

Initiating Coverage

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# PARK MEDI WORLD LIMITED (PARKHOSP)

High-Quality Affordable Healthcare, Industry-low Capex:  
A Winning Formula



April 30, 2026

[institutional.equities@choiceindia.com](mailto:institutional.equities@choiceindia.com)

# Park Medi World Ltd. (PARKHOSP)

April 30, 2026 | CMP: INR 235 | Target Price: INR 320

Expected Share Price Return: 36.0% | Dividend Yield: 0.0% | Expected Total Return: 36.0%

Sector View: Positive

BUY



Established in 2011, PARKHOSP is the second largest private hospital chain in North India with a bed capacity of 3,960 beds, operating a network of 16 NABH accredited multi-super specialty hospitals under the 'Park' brand and offering 30 super specialty services.

## Company Information

BB Code	PARKHOSP IN EQUITY
ISIN	INE119201023
Face Value (INR)	2.0
52-week High (INR)	242.5
52-week Low (INR)	138.2
Mkt Cap (INR Bn)	101.6
Mkt Cap (USD Bn)	1.1
Shares Outstanding (Mn)	431.9
Free Float (%)	9.3
FY28E EPS (INR)	11.0

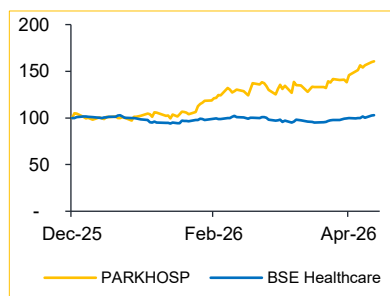
## Shareholding Pattern (%)

	Mar-26	Dec-25
Promoters	82.89	82.89
FIIIs	0.86	1.28
DIIIs	8.95	8.58
Public	7.30	7.25

## Relative Performance (%)

YTD	4M	2M	1M
BSE Healthcare	1.7	1.6	5.2
PARKHOSP	61.5	21.7	17.6

## Rebased Price Performance (%)



## Key Insights from Management Meet

### Bull/Bear Case

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**Aggressive capacity expansion with lowest capex per bed:** PARKHOSP is executing one of India's most capital-efficient hospital expansions, **scaling up from 3,960 beds today to eventually 5,460 by FY28** and doubling to over 10,000 beds in the following 5 years. The entire rollout is self-funded through internal accruals, with zero equity dilution. The cluster model delivers **capex of just INR 34Lakh/bed** against INR 80–100Lakh/bed for greenfield peers, without compromising NABH accreditation, robotics or ICU standards. Upfront payment for **acquisitions of distressed assets** secure valuation which competitors structurally cannot match. The **bed configuration** of 40% general ward, 30% ICU/critical care, 20–22% twin-sharing and remainder single rooms, **maximises bed density per square foot**. With a de-risked pipeline and a self-sustaining cash engine, PARKHOSP's compounding trajectory remains firmly intact.

**Shift towards high-end case mix and optimising ALOS:** PARKHOSP is executing a purposeful, multi-year clinical upgrade which remains in its early innings. **Internal Medicine's structural retreat to ~30% is being systematically replaced by high-acuity, high-margin specialties**, anchored by three **fifth-generation da Vinci robotic** systems, Meril Robotic and Robo lens. With robotic volumes running at just 20–25% of maturity benchmarks, the operating leverage ahead remains substantial. Simultaneously, **ALOS compression and ARPOB expansion** confirm genuine clinical efficiency gains. The **full-time doctor model** ensures institutional alignment, while HIS standardisation across facilities creates compounding operational advantages which deepen with scale. PARKHOSP's clinical flywheel is still accelerating.

**Improving payor mix and benefit from revised CGHS rate:** PARKHOSP's **83% government payor mix is its most durable competitive moat**, creating a dual-sided barrier which premium chains cannot breach downwards and standalone operators cannot sustain upwards. The **CGHS rate hike of 12–15%** (first in a decade) delivers a sovereign-guaranteed, **cost-free revenue uplift of ~7.5% flowing directly to EBITDA**. Full cascade percolation across ECHS, Railways and state governments by H2FY27 creates a clearly dated earnings inflection.

