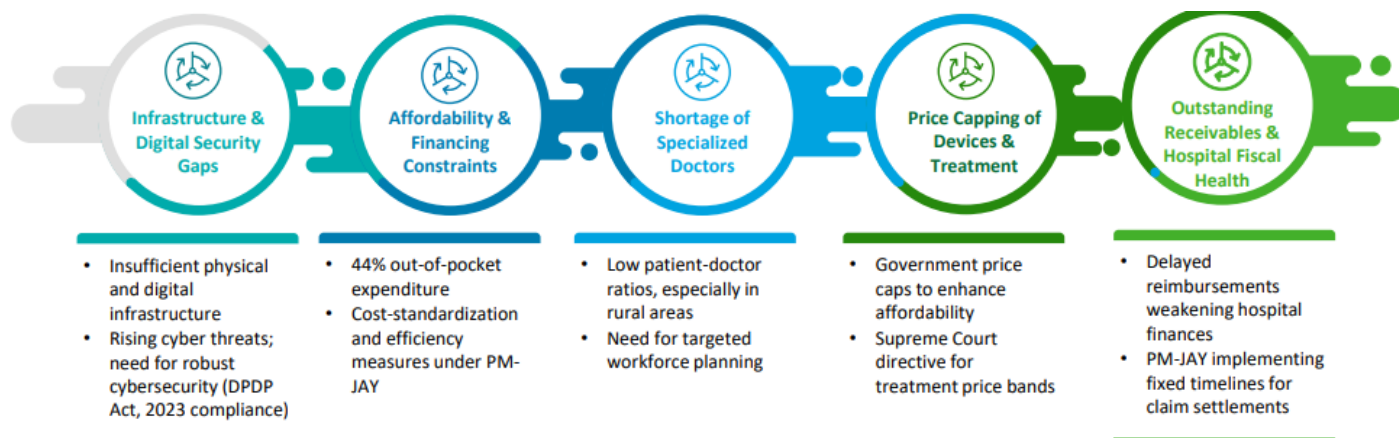
Source: RHP, Deven Choksey Research

Growth Drivers of the Healthcare Delivery Industry

- Changing demographics and disease profile:** India's ageing population and rising prevalence of chronic diseases are increasing demand for geriatric care, specialised treatments and long-term disease management. The share of the population aged 60 and above is projected to increase from 10.5% in 2023 to 12.6% by 2030, necessitating the expansion and upgradation of healthcare infrastructure.
- Increasing health awareness and urbanization:** Rising awareness of preventive healthcare, improving literacy and increasing urbanization are expected to drive greater utilization of preventive and curative healthcare services. Growing awareness of available medical facilities is likely to support higher inpatient hospitalization and outpatient consultation volumes.
- Rising income levels and healthcare affordability:** Growth in household and disposable incomes is expected to improve affordability and access to quality healthcare services. This should support greater utilisation of organised healthcare facilities, including specialised treatments and procedures that may previously have been deferred due to financial constraints.
- Digital health and telemedicine:** Adoption of digital health solutions, teleconsultations and technology-enabled health monitoring is improving healthcare accessibility and operational efficiency. The Ayushman Bharat Digital Mission (ABDM), launched in 2021, supports the creation of interoperable digital health records through the Ayushman Bharat Health Account (ABHA), facilitating continuity of care across healthcare providers.
- Growth in medical tourism:** India's relatively lower treatment costs, specialised medical professionals and technologically advanced hospitals position it as an attractive destination for international patients. The availability of specialised treatments and supporting visa facilities is expected to support medical tourism and demand for tertiary and quaternary healthcare services.
- Increasing health insurance penetration:** Rising health insurance coverage and employer-sponsored policies are reducing dependence on out-of-pocket payments and improving access to hospital-based treatments. Government-backed health schemes and cashless treatment facilities are further supporting patient volumes and creating expansion opportunities for organised hospital chains, including in non-metropolitan markets.
- Favourable government policies:** Government initiatives to expand healthcare infrastructure, improve rural access, promote digital health and encourage public-private partnerships are supporting the development of the healthcare delivery ecosystem. Continued policy support and investment are expected to create opportunities for capacity expansion, technology adoption and wider access to organised healthcare services.



