Classified as Internal

IPO NOTE · PREPARED FOR CLIENTS

Paras Healthcare

North India's Specialty Hospital Platform | Fresh Issue + OFS ₹1,450 Cr | Opens 21 Oct 2026

RECOMMENDATION – SUBSCRIBE

Angel One Equity Research Desk
15 October 2026

01 THE OFFER

PRICE BAND	ISSUE SIZE	SUBSCRIPTION	LISTING (TENTATIVE)
₹660–693	₹1,450 Cr	21–23 Oct 2026	28 Oct 2026
Per equity share			

STRUCTURE	POST-ISSUE P/E	POST-ISSUE MCAP	QIB / NIB / RETAIL
Fresh Issue + OFS	37.72x	₹7,498.34 Cr	75 / 15 / 10%
₹500 Cr Fresh · ₹950 Cr OFS		At upper price band	Allocation split

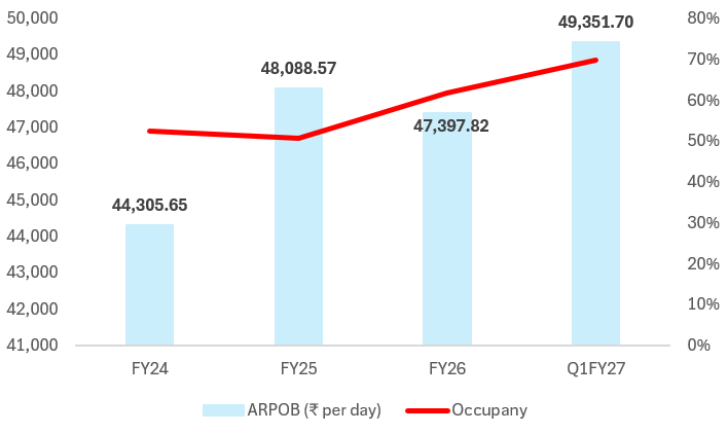
02 COMPANY SNAPSHOT

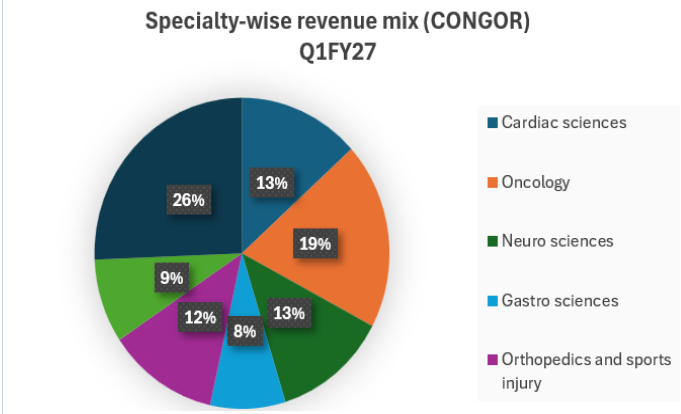
Incorporated in 1987, **Paras Healthcare Limited** is a clinical specialty-led hospital platform providing tertiary and quaternary care across North India, Bihar and Jharkhand under the "Paras Health" brand. It operates eight hospitals with an aggregate capacity of 2,211 beds across Gurugram, Panchkula, Patna, Darbhanga, Kanpur, Udaipur, Ranchi and Srinagar (as of 30 June 2026), with a focus on high-acuity CONGOR specialties — cardiac sciences, oncology, neurosciences, gastro sciences, orthopaedics and renal sciences.

HOSPITALS	BED CAPACITY	CONGOR SPECIALTIES	EXPANSION PIPELINE
8 Hospitals	2,211 Beds	~75% of Revenue	3,011 Beds
North India, Bihar & Jharkhand			(By March 2028)

ICU BEDS	NABH ACCREDITATION	TOTAL INCOME	CONSOLIDATED PAT
559	7 Hospitals	₹1,628.78 Cr	₹43.83 Cr
As of June 2026	(Out of 8)	FY26	FY26

03 BUSINESS MIX & MARKET LEADERSHIP





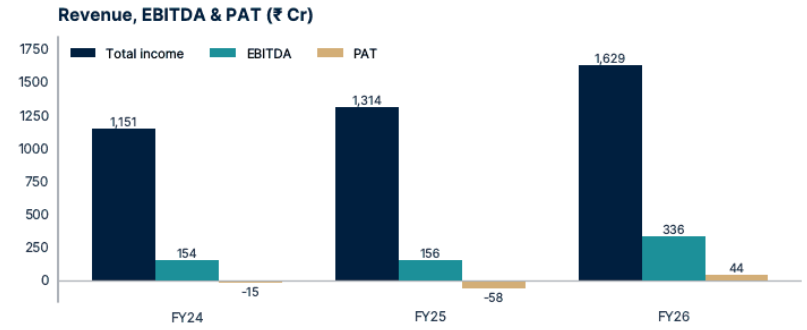
Where the revenue comes from

Paras Healthcare earns its revenue from in-patient and out-patient services across its eight hospitals, with high-acuity CONGOR specialties (cardiac sciences, oncology, neurosciences, gastro sciences, orthopaedics and renal sciences) contributing roughly 75% of revenue in fiscal 2026. Its portfolio is balanced across mature, emerging and new hospitals, with first-mover positions in under-penetrated Tier-2 markets such as Patna, Darbhanga, Ranchi and Srinagar, and a capital-efficient mix of owned and leased hospitals that keeps capex at about ₹77 lakh per bed.