Simultaneously, the payor mix is **organically shifting, from 83%/17% towards 75%/25% government/private**, compressing the collection cycle from ~5 months towards 3.5 months, structurally **improving free cash flow conversion**. With management conservatively guiding 7.5% CGHS benefit against an actual 12–15% hike, the FY27 EBITDA delivery above current guidance is a high-conviction expectation.

**Investment View:** We expect **Revenue/EBITDA/PAT to expand at a CAGR of 26.3%/27.1%/34.6%** over FY26–29E. The growth will be driven by aggressive capacity expansion with low capex per bed, a shift towards a higher-end case mix, optimisation of ALOS, improvement in payor mix and gains from revised CGHS rates. Thus, **we initiate coverage on PARKHOSP with a 'BUY' rating and a target price of INR 320, with an upside of 36.0%**, by valuing the company at 18x EV/EBITDA on FY28E.

**Optionality:** Currently concentrated in North India, expansion into new regions would reduce concentration risk. An upgrade in case mix is expected to drive higher ARPOB.

**Key risks:** Possible delays in achieving synergies from acquisitions and probably slower-than-anticipated ramp-up of the new hospitals.

## Key Financials

INR Mn	FY24	FY25	FY26E	FY27E	FY28E	FY29E
Revenue	12,311	13,936	16,695	21,337	27,433	33,610
YoY (%)	(1.9)	13.2	19.8	27.8	28.6	22.5
EBITDA	3,009	3,710	4,341	5,654	7,270	8,907
EBITDA Margin %	24.4	26.6	26.0	26.5	26.5	26.5
PAT	1,498	2,154	2,411	3,633	4,744	5,876
EPS	3.9	5.6	5.6	8.4	11.0	13.6
ROE %	19.5	22.7	15.5	16.2	17.8	18.4
ROCE %	18.3	19.8	17.3	19.4	21.7	22.5
PE(x)	NA	NA	42.1	28.0	21.4	17.3
EV/Sales (x)	NA	NA	5.9	4.5	3.4	2.7
EV/EBITDA (x)	NA	NA	22.7	17.0	13.0	10.3
Debt/Equity	0.8	0.6	0.1	0.0	0.0	0.0

Source: PARKHOSP, Choice Institutional Equities

**Report Structure**

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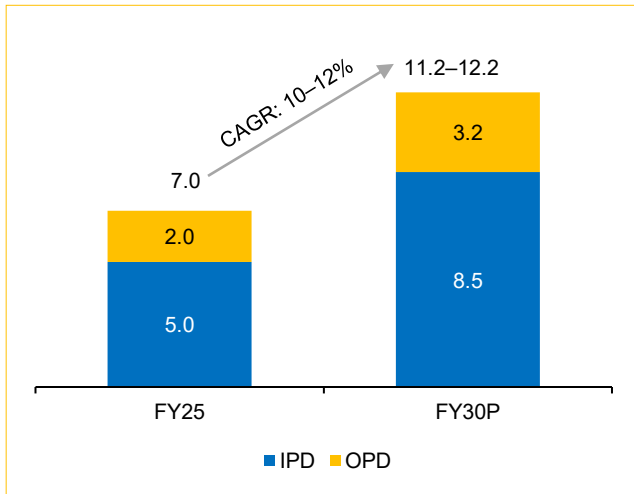