Source: RHP, Deven Choksey Research



Source: Crisil Intelligence

KEY THREATS & CHALLENGES FOR THE HEALTHCARE DELIVERY INDUSTRY

Despite the significant potential and opportunities in India's healthcare industry, many challenges remain. Some of these include inadequate health infrastructure and disparities in the quality of services provided based on affordability and healthcare financing.

Key actionable areas

While the healthcare delivery sector in India faces several teething issues currently, it also presents immense opportunities for the players involved. By investing in metro-grade infrastructure in the identified underserved markets, private players can play a vital role in expanding access to quality care for patients, enhancing the availability of advanced healthcare services in their home or close-to-home cities.

- Inorganic growth and industry consolidation:** Increasing regulatory requirements, competitive intensity and the capital-intensive nature of healthcare delivery are encouraging consolidation, particularly among smaller hospital operators. Larger hospital chains benefit from stronger financial resources, supplier bargaining power, access to medical talent and standardised clinical protocols. Acquisitions and private equity investments are enabling established players to expand geographically, build regional hospital clusters and improve access to advanced healthcare services.
- Expansion into non-metro cities:** Rising incomes and unmet demand for quality healthcare in non-metro markets are creating opportunities for private hospital chains to expand beyond major urban centres. Establishing metro-grade infrastructure and primary, secondary and tertiary care facilities closer to patients can improve accessibility and support growth. Hospitals are adopting differentiated pricing models across locations, while retaining advanced super-specialty services in larger cities, enabling a wider continuum of care.

Source: RHP, Deven Choksey Research

Business overview

Paras Healthcare was originally incorporated as Arbian Frozen Foods Private Limited in December 1987. The name changed to Paras Healthcare in 2003 to reflect its shift into hospital services. The first hospital opened in Gurugram in 2006. Dr. Dharminder Kumar Nagar, the founder and promoter, holds 72.8% of pre-offer equity through direct and promoter group holdings. Today the company runs eight hospitals with 2,211 beds across Gurugram, Panchkula, Patna, Darbhanga, Kanpur, Udaipur, Ranchi and Srinagar. FY26 revenue from operations was INR 16,060 Mn.

Inpatient Services (78% of FY26 revenue)

Admissions, surgeries, ICU care, organ transplants and robotic surgery procedures across eight hospitals.

Outpatient Consultations

OPD visits across 30+ specialties per hospital, generating 17% of revenue. Grew 36.8% over FY24–FY26.

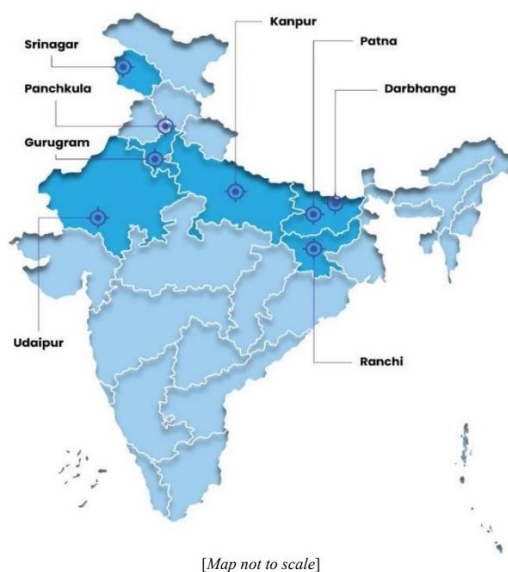
Diagnostics (Paras Labs)

In-house pathology and radiology services. Brought radiology in-house from ClearMedi during FY26.

Pharmacy and Other Services

In-house pharmacy, ambulance services and mother-and-child care under the Paras Bliss sub-brand.

Established specialty clusters and clinical expertise: The company has built specialty clusters over its 20-year operating history, supported by advanced clinical infrastructure, skilled medical professionals and standardised care protocols. Its core specialties include cardiac sciences, oncology, neurosciences, gastro sciences, orthopaedics and sports injury, and renal sciences (CONGOR), which contributed 74.35% of revenue from operations in Q1FY27, compared with 75.30% in Q1FY26, and 72.34% in FY24, 71.92% in FY25 and 74.70% in FY26. As of June 30, 2026, the hospital network employed 1,084 doctors and 1,937 nurses, supporting the delivery of high-acuity and multidisciplinary care.

