Paras Healthcare Limited

Red Herring Prospectus dated 14 October 2026 | Mainboard | ₹660 – ₹693 | Report date: 21 October 2026

ACFSL VIEW
NEUTRAL

Our reading: Paras is a hospital chain whose newer hospitals are starting to pay off: beds filled rose from 51% to 70% and the operating margin doubled to 22% in the June 2026 quarter. On EV/EBITDA it is about 24x FY26 (18x the June-quarter run-rate), below the 33x peer average, and the IPO repays ₹375 Cr of loans. Against that, the price is about 171x FY26 profit after two loss-making years, 44% of revenue comes from slow-paying government schemes, and the ₹693 cap is nearly three times the ₹237 paid by pre-IPO investors 18 months ago. The positives look largely priced in; we would wait for a few quarters of steady profit and collections.

In Plain Words

What it does

Paras runs eight private hospitals with 2,211 beds under the 'Paras Health' brand, in Gurugram, Panchkula, Patna, Darbhanga, Kanpur, Udaipur, Ranchi and Srinagar. Most of its money (78%) comes from admitted patients who need complex care: heart, cancer, brain, stomach and liver, bones and kidney treatment make up three-quarters of revenue. Seven of the eight hospitals are in smaller cities where few corporate hospitals exist.

What looks good

Revenue grew 24% in FY26 and 28% in the June 2026 quarter as more beds filled: occupancy rose from 51% to 70%. The two newest hospitals, Kanpur and Srinagar, went from heavy losses to filling 53–66% of their beds. The operating margin doubled from 11% to 22%. The IPO money repays ₹375 Cr of debt, which saves roughly ₹30–35 Cr of interest a year (ACFSL estimate).

What worries us

Cash. Government schemes (ECHS, CGHS and state schemes) now bring 44% of revenue, up from 30%, and take about five months to pay. As a result, unpaid bills nearly tripled to ₹448 Cr in two years. Profit is thin and recent: losses in FY24 and FY25, and FY26 profit of ₹44 Cr. Some hospitals have faced government-scheme actions, such as Patna's CGHS suspension in 2024.

What to watch

Occupancy at Kanpur and Srinagar, how fast government schemes pay, and whether the 300-bed Gurugram II (FY27) and 500-bed Ludhiana (FY28) hospitals open on time without heavy new borrowing. Also watch quarterly profit without one-off tax credits.

Demand so far

Anchor investors put in ₹652.5 Cr at ₹693 on 19 Oct 2026 (45% of the issue). On Day 1 the issue was 0.04x subscribed overall, retail 0.22x.

ACFSL Research view based on the RHP; figures explained in the sections below.

Key Financials & Operating Snapshot

Particulars	FY24	FY25	FY26	Q1 FY26	Q1 FY27
Revenue from operations (₹ Cr)	1,129.0	1,294.1	1,606.0	368.4	470.3
Revenue growth %	–	14.6%	24.1%	–	27.7%
EBITDA ex-other income (₹ Cr)	119.0	136.3	312.7	60.5	105.0
EBITDA margin (ex-other income) %	10.5%	10.5%	19.5%	16.4%	22.3%
PAT (₹ Cr)	(15.3)	(58.0)	43.8	(1.0)	49.7
PAT margin %	(1.4%)	(4.5%)	2.7%	(0.3%)	10.6%
EPS (₹)	(1.57)	(5.94)	4.34	(0.10)	4.92
Bed occupancy %	52.5%	50.8%	61.8%	56.8%	69.7%
ARPOB (₹ per occupied bed per day)	44,306	48,089	47,398	48,664	49,352
Government schemes & PSUs – % of revenue	29.8%	30.9%	41.3%	38.1%	43.6%
Net worth (₹ Cr)	338.5	280.5	394.9	348.7	445.0

Source: RHP – Summary of Financial Information (p. 81–83), Key Performance Indicators (p. 258–259), Risk Factor 18 (p. 42). Q1 = three months to 30 June, not annualised. Details in the Financials section.

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IPO at a Glance

Offer Period	21 Oct 2026 – 23 Oct 2026
Anchor Bidding	19 Oct 2026 (₹652.50 Cr raised at ₹693)
Price Band (₹)	660 – 693 per share
Bid Lot	21 shares and in multiples thereof
Listing	NSE & BSE (Mainboard)
Issue Size (no. of shares)	2,09,23,520 at the upper band (2,19,69,695 at the lower band)
Issue Size (₹ Cr)	**1,450.00** (fixed ₹ amount)
Fresh Issue	₹500.00 Cr (72,15,007 shares at ₹693)
Offer for Sale	₹950.00 Cr (1,37,08,513 shares at ₹693) by the promoter and Commelina Ltd
Face Value (₹)	1
Pre / Post-issue Shares	10,09,86,187 / 10,82,01,194 (at ₹693)
Basis of Allotment	26 Oct 2026 (tentative)
Refunds / Demat Credit	27 Oct 2026
Listing Date	28 Oct 2026 (tentative)
BRLMs	JM Financial, BofA Securities India, Nuvama Wealth Management
Registrar	MUFG Intime India Pvt. Ltd. (formerly Link Intime)

Application	Lots	Shares	Amount (₹)
Retail (Min)	1	21	14,553
Retail (Max)	13	273	1,89,189
S-HNI (Min)	14	294	2,03,742
S-HNI (Max)	68	1,428	9,89,604
B-HNI (Min)	69	1,449	10,04,157