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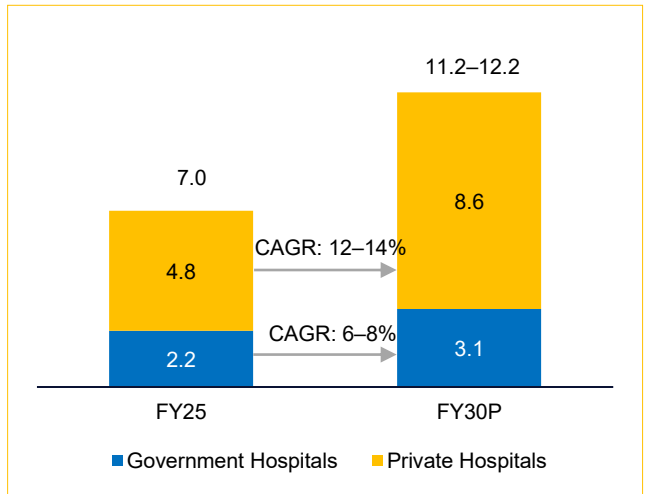
**Investment Thesis in Charts**

**Healthcare delivery market in India (INR Tn)**



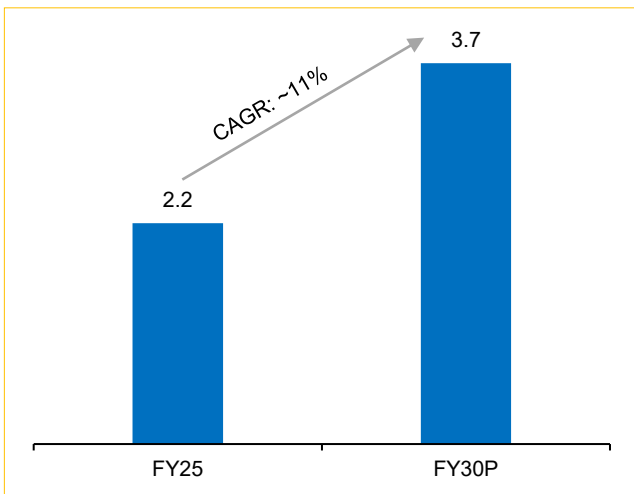
Source: Crisil Intelligence, Choice Institutional Equities

**Continuously led by private hospital players**



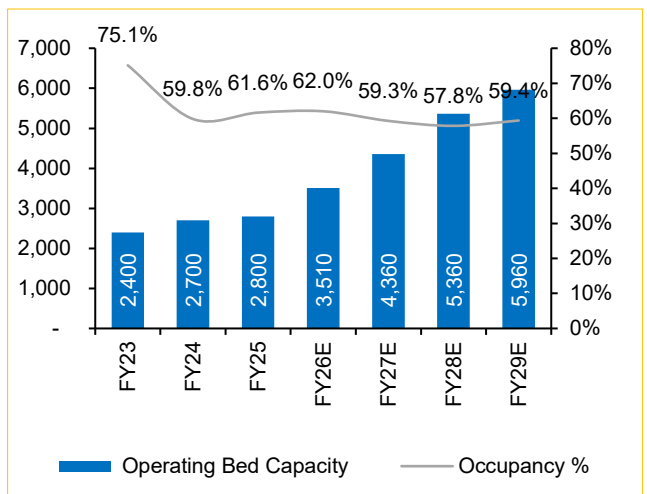
Source: Crisil Intelligence, Choice Institutional Equities

**North India market demonstrates robust growth**



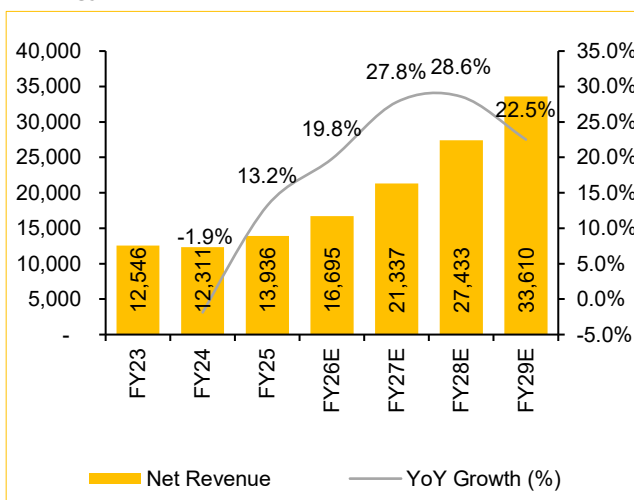
Source: Crisil Intelligence, Choice Institutional Equities