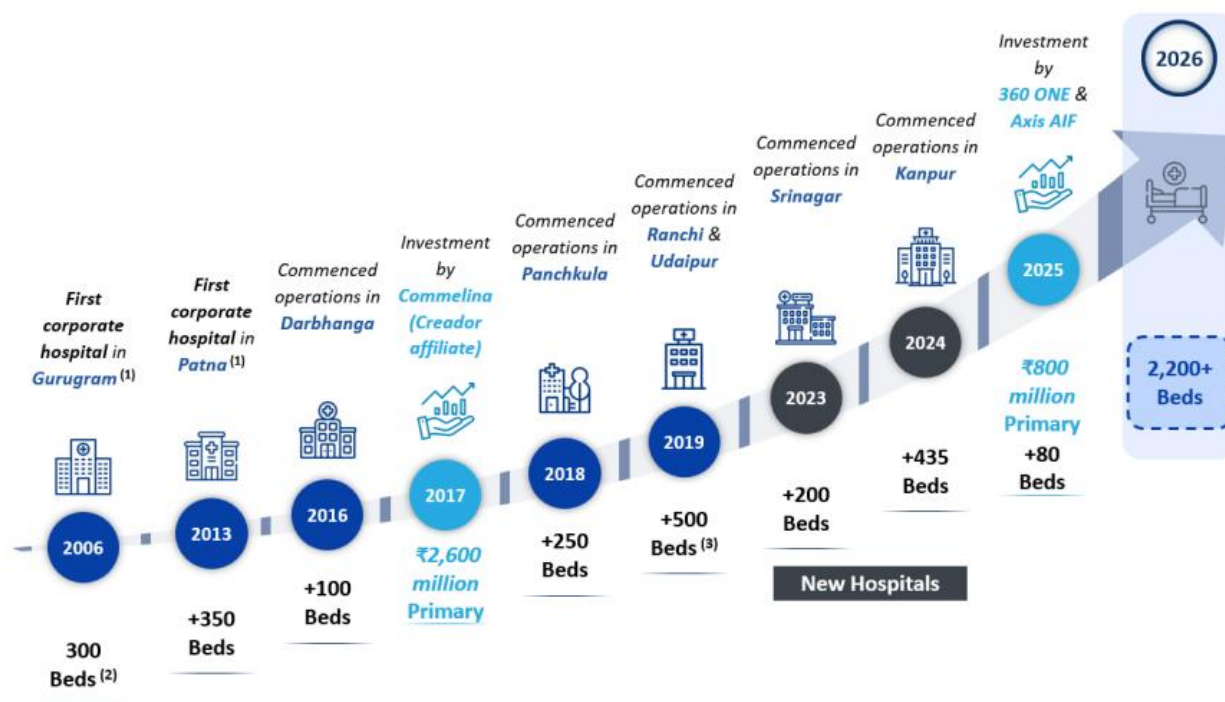


Financial & Operating Metrics

Particulars	FY24 (Year ended 31 Mar 2024)	FY25 (Year ended 31 Mar 2025)	FY26 (Year ended 31 Mar 2026)	Q1 FY27 (3M ended 30 Jun 2026)
Revenue from Operations (₹ million)	11,290.39	12,940.63	16,059.52	4,702.78
EBITDA (₹ million)	1,544.11	1,564.61	3,355.77	1,134.77
EBITDA Margin (%)	13.42%	11.91%	20.60%	23.70%
Operating Metrics				
Number of operational beds (count)	1,332	1,465	1,502	1,502
Bed occupancy rate (%)	52.46%	50.78%	61.75%	69.72%
ARPOB (₹ per day)	44,305.65	48,088.57	47,397.82	49,351.70
Occupied Bed Days (count)	254,716	268,927	338,321	95,272
Average length of stay – ALOS (in days)	3.14	2.89	2.93	2.77

Source: RHP, Deven Choksey Research

Journey So Far



Maturity Profile of Hospitals

- Mature Hospitals:** Gurugram, Patna, Panchkula and Darbhanga; operational for over seven years, with established clinical reputations, stable occupancy and consistent margin expansion.
- Emerging Hospitals:** Ranchi and Udaipur; operational for four to seven years, with improving occupancy and margin expansion as operational scale increases.
- New Hospitals:** Srinagar and Kanpur; operational for less than four years, with growth potential driven by occupancy improvement, specialty additions and operating leverage.