Category (Reg. 6(2))	Share	Shares @ ₹693
QIB – total	≥ 75%	1,56,92,640
Anchor investors (60% of QIB)	45%	94,15,584
QIB – net (ex-anchor)	30%	62,77,056
Non-Institutional (NII)	≤ 15%	31,38,528
S-HNI (₹2–10 lakh, 1/3 of NII)		10,46,176
B-HNI (above ₹10 lakh, 2/3 of NII)		20,92,352
Retail (RII, up to ₹2 lakh)	≤ 10%	20,92,352
Total	**100%**	**2,09,23,520**

Amounts at the ₹693 upper band. Retail gets only 10% because the company does not meet SEBI's profit-track-record test (Reg. 6(1)) and comes under Reg. 6(2). No employee reservation.

Source: RHP cover page, The Offer, Terms of the Offer and Offer Structure (p. 1–3, 78, 528–535). The RHP leaves price and lot as [●]; the band, lot, anchor and dates are as advertised (supplied by the user and cross-checked on chittorgarh.com), and tie to the RHP: ₹500 Cr ÷ ₹693 = 72,15,007 fresh shares, 10,09,86,187 + 72,15,007 = 10,82,01,194 post-issue shares, and 94,15,584 anchor shares × ₹693 = ₹652.50 Cr. Because both parts of the offer are fixed ₹ amounts, the share count is higher at the lower band. Category share counts are ACFSL calculations.

Valuation Snapshot

Metric	@ ₹660	@ ₹693
Post-issue market capitalisation (₹ Cr)	7,165	7,498
Post-issue shares	10,85,61,944	10,82,01,194
P/E on FY26 diluted EPS of ₹4.34 (pre-issue, RHP basis)	152.1x	159.7x
P/E on FY26 PAT, post-issue shares	163.5x	171.1x
P/E on Q1 FY27 PAT × 4, post-issue shares (includes ₹16 Cr tax credit)	36.1x	37.7x
P/E on Q1 FY27 PBT × 4 taxed at 25.2%, post-issue shares	49.7x	52.1x
EV / FY26 EBITDA (net debt + leases at Jun-26, less fresh proceeds)	23.2x	24.2x
EV / Q1 FY27 EBITDA × 4	17.2x	17.9x
Market cap / FY26 revenue	4.46x	4.67x
Price / NAV (₹44.06, Jun-26, pre-issue)	15.0x	15.7x
Price / post-issue NAV	7.6x (₹87)	7.9x (₹87)
Promoter holding after the issue	63.53%	63.95%

In simple terms: at ₹693 you pay about ₹171 for every ₹1 of FY26 profit, far above listed peers (43x to 116x, average 68x). That number misleads for a hospital chain still filling new beds: most of its operating profit goes on depreciation, lease and interest costs. On EV/EBITDA, which looks at profit before those costs, you pay about 24x FY26 and 18x the June-quarter run-rate, below every listed peer except Narayana (23x) and well under the 33x average. The bet is that profit catches up with the operating numbers. *P/E* = share price ÷ earnings per share. *EV/EBITDA* adds net debt to the share value and compares it with profit before interest, tax and depreciation.

Source: RHP – Basis for Offer Price (p. 140–146), Summary of Financial Information (p. 81–85); ACFSL Research calculations. EV uses Jun-26 borrowings ₹888.9 Cr plus lease liabilities ₹540.6 Cr less cash and bank balances ₹298.8 Cr, minus the ₹500 Cr fresh issue, the same basis the RHP uses for peers (net borrowings including leases). Post-issue NAV adds the gross fresh issue to Jun-26 net worth.

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Listed Peers (FY26, consolidated)

Company	Revenue (₹ Cr)	EBITDA mgn	Diluted EPS (₹)	NAV (₹)	P/E (x)	EV/EBITDA (x)	RoNW (%)
Paras Healthcare (at ₹693)	1,606	20.9%	4.34	39.11	159.7	24.2	12.98
Aster DM Quality Care	4,643	19.4%	7.52	88.32	91.89	40.73	9.70
Apollo Hospitals Enterprise	25,228	14.9%	134.94	657.58	59.36	32.59	21.95
Fortis Healthcare	9,128	23.4%	13.80	131.07	55.43	28.88	11.08
Global Health (Medanta)	4,410	23.9%	20.66	147.06	64.46	34.03	15.15
Jupiter Life Line Hospitals	1,500	22.9%	5.92	47.10	42.92	25.79	13.41
Krishna Institute of Medical Sciences	3,905	21.2%	6.03	56.17	116.41	40.64	11.01
Manipal Health Enterprises	10,936	25.1%	7.67	63.26	87.00	36.89	12.37
Max Healthcare Institute	10,065	25.8%	14.76	109.53	62.10	35.69	14.33
Narayana Hrudayalaya	7,896	21.7%	39.67	222.02	43.41	22.67	19.74
Yatharth Hospital	1,207	24.2%	18.20	184.79	55.16	33.12	10.36
Peer average / median					**67.81 / 60.73**	**33.10 / 33.58**	

Source: RHP – Basis for Offer Price, comparison with listed peers (p. 145–146). Peer prices are BSE closing prices of 5 Oct 2026. EBITDA margin = FY26 EBITDA ÷ revenue (ACFSL calculation). Paras' P/E (on pre-issue FY26 EPS) and EV/EBITDA are ACFSL calculations at the upper band; NAV and RoNW are as of Mar-26. Median is an ACFSL calculation.