Objects of the issue

Sr No	PARTICULARS	AMOUNT
1	Prepayment or scheduled repayment, in full or in part, of certain outstanding borrowings availed by the Company	320.90
2	Investment in wholly owned Subsidiary, PMHPL (which operates the hospital in Srinagar), for repayment/prepayment of its borrowings, in full or in part	54.10
3	General corporate purposes.	Balance

04 FINANCIAL PERFORMANCE



What happened

- **Total income** increased from ₹1,151.02 Cr in FY24 to ₹1,628.78 Cr in FY26, delivering a CAGR of approximately 19.0%.
- **EBITDA** more than doubled from ₹154.41 Cr in FY24 to ₹335.58 Cr in FY26, with EBITDA margins expanding to 20.6%.
- **Profit After Tax (PAT)** turned around from losses of ₹15.33 Cr in FY24 and ₹57.98 Cr in FY25 to a profit of ₹43.83 Cr in FY26, with PAT margin at 2.7%.
- **Q1 FY27** extended this momentum, with total income of ₹478.75 Cr, EBITDA of ₹113.48 Cr (23.70% margin) and PAT of ₹49.68 Cr — already above the full-year FY26 profit — supported by improving occupancy and a ₹16.22 Cr deferred tax credit.

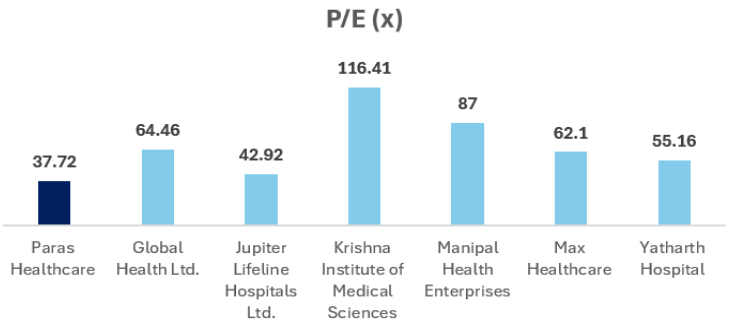
TOTAL INCOME (Q1FY27)
₹478.75 Cr
Quarter ended 30 Jun 2026

EBITDA (Q1 FY27)
₹113.48 Cr
Margin 23.70%

PAT (Q1 FY27)
₹49.68 Cr
Margin 10.38%

₹ Cr	FY24	FY25	FY26	Q1FY27
Total income	**1,151.0**	**1,314.2**	**1,628.8**	**478.8**
EBITDA	**154.4**	**156.5**	**335.6**	**113.5**
PAT	**(15.3)**	**(58.0)**	**43.8**	**49.7**

05 VALUATION (LISTED PEERS)



Why does the discount look attractive

At the upper price band of ₹693, Paras Healthcare is valued at a post-issue market cap of ₹7,498 Cr, or 37.72x annualised Q1 FY27 post-issue EPS — a meaningful discount to the average of ~67.8x across ten listed hospital peers, including Global Health (64.46x) and Max Healthcare (62.10x).
On trailing FY26 earnings the multiple looks optically high (159.68x) because profits have only just turned positive; the more relevant lens is operating profitability, where EBITDA more than doubled to ₹335.58 Cr in FY26 and margins expanded to 23.70% in Q1 FY27. ₹375 Cr of the ₹500 Cr fresh issue will go towards repaying debt, which should cut interest costs and accelerate PAT expansion.

Metric (FY26)	Paras Healthcare Ltd.	Yatharth Hospital Ltd.	Global Health Ltd.	Max Healthcare Ltd.
EPS – Basic (₹)	4.34	18.20	20.71	14.83
EPS – Diluted (₹)	4.34	18.20	20.66	14.76
NAV (₹ per share)	39.11	184.79	147.06	109.53
RoNW (%)	12.98%	10.36%	15.15%	14.33%
P/BV (x)	17.72x	5.45	9.05x	8.40x
P/E – FY26 (x)	159.68x	55.16	64.46x	62.10x
P/E – Annualised Q1 FY27, post-issue (x)	37.72x	NA	NA	NA

06 SECTOR OUTLOOK & KEY RISK

Structural tailwinds intact

India's hospital sector is set for multi-year growth, driven by the rising burden of lifestyle diseases, an ageing population, growing health-insurance penetration and a shortage of quality tertiary-care beds outside the metros. High-acuity specialties such as cardiac, oncology and neuro care earn higher revenue per patient than general care, lifting margins for chains that focus on them — the model Paras has built around its CONGOR specialties (~75% of revenue). With large chains still concentrated in metros, first-mover regional platforms in under-served Tier-2 markets benefit from strong catchments, brand recall and limited direct competition.