Source: RHP, Deven Choksey Research

Competitive Strengths

- Strong Regional Presence and Brand Recognition**

The company is one of the largest healthcare providers in North India, Bihar and Jharkhand by bed capacity, with 2,211 beds across eight hospitals in five states and one union territory as of June 30, 2026. Established in Gurugram in 2006, it has built a regional presence by targeting underserved markets with large catchment populations and demand for quality tertiary and quaternary care, enabling early scale and first-mover advantages in select locations.

- Specialisation in Tertiary and Quaternary Care**

The company focuses on complex, high-acuity treatments across cardiac sciences, oncology, neurosciences, gastro sciences, orthopaedics and sports injury, and renal sciences (CONGOR). These specialties contributed 74.35% of revenue in Q1FY27. Its critical care infrastructure includes specialised ICUs for cardiac, neurological, transplant and other complex cases, with ICU capacity increasing from 425 beds in March 2024 to 559 beds in June 2026. This focus supports a higher-acuity case mix and realisations.

- Capital-Efficient Operating Model and Disciplined Expansion:**

The company operates through a combination of owned, leased, revenue-sharing and public-private partnership models, enabling flexible capital deployment based on market requirements. Its expansion strategy focuses on underserved markets, lower upfront capital intensity and faster market entry, while maintaining operational control and adhering to defined return-on-invested-capital thresholds and balance sheet considerations.

SPECIALITY	GURUGRAM	PATNA	DARBHANGA	PANCHKULA	UDAIPUR	RANCHI	SRINAGAR	KANPUR
Cardiac Sciences								
Cardio Thoracic Vascular Surgery	✓	✓	✗	✓	✓	✓	✓	✓
Cardiology	✓	✓	✓	✓	✓	✓	✓	✓
Oncology								
Medical Oncology	✓	✓	✓	✓	✓	✓	✓	✓
Radiation Oncology	✓	✓	✗	✓	✓	✓	✗	✓
Surgical Oncology	✓	✓	✗	✓	✓	✓	✓	✓
Hemato Oncology & Bone Marrow Transplant	✓	✓	✗	✓	✗	✗	✗	✗
Nuclear Medicine	✓	✓	✗	✓	✗	✓	✗	✓
Neuro Sciences								
Neurosurgery	✓	✓	✓	✓	✓	✓	✓	✓
Neuro Intervention	✓	✓	✗	✓	✓	✓	✓	✓
Neurology	✓	✓	✓	✓	✓	✓	✓	✓
Spine Surgery	✓	✓	✗	✓	✓	✓	✓	✓
Gastro Sciences								
Gastroenterology	✓	✓	✓	✓	✓	✓	✓	✓
Gastrointestinal Surgery	✓	✓	✗	✓	✗	✓	✓	✓
Liver Transplant	✓	✓	✗	✗	✗	✗	✗	✗
Orthopedics								
Orthopedics & Sports Injury	✓	✓	✓	✓	✓	✓	✓	✓
Renal Sciences								
Nephrology	✓	✓	✓	✓	✓	✓	✓	✓
Urology	✓	✓	✓	✓	✓	✓	✓	✓
Kidney Transplant	✓	✓	✗	✓	✗	✗	✗	✗
Other Specialties								
General & Minimal Access Surgery	✓	✓	✓	✓	✓	✓	✓	✓
Obstetrics	✓	✗	✓	✗	✓	✓	✓	✗
Gynecology	✓	✓	✓	✓	✓	✓	✓	✓
Paediatrics	✓	✓	✓	✓	✓	✓	✓	✓
Internal Medicine	✓	✓	✓	✓	✓	✓	✓	✓
Pulmonology	✓	✓	✓	✓	✓	✓	✓	✓
Ear, Nose & Throat (ENT)	✓	✓	✓	✓	✓	✓	✓	✓
Plastic & Reconstructive Surgery	✓	✓	✓	✓	✓	✓	✓	✓
Endocrinology	✓	✓	✓	✓	✓	✗	✓	✓