Objects of the Offer

Of the ₹1,450 Cr, only **₹500 Cr is fresh capital** for the company; **₹950 Cr is an Offer for Sale (OFS)**. *OFS = existing holders selling their shares; that money goes to them, not to the company.* The sellers are the promoter, Dr. Dharminder Kumar Nagar (₹300 Cr; average cost ₹2.35 a share), and Commelina Ltd, an affiliate of private-equity firm Creador that invested in 2017 (₹650 Cr; average cost ₹114.15). Almost all the fresh money, **₹375 Cr, repays loans**: ₹320.9 Cr of the company's term loans from HDFC Bank, Yes Bank and IDFC First Bank, and ₹54.1 Cr of loans at the Srinagar subsidiary. The remainder, at most ₹125 Cr less issue expenses, is for general corporate purposes. No IPO money goes to the new Gurugram or Ludhiana hospitals.

Object (Fresh Issue)	₹ Cr	FY27	FY28
Prepay / repay term loans of the company (HDFC Bank, Yes Bank, IDFC First Bank; ₹390.5 Cr outstanding at Jun-26)	320.90	320.90	–
Investment in wholly owned subsidiary PMHPL (Srinagar hospital) to repay its borrowings	54.10	54.10	–
General corporate purposes (≤ 25% of gross proceeds)	[●]	[●]	[●]
Net Proceeds	**[●]**		

Source: RHP – Objects of the Offer (p. 124–139). Consolidated fund-based borrowings were ₹888.9 Cr at 30 Jun 2026 and ₹939.5 Cr at 31 Aug 2026. The loans being repaid carry interest at about 8.3–9.0%; only the IDFC First loan carries a 1% prepayment penalty, which the lender has waived. Issue expenses are [●] in the RHP.

Shareholding – Pre and Post Issue (at the upper band)

Shareholder	Pre-issue shares	Pre %	OFS shares sold	Post-issue shares	Post %
Dr. Dharminder Kumar Nagar (Promoter, selling)	7,35,19,238	72.80%	43,29,004	6,91,90,234	63.95%
Promoter group (Gurdeep Kaur Nagar, Ranya Nagar)	2	0.00%	–	2	0.00%
Promoter & Promoter Group – total	**7,35,19,240**	**72.80%**	**43,29,004**	**6,91,90,236**	**63.95%**
Commelina Ltd (Creador affiliate, selling)	1,66,04,375	16.44%	93,79,509	72,24,866	6.68%
360 ONE funds (5 schemes)	71,94,093	7.12%	–	71,94,093	6.65%
Axis New Opportunities AIF – Series II	36,68,439	3.63%	–	36,68,439	3.39%
Others (3 holders, incl. Dr. Kapil Garg)	40	0.00%	–	40	0.00%
Public – IPO allottees	–	–	–	2,09,23,520	19.34%
Total	**10,09,86,187**	**100.00%**	**1,37,08,513**	**10,82,01,194**	**100.00%**

*Source: RHP – Capital Structure (p. 101–117). Post-issue holdings are [●] in the RHP; ACFSL calculations assume each seller sells its ₹ amount ÷ ₹693 (₹300 Cr = 43,29,004 shares; ₹650 Cr = 93,79,509 shares; total 1,37,08,513, matching the advertised OFS) and full subscription. At ₹660 the promoter would hold 63.53%. **Pre-IPO round:** in April 2025, 360 ONE and Axis AIF bought at ₹237 a share (₹80 Cr fresh plus shares bought from Commelina); the ₹693 cap is 192% above that price, 18 months later.*

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Company Overview

Paras Healthcare Ltd. was incorporated in December 1987 as Arbian Frozen Foods and turned to healthcare in 2003, when it took its present name. Its founder, **Dr. Dharminder Kumar Nagar**, opened the first 200-bed hospital in Gurugram in 2006. It is **a hospital operator, not a manufacturer**: it earns fees from patients, insurers and government health schemes for treatment, surgeries, tests and medicines dispensed at its hospitals.

What it offers. Its hospitals give tertiary and quaternary care, meaning complex treatment that needs specialists and costly equipment. Six specialty groups (cardiac, cancer, neuro, gastro, orthopaedics and kidney, which the company calls 'CONGOR') bring about 75% of revenue. In-patients bring 78% of revenue, out-patients 18% and the pharmacy 4%. Equipment includes cath labs, linear accelerators for radiotherapy, PET-CT scanners and surgical robots. Seven of its eight hospitals are NABH-accredited.

Where it operates. Eight hospitals in five states and one union territory: Gurugram and Panchkula (Haryana), Patna and Darbhanga (Bihar), Kanpur (UP), Udaipur (Rajasthan), Ranchi (Jharkhand, run under a public-private partnership with Heavy Engineering Corporation) and Srinagar (J&K). Gurugram is the flagship, with occupancy of 89% and revenue of about ₹75,000 per occupied bed per day. Hospitals outside Gurugram now earn 70% of revenue.

