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CM RATING 42 /100

Park Medi World

Private hospital chain in North India

Derives significant portion of its revenue from government payments

Park Medi World is the second largest private hospital chain in North India, with an aggregate bed capacity of 3,250 beds, and the largest private hospital chain in terms of bed capacity in Haryana. with 1,600 beds located in the state, as of September 30, 2025.

The company offers over 30 super specialty and specialty services, including internal medicine, neurology, urology, gastroenterology, general surgery, orthopedics and oncology. It had a dedicated team of 1,014 doctors and 2,142 nurses across hospitals, delivering clinical and patient care, as of September 30, 2025.

Over the years, the company has expanded through a series of acquisitions, adding eight hospitals across North India, including in Faridabad, Karnal, Ambala, Behror, Palam Vihar, Sonipat, Mohali, and Kanpur. The company operates a total of 14 NABH-accredited multi-super specialty hospitals under the 'Park' brand.

Eight of these hospitals are also NABL accredited. The hospitals are in Haryana, New Delhi, Punjab, and Rajasthan, with eight in Haryana, one in New Delhi, three in Punjab, and two in Rajasthan.

The company has a hospital expansion pipeline in Ambala, Panchkula, Rohtak, New Delhi, Gorakhpur, and Kanpur. In Ambala, land has been acquired next to the existing hospital to increase capacity from 250 to 450 beds and add an onco-radiation facility, expected to be operational by October 2027. In Panchkula, a 300-bed multi-super specialty hospital is under construction, expected to open by April 2026. In Rohtak, a 250-bed hospital is being built, expected to be operational by December 2026.

In addition, Blue Heavens, a subsidiary of the company, submitted a Resolution Plan to acquire Durha Vitrak (Febris Multi Specialty Hospital, Narela, New Delhi) under the Insolvency and Bankruptcy Code, 2016. The plan was approved by the NCLT. Blue Heavens is now completing the required actions, including paying Rs 483.01 million to Durha Vitrak's creditors and investing Rs 1 million in the hospital's equity. Once these steps are completed, Durha Vitrak will become a wholly owned subsidiary of Blue Heavens.

The company has also entered into an operations and management agreement dated July 3, 2024, with Lalji Superspeciality Hospital and Research Centre, Gorakhpur, and Dr Saranjit Singh to operate a 400-bed hospital in Gorakhpur, Uttar Pradesh for a term of 30 years until December 2055 on a revenue share basis, with operations expected to commence by April 2026. In Kanpur, the company's subsidiary, Aggarwal Hospital, entered into a share purchase agreement on June 12, 2025, to acquire 55% of the equity of Devina Derma, gaining a 300-bed hospital that is currently being renovated and is expected to be operational by April 2026. These expansion initiatives are expected to increase the company's total bed capacity from 3,250 beds as of September 30, 2025, to 4,900 beds by March 31, 2028.

Each of its hospitals has a trauma center, with round-the-clock coverage from super specialists, anesthesiologists and intensivists.

Revenue by specialties was led by Internal Medicine at 29.65%, followed by Neurology at 14.98%, Cardiology at 10.25%, Urology at 10.85%, Gastroenterology at 8.63%, Orthopedics at 5.93%, General Surgery at 5.86%, Oncology at 5.71%, and other specialties contributing 8.14% in H1 FY2026.

Self-Pay contributed 8.24% to total revenue, Insurance 7.49%, and Government Schemes and PSUs 83.38%. Acquired hospitals contributed 55.12% of the total revenue in H1 FY2026.

The company had 3,050 operational beds, including 870 ICU beds. The bed occupancy rate was 68.14%, with an average length of stay of 6.35 days, as of September 30, 2025. The average revenue per occupied bed was Rs 27,105. In-patient volume was 46,551, while out-patient volume totaled 3,92,049.

Going forward, the company intends to improve occupancy rates of existing hospitals and scale operations at newer hospitals.

Offer and its objects

The IPO comprises fresh issue of equity shares worth up to Rs 770 crore and an offer for sale aggregating up to Rs 150 crore by existing shareholder Dr Ajit Gupta.

The price band is Rs 154 to Rs 162 per equity share of face value Rs 2 each.

The objectives of the fresh issue include Rs 380 crore for the repayment/prepayment of outstanding borrowings, Rs 60.5 crore for funding capital expenditure towards the development of a new hospital by the subsidiary Park Medicity (NCR), Rs 27.45 crore for the purchase of medical equipment by the company and its subsidiaries, Blue Heavens and Ratangiri, and the remaining amount for inorganic acquisitions and general corporate purposes.

The promoters, Dr. Ajit Gupta and Dr. Ankit Gupta, and the promoter group hold an aggregate of 36,73,07,766 equity shares, aggregating 95.55% of the pre-offer issued and paid-up equity share capital. Their post-IPO shareholding is expected to be around 82.89%.

The issue, through the book-building process, will open on 10 December 2025 and will close on 12 December 2025.

Strengths

Second-largest private hospital chain in North India and the largest in Haryana.

Generates revenues from a diverse set of specialties, reducing concentration risks.

Acquired and integrated multiple hospitals into its network, showing ability to grow via acquisitions.

The cluster-based expansion approach drives operational efficiencies and leverages economies of scale due to the proximity of its hospitals.

The planned expansion of bed capacity signals growth ambitions and potential for higher future revenue.

Established relationships with vendors enable procurement of supplies and consumables at optimal cost.

Extensive experience of promoters and senior management personnel.