Meaningful growth headroom

Paras plans to lift bed capacity from 2,211 to 3,011 by March 2028 through a 300-bed hospital in Gurugram (FY27) and a 500-bed hospital in Ludhiana (FY28). Alongside this, the ramp-up of its emerging and new hospitals, ICU beds scaled from 425 to 559 between March 2024 and June 2026, and lower interest costs after debt repayment provide a clear runway for operating leverage and earnings growth.

⚠ KEY RISK

- High leverage: total borrowings of ₹1,393.86 Cr against net worth of ₹394.94 Cr at March 2026 (debt/equity of 3.53x) — borrowings remain sizeable even after the planned ₹375 Cr repayment.
- Recent and thin profitability: PAT turned positive only in FY26 (2.7% margin), and new hospitals in Gurugram and Ludhiana may weigh on earnings and require capital while they ramp up.
- Large OFS component: ₹950 Cr of the ₹1,450 Cr issue goes to the selling shareholders (promoter Dr. Dharminder Kumar Nagar and Commelina Ltd), not to the company.

07 OFFER STRUCTURE

Price Band

₹660 **₹693**

Post-issue market cap at the upper band: ₹7,498.34 Cr, across 2.09 Cr shares under offer.

Investor Category Allocation



QIB 1.57 Cr · NIB 0.31 Cr · Retail 0.21 Cr shares

Timeline

21 Oct → **23 Oct** → **28 Oct**

Subscription opens · Subscription closes · Tentative listing

Shareholding Pattern

Category	Pre IPO	Post IPO
Promoter and Promoter Group	72.8%	63.9%
Public	27.2%	36.1%
Total	**100%**	**100%**

08 OUR CALL

SUBSCRIBE

Paras Healthcare is one of the largest hospital platforms in North India, Bihar and Jharkhand, with 2,211 beds across eight hospitals and first-mover positions in under-penetrated Tier-2 markets. The turnaround is now visible in the numbers: EBITDA more than doubled to ₹335.58 Cr in FY26 and PAT turned positive, with Q1 FY27 profit of ₹49.68 Cr already exceeding the full-year FY26 figure.

A high-acuity CONGOR mix (~75% of revenue), capital-efficient expansion (~₹77 lakh capex per bed) and a visible pipeline to 3,011 beds by FY28 underpin growth, while ₹375 Cr of debt repayment should lower interest costs. At 37.72x annualised Q1 FY27 post-issue EPS, the valuation is at a discount to the ~67.8x average of ten listed hospital peers, offering a compelling long-term opportunity despite elevated leverage.

Price band	**₹660-693**
Issue size	**₹1,450 Cr**
Structure	**Fresh Issue + OFS**
Post-issue P/E	**37.72x**
Listing	**28 Oct 2026**

09 DISCLOSURES — RESEARCH TEAM & CERTIFICATION

SEBI (Research Analyst) Regulations, 2014 — Registration No. INH000000164

Aamar Deo Singh	Head Research	**Hitesh Rathi**	Analyst — Tech. & Derivatives
Osho Krishan	Sr. Analyst — Tech. & Derivatives	**Bhuvan Shah**	Analyst — Tech. & Derivatives
Sneha Seth	Sr. Analyst — Tech. & Derivatives	**Vaqarjaved Khan, CFA**	Sr. Analyst — Fundamental
Sugreem Vishwakarma	Sr. Analyst — Tech. & Derivatives	**Shruti Panday**	Analyst — Fundamental
Abhishek Chauhan	Sr. Analyst — Tech. & Derivatives	**Sugesh Kollara**	Analyst — Fundamental
Tejas Shigrekar	Sr. Analyst — Tech. & Derivatives		

SUGESH SUDHAKARAN KOLLARA

Digitally signed by SUGESH SUDHAKARAN KOLLARA
Date: 2026.10.21 14:53:55 +05'30'

Certification & contact

We, Vaqarjaved Khan, CFA, Shruti Panday and Sugesh Kollara the analysts and named authors of this report, certify that all views expressed accurately reflect our views about the subject issuer(s)/securities; that no part of our compensation was, is, or will be linked to the specific recommendations or views in this report; and that none of the above analysts have received compensation from the companies mentioned in this report in the preceding twelve months, nor serve as an officer, director or employee of those companies.

Compliance Officer: Bineet Jha · Tel: 08657864228 · compliance@angelone.in **Research queries:** aolresearch@angelone.in · www.angelone.in

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