How it grows. Of the 2,211 beds built, only 1,502 (68%) are in operation, so the company can add beds without new buildings. It runs six hospitals on leased premises and owns the rest. A 300-bed hospital in Gurugram (FY27) and a 500-bed hospital in Ludhiana (FY28), both on long leases, will take capacity to 3,011 beds by March 2028. It also bought land next to its Panchkula hospital.

Patients and payers. In FY26 it treated 1,15,496 in-patients and handled 7,78,707 out-patient visits, with 1,084 doctors and 1,937 nurses. Government schemes and PSUs (mainly ECHS for ex-servicemen, CGHS and state schemes) pay 44% of revenue, insurers and TPAs 25% and patients themselves 31%.

Management. Dr. Dharminder Kumar Nagar is Managing Director (72.8% stake). Saurabh Sood is non-executive Chairman, Dr. Kapil Garg is Whole-time Director (Strategy & Growth), Dilip Bidani is Group CFO and Rahul Kumar is Company Secretary. Creador (via Commelina) has been an investor since 2017; 360 ONE and Axis AIF joined in 2025.

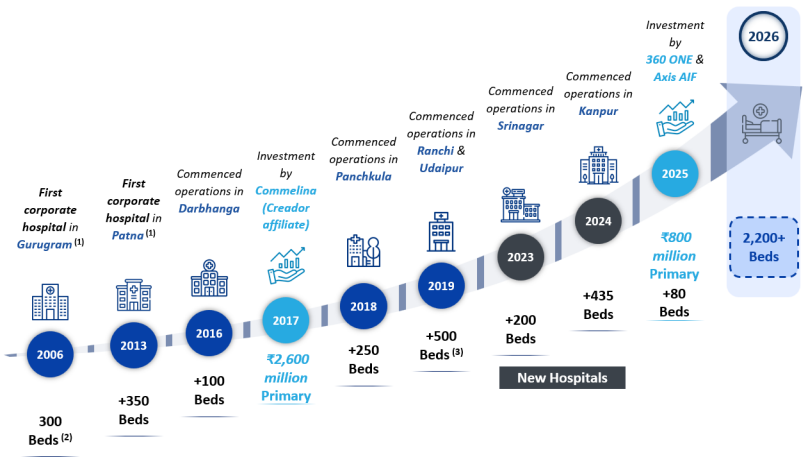
Source: RHP – cover page, Our Business (p. 253–262, 287), History and Certain Corporate Matters (p. 318), Our Management (p. 332), Capital Structure.

Company Snapshot

Incorporation	21 Dec 1987 (CIN U85110HR1987PLC035823); healthcare since 2003; public company since 18 Jul 2024
Registered Office	1st Floor, Tower B, Paras Twin Towers, Golf Course Road, Sector 54, Gurugram 122002, Haryana
Business model	Multi-specialty hospital chain (tertiary / quaternary care); owned, leased, revenue-share and PPP hospitals
Promoter	Dr. Dharminder Kumar Nagar (72.80% pre-issue)
Scale (Jun-26)	8 hospitals, 2,211 bed capacity, 1,502 operational beds, 559 ICU beds, 1,084 doctors, 1,937 nurses
Subsidiaries	Paras Healthcare (Ranchi) Pvt. Ltd. (Ranchi hospital) and Plus Medicare Hospitals Pvt. Ltd. (Srinagar hospital)
Credit rating	CRISIL BBB+ (Stable) / A2, reaffirmed May 2026; CARE had downgraded to BBB (Negative) in Mar 2025
Dividend	None declared in FY24–FY26 or Q1 FY27

Source: RHP cover page, Our Business, Capital Structure, Risk Factors 22 and 59.

Growth Journey *– one 300-bed hospital in 2006 to eight hospitals and 2,200+ beds in 2026 (image from the RHP, p. 255)*



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Hospital Portfolio (June 2026)

Hospital	Started	Stage	Bed capacity	Operational beds	Occupancy FY26	Occupancy Q1 FY27	ARPOB Q1 FY27 (₹ '000)
Gurugram	Jun 2006	Mature	300	235	83.8%	89.1%	74.9
Patna	Jul 2013	Mature	392	309	73.2%	72.9%	43.2
Darbhanga	Mar 2016	Mature	100	79	58.7%	61.6%	22.2
Panchkula	Nov 2018	Mature	284	230	67.6%	67.2%	52.7
Udaipur	Oct 2019	Emerging	200	169	55.6%	58.7%	43.4
Ranchi (PPP)	Sep 2019	Emerging	300	177	59.9%	74.7%	43.0
Srinagar	Jun 2023	New	200	168	36.1%	53.1%	40.6
Kanpur	Apr 2024	New	435	135	31.0%	65.6%	38.5
Total / network			**2,211**	**1,502**	**61.8%**	**69.7%**	**49.4**

Source: RHP – Our Business, KPIs and hospital table (p. 258–261). ARPOB = average revenue per occupied bed per day. Occupancy = share of operational beds filled on average. Ranchi and Srinagar are run by subsidiaries.