Source: RHP, Deven Choksey Research

Competitive Analysis

Revenue by Specialty

Specialty	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	% of Revenue from Operations	Amount (₹ million)	% of Revenue from Operations	Amount (₹ million)	% of Revenue from Operations
Oncology	3,473.84	21.63%	2,570.01	19.86%	2,133.88	18.90%
Neurosciences	2,093.09	13.03%	1,957.92	15.13%	1,709.37	15.14%
Gastro sciences	1,332.32	8.30%	835.96	6.46%	576.94	5.11%
Orthopedics and sports injury	1,725.85	10.75%	1,383.35	10.69%	1,388.72	12.30%
Renal sciences	1,319.07	8.21%	1,043.01	8.06%	863.71	7.65%
Revenue from CONGOR specialties	11,996.35	74.70%	9,306.89	71.92%	8,167.47	72.34%
Others	4,063.17	25.30%	3,633.74	28.08%	3,122.92	27.66%
Total revenue from operations	16,059.52	100.00%	12,940.63	100.00%	11,290.39	100.00%

Revenue from operations

Company	Fiscal 2024	Fiscal 2025	Fiscal 2026	Q1 Fiscal 2026	Q1 Fiscal 2027	CAGR (FY24-FY26)
Apollo	190,592	217,940	252,285	58,421	70,435	15.1%
Aster^	36,989	41,385	46,432	10,779	13,107	12.0%
Fortis	68,929	77,828	91,278	21,667	25,450	15.1%
Medanta	32,751	36,923	44,103	10,308	13,041	16.0%
Jupiter	10,734	12,615	14,998	3,530	4,110	18.2%
KIMS	24,982	30,351	39,046	8,716	11,795	25.0%
Max*	68,480	86,670	100,650	24,600	28,350	21.2%
Manipal**	61,716	82,423	109,356	22,376	30,906	33.1%
Narayana	48,902	54,830	78,960	15,073	26,836	27.1%
Yatharth	6,705	8,805	12,072	2,592	3,927	34.2%
Paras	11,290	12,941	16,060	3,684	4,703	19.3%

Source: RHP, Deven Choksey Research

EBITDA Margin

Company	Fiscal 2024	Fiscal 2025	Fiscal 2026	Q1 Fiscal 2026	Q1 Fiscal 2027
Apollo	12.5%	13.9%	14.9%	14.6%	15.5%
Aster	15.9%	18.5%	NA	19.2%	20.2%
Fortis	18.9%	21.3%	23.4%	23.4%	21.7%
Medanta	26.1%	25.4%	23.4%	24.3%	23.8%
Jupiter	22.6%	23.5%	22.9%	22.2%	19.3%
KIMS	26.0%	26.6%	21.1%	22.7%	20.1%
Max*	26.9%	25.8%	25.8%	24.0%	24.1%
Manipal**	27.5%	26.3%	25.1%	26.5%	24.2%
Narayana	24.5%	25.0%	21.7%	23.9%	18.8%
Yatharth	26.8%	25.0%	24.2%	25.4%	23.3%
Paras	13.4%	11.9%	20.6%	17.7%	23.7%

PAT Margin

Company	Fiscal 2024	Fiscal 2025	Fiscal 2026	Q1 Fiscal 2026	Q1 Fiscal 2027
Apollo	4.9%	6.9%	7.9%	7.4%	8.2%
Aster^	NA	NA	NA	NA	NA
Fortis#	9.0%	11.6%	12.0%	11.8%	10.4%
Medanta	14.3%	12.8%	12.3%	15.1%	11.9%
Jupiter	16.5%	15.3%	12.9%	12.5%	9.1%
KIMS	13.4%	13.5%	6.2%	9.7%	3.1%
Max^^	18.7%	15.2%	16.2%	14.0%	12.6%
Manipal**	8.6%	13.1%	6.3%	11.4%	7.9%
Narayana	15.7%	14.4%	10.3%	13.0%	7.7%
Yatharth	17.1%	14.8%	14.1%	16.2%	11.6%
Paras	-1.3%	-4.4%	2.7%	-0.3%	10.4%