Weaknesses

Growth relies on acquiring and integrating hospitals to a certain extent.

Delays, disruptions, or cost overruns in constructing new hospitals could adversely affect business.

A large part of revenue comes from government payments, accounting for 83.38% in H1 FY2026, with 11.69% of the claims disallowed.

A large portion of revenue, 69.06%, was from hospitals in Haryana, 69.06% in H1 FY2026.

Contingent liabilities accounted for 11.66% of net worth, and corporate guarantees represented 71.58%, as of September 30, 2025.

Certain subsidiaries experienced losses in the past.

The attrition rate was at 33.72% in H1 FY2026.

Largest vendor contributed 40.14% of total purchases in H1 FY2026.

There are outstanding legal proceedings, including criminal cases, involving its directors, subsidiaries, and promoters.

Valuation

Net sales increased 17% to Rs 808.66 crore in H1 FY2026 as compared with H1 FY2025. The OPM fell 57 bps to 26.85%, leading to 15% increase in OP to Rs 217.14 crore. OI fell 8% to Rs 14.47 crore. Interest costs fell 3% to Rs 29.66 crore. Depreciation cost went up 3% to Rs 28.32 crore. PBT surged 18% to Rs 173.89 crore. Tax expenses were Rs 34.75 crore as compared with Rs 34.62 crore. Minority interest stood at Rs 7.13 crore as compared with Rs 5.5 crore. Net profit increased 23% to Rs 132.01 crore.

Net sales increased 13% to Rs 1393.57 crore in FY2025 as compared with FY2024. The OPM improved by 150 bps to 26.71%, leading to 20% increase in OP to Rs 372.17 crore. OI rose 1% to Rs 32.4 crore. Interest cost fell 15% to Rs 59.68 crore. Depreciation cost went up 15% to Rs 58.23 crore. PBT surged 31% to Rs 286.67 crore. Tax expenses were Rs 73.46 crore as compared with Rs 66.16 crore. Minority interest stood at Rs 8.05 crore as compared with negative Rs 1.49 crore. Net profit soared 34% to Rs 205.16 crore.

The TTM EPS on post-issue equity works out to Rs 5.3. At the upper price band of Rs 162, P/E is 30.

Total outstanding borrowings amounted to Rs 624.31 crore as on October 31, 2025. As much as 61% of the debt will be repaid from the issue proceeds, bringing down interest costs substantially and boosting profit. The TTM EPS works out to Rs 6 if 61% of its interest cost is removed, keeping all other items, including tax rate, same. The re-worked P/E at the upper price band moderates to 27.

Listed peers such as Max Healthcare Institute traded at TTM P/E of 74, Global Health trades at TTM P/E of 52, Yatharth Hospital & Trauma Care Services trades at TTM P/E of 43, and Fortis Healthcare at TTM P/E of 64 as on 08 December 2025. The OPM and ROE stood at 26.71% and 20.68% respectively, in FY 2025. These were 26.3% and 12.14% for Max Healthcare Institute, 23.75% and 15.31% for Global Health, 25.01% and 10.53% for Yatharth Hospital & Trauma Care Services, and 20.4% and 9.34% for Fortis Healthcare, respectively.

Park Medi World: Issue highlights	
For Fresh Issue Offer size (in no of shares)	
- On lower price band	5,00,00,000
- On upper price band	4,75,30,864
Offer size (in Rs crore)	770
For Offer for Sale Offer size (in no of shares)	
- On lower price band	97,40,259
- On upper price band	92,59,259
Offer size (in Rs crore)	150
Price band (Rs)	154-162
Minimum Bid Lot (in no. of shares)	92
Post issue capital (Rs crore)	
- On lower price band	86.88
- On upper price band	86.39
Post-issue promoter & Group shareholding (%)	82.89
Issue open date	10-12-2025
Issue closed date	12-12-2025
Listing	BSE, NSE
Rating	42/100

Park Medi World: Consolidated Financials

	2303 (12)	2403 (12)	2503 (12)	2409 (6)	2509 (6)
Sales	1,254.60	1,231.07	1,393.57	691.51	808.66
OPM (%)	31.11%	25.21%	26.71%	27.42%	26.85%
OP	390.34	310.30	372.17	189.59	217.14
Other inc.	17.58	32.02	32.40	15.97	14.74
PBIDT	407.92	342.31	404.57	205.57	231.87
Interest	50.60	70.32	59.68	30.54	29.66
PBDT	357.32	272.00	344.90	175.03	202.21
Dep.	40.52	50.57	58.23	27.52	28.32
PBT	316.81	221.42	286.67	147.51	173.89
Share of Profit/(Loss) from Associates/JV	-	-	-	-	-
PBT before EO	316.81	221.42	286.67	147.51	173.89
Exceptional items	(1.78)	(3.26)	-	-	-
PBT after EO	315.03	218.16	286.67	147.51	173.89
Taxation	86.84	66.16	73.46	34.62	34.75
PAT	228.19	152.00	213.21	112.89	139.14
Minority Interest	8.51	(1.49)	8.05	5.50	7.13
Net Profit	219.67	153.49	205.16	107.39	132.01
EPS (Rs)*	5.1	3.6	4.7	#	#
* EPS is annualized on post issue equity capital of Rs 86.39 crore of face value of Rs 2 each					
# EPS is not annualised due to seasonality of business					
EO: Extraordinary items. EPS is calculated after excluding EO and relevant tax					
Figures in Rs crore					
Source: Capitaline Corporate Database					