Operating KPIs

Particulars	FY24	FY25	FY26	Q1 FY26	Q1 FY27
Operational beds	1,332	1,465	1,502	1,465	1,502
Bed occupancy (%)	52.5%	50.8%	61.8%	56.8%	69.7%
ARPOB (₹ per day)	44,306	48,089	47,398	48,664	49,352
Occupied bed days	2,54,716	2,68,927	3,38,321	75,679	95,272
Average length of stay (days)	3.14	2.89	2.93	2.87	2.77
In-patient volume	81,047	93,170	1,15,496	26,362	34,354
Out-patient visits	5,69,139	6,38,193	7,78,707	1,78,977	2,25,734
Surgeries	30,219	33,072	39,687	9,260	11,112
Payer mix – self-pay	40.6%	41.0%	33.9%	34.3%	31.3%
Payer mix – insurance / TPA	29.6%	28.1%	24.8%	27.7%	25.1%
Payer mix – government schemes & PSUs	29.8%	30.9%	41.3%	38.1%	43.6%
Return on capital employed (RHP)	5.9%	2.7%	10.8%	2.1%*	4.2%*
Return on equity (RHP)	(8.3%)	(18.7%)	13.0%	(0.3%)*	11.8%*

*Source: RHP – Our Business, Key Performance Indicators (p. 258–260). *Quarter, not annualised.*

Revenue Mix – by Specialty and by Revenue Stream

Specialty (% of revenue)	FY24	FY25	FY26	Q1 FY27
Cardiac sciences	13.2%	11.7%	12.8%	13.3%
Oncology (cancer)	18.9%	19.9%	21.6%	19.4%
Neuro sciences	15.1%	15.1%	13.0%	12.5%
Gastro sciences (incl. liver)	5.1%	6.5%	8.3%	8.2%
Orthopaedics & sports injury	12.3%	10.7%	10.8%	12.1%
Renal sciences (kidney)	7.7%	8.1%	8.2%	8.7%
Other specialties	27.7%	28.1%	25.3%	25.6%
By revenue stream (₹ Cr, % of revenue)				
In-patient services	922.5 (82%)	1,028.3 (79%)	1,256.8 (78%)	368.0 (78%)
Out-patient services	164.2 (15%)	217.6 (17%)	285.9 (18%)	85.4 (18%)
Pharmacy sales	41.8 (4%)	47.4 (4%)	60.9 (4%)	16.8 (4%)
Other operating revenue	0.5 (0%)	0.8 (0%)	2.4 (0%)	0.1 (0%)
Revenue from operations	**1,129.0**	**1,294.1**	**1,606.0**	**470.3**

Source: RHP – Our Business KPIs (p. 259), MD&A revenue break-up (p. 461–467). Stream percentages are ACFSL calculations. Specialty-wise ₹ revenue is given only as a share of revenue.

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Financials (Restated Consolidated)

Key Drivers Behind the Numbers

- **More patients, not higher prices.** Occupied bed days rose 26% in FY26 and 26% in Q1 FY27, while revenue per occupied bed stayed near ₹47,000–49,000. Revenue from the newest hospitals, Kanpur and Srinagar, doubled to ₹144 Cr in FY26 (Kanpur occupancy rose from 9% to 31%, then 66% in Q1 FY27). New doctors in cardiac, cancer, orthopaedics and neuro added volumes.
- **Operating leverage.** Staff cost rose only 4% in FY26 against 24% revenue growth. Bringing radiology in-house (bought from ClearMedi in 2025) halved outsourced medical costs from ₹50 Cr to ₹25 Cr, and bad-debt provisions fell from ₹20 Cr to ₹10 Cr. EBITDA before other income rose from 10.5% to 19.5% of revenue, and to 22.3% in Q1 FY27.
- **Heavy costs below EBITDA explain the past losses.** Opening Kanpur and Srinagar lifted depreciation by 43% in FY25, and new leases and loans raised finance costs by 36% in FY25 and 28% in FY26. In FY24 the group paid ₹22 Cr of tax on a ₹7 Cr pre-tax profit, because the loss-making subsidiaries cannot offset the parent's taxable profit, so it reported a loss. Q1 FY27 profit of ₹50 Cr includes a one-off ₹16 Cr deferred-tax credit.
- **Cash lags profit.** Government-scheme revenue rose from ₹336 Cr (30%) in FY24 to ₹663 Cr (41%) in FY26, and these payers take 150–170 days. Receivables rose by ₹125 Cr in FY26 and ₹101 Cr in Q1 FY27 alone, so operating cash flow (₹164 Cr in FY26) barely covered capex (₹169 Cr).

Source: RHP – MD&A (p. 461–469), Risk Factors 2, 12 and 18 (p. 22, 35, 42–43), KPIs (p. 258–259).

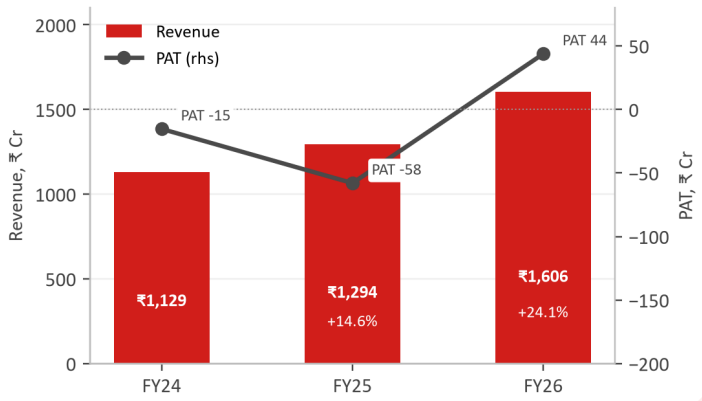
Income Statement (₹ Cr)