Source: RHP, Deven Choksey Research

SCOT analysis

Strengths	Challenges
• Tier-2 first mover: 7 of 8 hospitals in underserved tier-2 cities with NABH accreditation. • Occupancy momentum: Rose from 50.8% to 61.8% in one year, with Q1FY27 at 69.7%. • EBITDA gains: Margin jumped from 11.9% to 20.6% in FY26, further to 24.1% in Q1FY27. • Specialty depth: CONGOR specialties at 74.7% of revenue attract high-acuity cases. • Expansion pipeline: 800 beds planned in Gurugram and Ludhiana by FY28.	• Short profit history: Only FY26 was profitable out of the three reported years. • High debt load: Debt-to-equity of 2.16x at FY26-end (pre fresh-issue debt repayment). • Subsidiary losses: INR 521 Mn in FY26 across Ranchi, Srinagar and Plus Medicare. • ARPOB dilution: Fell 1.4% in FY26 as lower-priced tier-2 hospitals fill beds. • Two-thirds OFS: INR 9,500 Mn goes to sellers, only INR 5,000 Mn accrues to the company.
Opportunities	Threats
• New hospital ramp-up: Kanpur, Udaipur and Ranchi are below 50% occupancy, with room to grow. • Insurance penetration: Rising health insurance coverage in tier-2 cities adds to patients. • Debt reduction: Fresh issue proceeds will save INR 364 Mn in annual interest costs. • In-house diagnostics: Bringing radiology in-house has already cut outsourced costs by INR 243 Mn.	• New hospital execution: Gurugram II and Ludhiana require INR 400+ Cr of capex and will take 3–5 years to break even. • Government tariff risk: Ayushman Bharat tariff revisions can reduce per-case realization. • Doctor attrition: Loss of key specialists at any hospital would directly reduce patient inflow. • Promoter concentration: Dr. Nagar holds 72.8% pre-offer, and the business is closely identified with him.

Three key takeaways

- EBITDA nearly doubled in one year, from INR 1,565 Mn to INR 3,356 Mn, on 24% revenue growth. The incremental EBITDA margin on the INR 3,120 Mn of additional revenue was 57%. That is operating leverage at work in a hospital chain where beds and staff are already in place.
- Subsidiary losses of INR 521 Mn in FY26 are equivalent to the entire consolidated PAT of INR 438 Mn. If the subsidiary hospitals (Ranchi, Srinagar, Plus Medicare) reach breakeven, consolidated PAT would roughly double without any top-line growth at the parent level.
- Commelina (Creador) entered at an average cost of INR 114.15 per share and is selling at INR 660–693, realising roughly 5.7x–6.1x its cost. Dr. Nagar's average cost is INR 2.35 per share. The promoter retains 63.9% post-offer, aligning his interest with public shareholders over the long term.

Source: RHP, Deven Choksey Research

Balance Sheet

Particulars	FY24 (As at 31 Mar 2024)	FY25 (As at 31 Mar 2025)	FY26 (As at 31 Mar 2026)
ASSETS			
Non-current assets			
Property, plant and equipment	5,886.73	6,456.04	6,735.45
Right-of-use assets	3,915.65	5,213.99	5,310.65
Capital work-in-progress	287.76	378.12	287.33
Intangible assets & goodwill	74.80	64.06	60.31
Other non-current assets	875.36	815.09	568.74
Total non-current assets	11,040.30	12,927.30	12,962.48
Current assets			
Inventories	278.00	262.87	318.85
Trade receivables	1,563.11	2,345.91	3,495.71
Cash and cash equivalents	154.58	372.14	472.05
Bank balances (other than cash)	1,448.28	1,683.06	2,555.28
Other current assets	292.31	513.23	907.04
Total current assets	3,736.28	5,177.21	7,748.93
Total assets	14,776.58	18,104.51	20,711.41
EQUITY AND LIABILITIES			
Equity			
Equity share capital	97.61	97.61	100.99
Other equity	3,287.47	2,707.31	3,848.42
Total equity	3,385.08	2,804.92	3,949.41
Non-current liabilities			
Borrowings	3,583.99	4,364.41	4,542.10
Lease liabilities	3,503.27	4,618.59	4,928.71
Other non-current liabilities	94.36	122.32	106.96
Total non-current liabilities	7,181.62	9,105.32	9,577.77
Current liabilities			
Borrowings	1,891.34	2,914.90	3,998.91
Lease liabilities	260.60	423.28	468.91
Trade payables	1,374.81	1,905.38	2,080.95
Other current liabilities	683.13	950.71	635.46
Total current liabilities	4,209.88	6,194.27	7,184.23
Total equity and liabilities	14,776.58	18,104.51	20,711.41