Particulars (₹ Cr)	FY24	FY25	FY26	Q1 FY26	Q1 FY27
Revenue from operations	1,129.0	1,294.1	1,606.0	368.4	470.3
Revenue growth %	–	14.6%	24.1%	–	27.7%
Cost of medicines & consumables (purchases ± inventory)	296.7	336.8	430.2	102.1	115.1
Gross profit	**832.3**	**957.2**	**1,175.7**	**266.2**	**355.1**
Gross margin %	73.7%	74.0%	73.2%	72.3%	75.5%
Employee benefits expense	167.3	173.8	181.6	39.7	56.3
Retainers & consultants fee (doctors)	294.0	358.9	394.1	94.9	110.7
Other expenses	252.0	288.2	287.3	71.2	83.1
EBITDA (ex-other income)	**119.0**	**136.3**	**312.7**	**60.5**	**105.0**
EBITDA margin (ex-other income) %	10.5%	10.5%	19.5%	16.4%	22.3%
Add: Other income (+ FY24 fair-value gain)	35.4	20.1	22.8	5.8	8.5
EBITDA (RHP definition)	**154.4**	**156.5**	**335.6**	**66.3**	**113.5**
EBITDA margin %	13.7%	12.1%	20.9%	18.0%	24.1%
Less: Depreciation & amortisation	80.7	115.6	143.6	32.5	35.1
EBIT	**73.7**	**40.9**	**192.0**	**33.8**	**78.4**
Less: Finance cost (incl. lease interest)	67.1	90.9	116.0	27.9	30.2
PBT	**6.6**	**(50.0)**	**76.0**	**5.8**	**48.1**
PBT margin %	0.6%	(3.9%)	4.7%	1.6%	10.2%
Less: Tax (current + deferred)	22.0	7.9	32.2	6.9	(1.6)
Tax rate %	n.m.	n.m.	42.3%	n.m.	-3.2%
PAT	**(15.3)**	**(58.0)**	**43.8**	**(1.0)**	**49.7**
PAT growth %	–	n.m.	n.m.	–	n.m.
PAT margin %	(1.4%)	(4.5%)	2.7%	(0.3%)	10.6%
EPS (₹, basic = diluted)	(1.57)	(5.94)	4.34	(0.10)	4.92

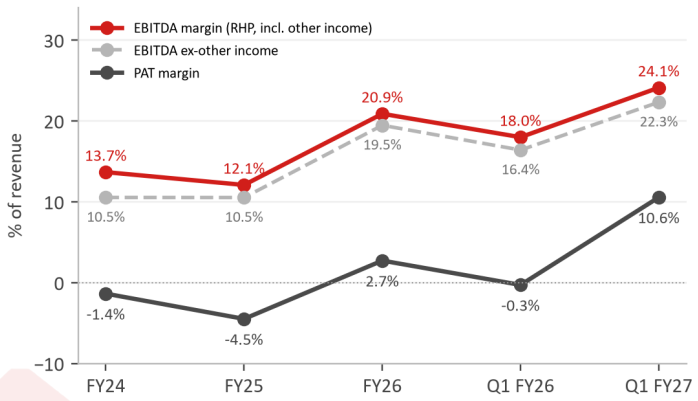
Source: RHP – Summary of restated consolidated statement of profit and loss (p. 83), KPIs (p. 258). EBITDA ties to the RHP KPI (PBT + finance cost + D&A, which includes other income and, in FY24, a ₹13.4 Cr fair-value gain). The RHP computes EBITDA margin on total income; margins here are on revenue. Q1 = three months to 30 June, not annualised. Converted from ₹ million. n.m. = not meaningful.

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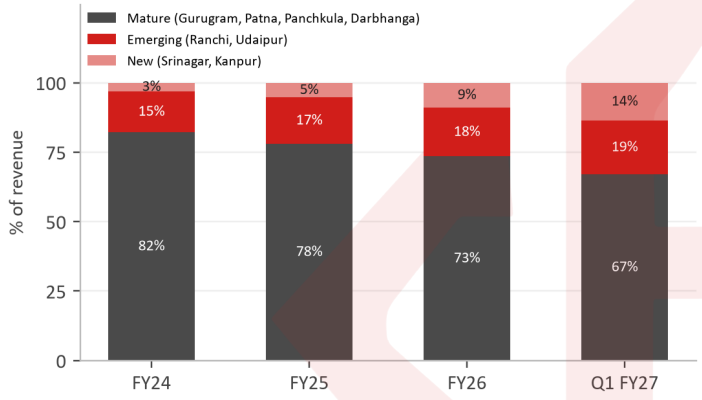
Charts



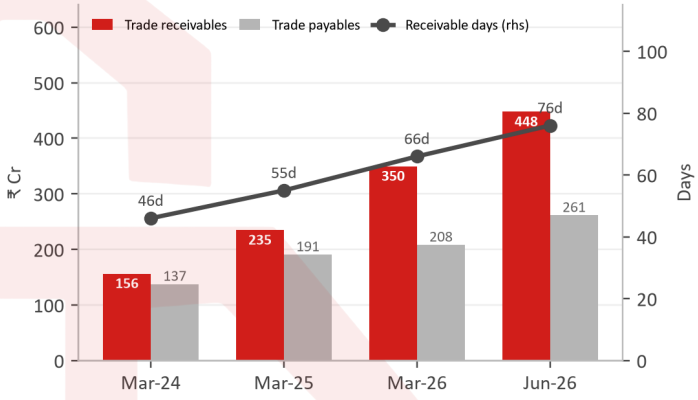
Revenue & PAT trend (₹ Cr)



EBITDA & PAT margin trend



Revenue by hospital stage (% of revenue)



Receivables & payables (₹ Cr) with receivable days

Source: RHP – Restated Consolidated Financial Information, MD&A (p. 461–467), Risk Factor 18 (p. 43). Inventory is small for a hospital (medicines and consumables, about a month of use), so a revenue-by-hospital-stage chart replaces the usual inventory chart. Receivable days are the RHP's certified figures.

Working Capital and Leverage (₹ Cr)

Why this matters: a hospital pays doctors, nurses and suppliers every month but waits for insurers and government schemes to settle claims. *Receivable days* (how long a bill takes to be paid) rose from 46 to 76, and government schemes alone take over 150 days, so growth uses up cash.

Particulars (₹ Cr)	Mar-24	Mar-25	Mar-26	Jun-26
Inventories (medicines, consumables)	27.8	26.3	31.9	35.1
Inventory days (on cost of medicines)	34	28	27	28
Trade receivables	156.3	234.6	349.6	447.6
Receivable days (RHP)	46	55	66	76
Government schemes & PSUs – receivable days (RHP)	134	158	153	167
Trade payables	137.5	190.5	208.1	261.3
Payable days (on medicines + consultants + other expenses)	60	71	68	77
Gross borrowings	547.5	727.9	854.1	888.9
Cash and bank balances	160.3	205.5	302.7	298.8
Net debt (ex-leases)	**387.2**	**522.4**	**551.4**	**590.1**
Net debt / EBITDA	2.5x	3.3x	1.6x	1.3x*
Lease liabilities	376.4	504.2	539.8	540.6
Total equity	338.5	280.5	394.9	445.0
Debt (incl. leases) / equity (RHP)	2.73x	4.39x	3.53x	3.21x

*Source: RHP – Summary of restated statement of assets and liabilities (p. 81–82), Risk Factor 18 (p. 42–43), KPIs (p. 259). Inventory days, payable days, net debt and ratios are ACFSL calculations; *Jun-26 uses Q1 EBITDA × 4 and Q1 costs over 91 days. Payable days exclude salaries, which are not bought on credit.*

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Balance Sheet (₹ Cr)

Particulars (₹ Cr)	Mar-24	Mar-25	Mar-26	Jun-26
Property, plant & equipment incl. CWIP	617.4	683.4	702.3	692.5
Right-of-use assets (leased hospitals, equipment)	391.6	521.4	531.1	525.8
Goodwill and other intangible assets	7.5	6.4	6.0	6.1
Other non-current financial assets	37.1	32.4	24.8	77.7
Tax assets, deferred tax and other non-current assets	50.4	49.1	32.0	52.1
Total non-current assets	**1,104.0**	**1,292.7**	**1,296.2**	**1,354.2**
Inventories	27.8	26.3	31.9	35.1
Trade receivables	156.3	234.6	349.6	447.6
Cash and cash equivalents	15.5	37.2	47.2	25.1
Other bank balances	144.8	168.3	255.5	273.6
Other current assets (incl. tax)	29.2	51.3	90.7	67.2
Total current assets	**373.6**	**517.7**	**774.9**	**848.7**
Total Assets	**1,477.7**	**1,810.5**	**2,071.1**	**2,202.9**
Equity share capital	9.8	9.8	10.1	10.1
Other equity	328.7	270.7	384.8	434.9
Total equity	**338.5**	**280.5**	**394.9**	**445.0**
Non-current borrowings	358.4	436.4	454.2	459.4
Non-current lease liabilities	350.3	461.9	492.9	492.7
Other non-current liabilities, provisions and deferred tax	9.4	12.2	10.7	10.4
Total non-current liabilities	**718.2**	**910.5**	**957.8**	**962.4**
Current borrowings	189.1	291.5	399.9	429.5
Current lease liabilities	26.1	42.3	46.9	47.9
Trade payables	137.5	190.5	208.1	261.3
Other current liabilities and provisions	68.3	95.1	63.5	56.8
Total current liabilities	**421.0**	**619.4**	**718.4**	**795.5**
Total Equity and Liabilities	**1,477.7**	**1,810.5**	**2,071.1**	**2,202.9**

Source: RHP – Summary of restated consolidated statement of assets and liabilities (p. 81–82). Minor lines grouped by ACFSL; converted from ₹ million. Equity fell in FY25 because of the ₹58 Cr loss and rose in FY26 with the ₹69 Cr (net) pre-IPO share issue and the return to profit.