Source: RHP, Deven Choksey Research

Profit & Loss Statement

Particulars	FY24	FY25	FY26
Income			
Revenue from operations	11,290.39	12,940.63	16,059.52
Other income	219.84	201.44	228.32
Total income	11,510.23	13,142.07	16,287.84
Expenses			
Purchases of stock-in-trade	3,048.95	3,361.29	4,347.83
Changes in inventories of stock-in-trade	-81.83	7.12	-45.61
Employee benefits expense	1,672.58	1,738.06	1,815.65
Finance costs	670.64	909.19	1,159.78
Depreciation and amortization expense	807.17	1,155.78	1,435.66
Retainers and consultants fee	2,939.84	3,589.47	3,941.20
Fair value gain on financial instruments	-133.84		
Other expenses	2,520.42	2,881.52	2,873.00
Total expenses	11,443.93	13,642.43	15,527.51
Profit/(loss) before tax	66.30	-500.36	760.33
Tax expense			
Current tax	201.83	54.93	352.66
Deferred tax (credit)/charge (net)	17.78	24.54	-30.67
Total tax expense	219.61	79.47	321.99
Profit/(loss) for the year (A)	-153.31	-579.83	438.34

Source: RHP, Deven Choksey Research

Cash Flow Statement

Particulars	FY24	FY25	FY26
Cash Flow from Activities			
Net cash generated from operating activities (A)	924.77	861.91	1,635.12
Net cash used in investing activities (B)	-1,940.55	-1,472.52	-2,394.10
Net cash generated from financing activities (C)	939.78	828.17	858.89
Net (decrease)/increase in cash and cash equivalents (A+B+C)	-76.00	217.56	99.91
Cash and cash equivalents at beginning of year	230.58	154.58	372.14
Cash and cash equivalents at end of year	154.58	372.14	472.05

Source: RHP, Deven Choksey Research

Management



Dr. Dharminder Kumar Nagar, Managing Director, has been associated with the company since 2003 and has over 22 years of experience in the healthcare industry. He holds an MBBS degree from the University of Mysore and an M.Phil. in Hospital and Health Systems Management from BITS Pilani, and has completed a healthcare delivery management course at Harvard Business School. He has served as Co-Chair of FICCI's Health Services Committee and received the Healthcare Personality of the Year award at the FICCI Healthcare Excellence Awards 2024 and the Global Health Leader award at the IHW Global Leaders Awards in Dubai.



Dilip Bidani, Group Chief Financial Officer, has over 38 years of experience in finance and has been associated with the company since January 2023, assuming the CFO role in March 2023. He holds a commerce degree from the University of Calcutta, a PGDM from IIM Ahmedabad and is an associate of the Institute of Chartered Accountants of India. His previous roles include CFO positions at Dr. Lal PathLabs, MobiKwik, Manpower Services India, and Mother Dairy, along with finance and operational leadership roles at Max Healthcare, Hindustan Unilever and other companies.



Vineet Aggarwal, Group Chief Operating Officer, has been associated with the company since September 2021 and has over 22 years of experience in the information technology sector. He holds a bachelor's degree in computer science and engineering from Maharshi Dayanand University, Rohtak. Prior to joining the company, he held roles at Agilus Diagnostics (formerly SRL), Indus Towers, PricewaterhouseCoopers, Siemens IT Solutions and Services, and Tata Consultancy Services.

Source: RHP, Deven Choksey Research

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DRChoksey FinServ Private Limited

CIN Number -U67100MH2020PTC352816

Registered Office and Corporate Office:

5th Floor Abhishek Building, Behind Monginis Cake Factory, Off New Link Road, Andheri West, Mumbai-400058

**MAAHIR
MANI** Digitally signed
by MAAHIR MANI
Date: 2026.10.21
14:14:28 +05'30'