Cash Flow Statement (₹ Cr)

Particulars (₹ Cr)	FY24	FY25	FY26	Q1 FY27
Profit before tax	6.6	(50.0)	76.0	48.1
Depreciation and amortisation	80.7	115.6	143.6	35.1
Finance costs	67.1	90.9	116.0	30.2
Interest income	(14.2)	(15.9)	(18.0)	(7.2)
Loss allowance on receivables	10.5	20.4	9.7	2.6
Other non-cash items (FV gain, FX, ESOP, write-backs)	(18.2)	(4.0)	(0.8)	0.3
Operating profit before working capital changes	**132.5**	**156.9**	**326.5**	**109.1**
Trade receivables	(36.1)	(98.7)	(124.7)	(100.6)
Trade payables	13.6	53.1	15.8	52.9
Inventories and other working-capital items	(7.0)	(15.3)	(0.2)	(18.4)
Income tax (paid) / refund	(10.5)	(9.8)	(53.8)	21.3
Net cash from operating activities (A)	**92.5**	**86.2**	**163.5**	**64.3**
Capex, net of asset sales	(194.7)	(135.4)	(168.8)	(31.6)
Bank deposits (net) and interest received	0.7	(11.9)	(70.6)	(60.4)
Net cash used in investing activities (B)	**(194.1)**	**(147.3)**	**(239.4)**	**(92.0)**
Equity shares issued (net of expenses)	–	–	69.1	–

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Particulars (₹ Cr)	FY24	FY25	FY26	Q1 FY27
Borrowings raised / (repaid), net	152.6	181.2	126.5	34.6
Lease payments (principal + interest)	(21.5)	(40.7)	(47.2)	(12.3)
Finance costs paid	(37.1)	(57.7)	(62.5)	(16.7)
Net cash from financing activities (C)	**94.0**	**82.8**	**85.9**	**5.6**
Net change in cash (A+B+C)	**(7.6)**	**21.8**	**10.0**	**(22.1)**
Cash and cash equivalents – closing	15.5	37.2	47.2	25.1

Source: RHP – Summary of restated consolidated statement of cash flow (p. 84–85). Minor items grouped by ACFSL; converted from ₹ million. Over FY24–Q1 FY27 the company spent ₹530 Cr on capex against ₹407 Cr of operating cash flow, paid ₹122 Cr of lease rent and ₹174 Cr of other interest, and put ₹189 Cr into bank deposits; the gap was funded with net new borrowings of ₹495 Cr and the ₹69 Cr pre-IPO equity.

Key Risks

- **Government payers and slow cash.** Government schemes and PSUs paid 43.6% of Q1 FY27 revenue (29.8% in FY24) and take 153–167 days to settle. About 83% of gross receivables are due from government payers; receivables nearly tripled from ₹156 Cr to ₹448 Cr, and ₹128 Cr is more than six months old.
- **Scheme rates and empanelment.** The government sets CGHS and ECHS package rates (revised in October 2025). Patna was suspended from the CGHS panel in April 2024 (re-empanelled in April 2026); Udaipur's RGHS access was blocked for 72 days in 2025, and a ₹0.85 Cr recovery-and-penalty order from July 2026 is pending.
- **Short profit record.** Losses of ₹15 Cr in FY24 and ₹58 Cr in FY25; FY26 profit of ₹44 Cr is the first full-year profit in the period. The Ranchi and Srinagar subsidiaries lost ₹52 Cr in FY26 and ₹82 Cr in FY25, and Q1 FY27 profit includes a ₹16 Cr deferred-tax credit.
- **Debt and leases stay high.** Borrowings of ₹889 Cr plus leases of ₹541 Cr against equity of ₹445 Cr (debt-to-equity 3.2x, RHP). CARE downgraded the company to BBB (Negative) in March 2025 citing debt-funded expansion and start-up losses. Even after ₹375 Cr is repaid, loans and leases will still be about the size of net worth.
- **Expansion execution.** 800 new beds (Gurugram II, FY27; Ludhiana, FY28) are planned without IPO money. Srinagar opened 14 months late and Kanpur 12 months late, and new hospitals lose money in their first years. Only 68% of built beds are operational.
- **Leased premises.** Six of eight hospitals run on leased or revenue-share premises; the lease deeds for Panchkula, Darbhanga and Srinagar are unregistered, and Ranchi runs under a PPP with Heavy Engineering Corporation, which has claimed ₹2.75 Cr of damages for the delayed start.
- **People.** Doctors' fees, staff and medicines are about 65% of total expenses. Attrition across doctors, nurses and support staff was 60% in FY26 (12% in Q1 FY27), and the business relies on senior clinicians and the promoter.
- **Regional and specialty concentration.** Five North India hospitals bring 66% of revenue and six specialties 75%; Gurugram alone earns the highest ARPOB. Listed chains compete in the same cities: Medanta (Global Health) also runs hospitals in Gurugram, Patna and Ranchi.
- **Contingent liabilities and litigation.** Contingent liabilities are 89.6% of net worth (₹398 Cr, mostly guarantees for subsidiary and parent loans), plus a ₹28 Cr GST demand on the Panchkula unit and income-tax reassessments remanded by the Supreme Court in April 2026. A criminal complaint alleging medical negligence (Patna, 2016 case) names the MD.
- **Governance and valuation.** A promoter-group member appears in the CIBIL wilful-defaulter list (a 2014 hotel-company default); the company does not own the 'Paras' trademark; the RHP notes gaps in old corporate records. The ₹693 cap is about 171x FY26 earnings and 192% above the April 2025 pre-IPO price of ₹237.

Source: RHP – Risk Factors 1–5, 7–12, 15, 18–20, 22, 40 (p. 21–65); Summary of Contingent Liabilities (p. 86); Objects of the Offer (p. 126).

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