**PARKHOSP's North India expansion driving multi-year growth visibility**



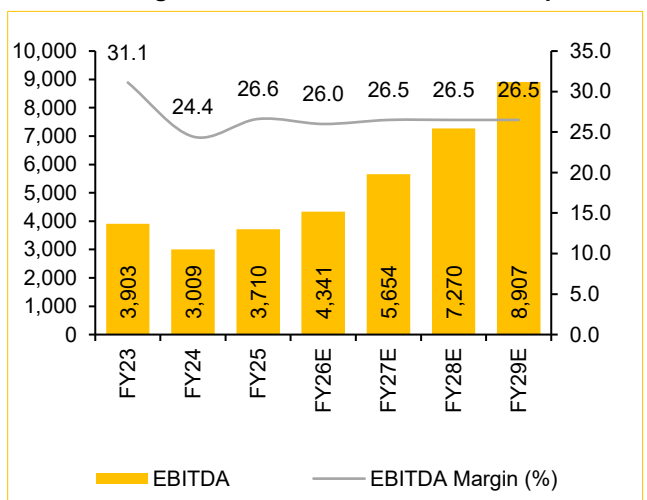
Source: PARKHOSP, Choice Institutional Equities

**Strong revenue growth supported by expansion strategy**



Source: PARKHOSP, Choice Institutional Equities

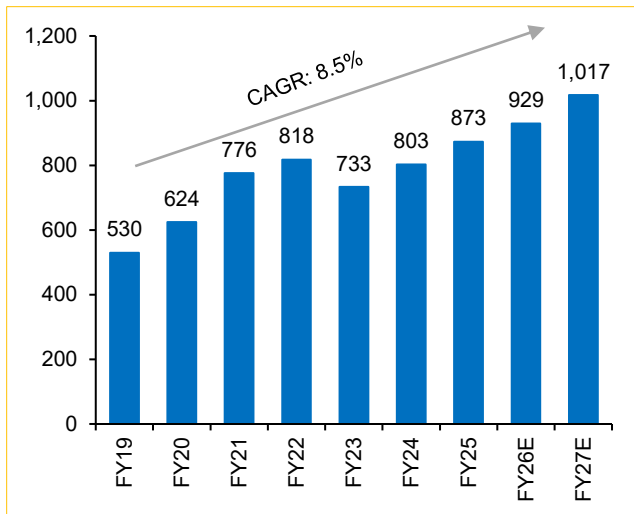
**EBITDA margin to remain stable ~27% amid expansion**



Source: PARKHOSP, Choice Institutional Equities

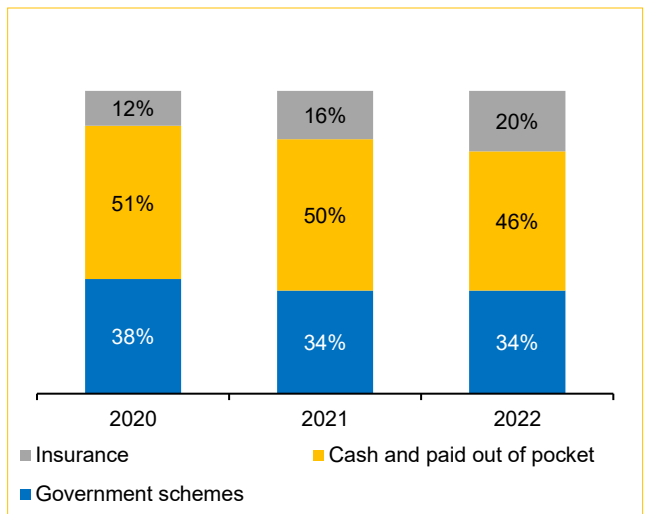
**Investment Thesis in Charts**

**Increasing public health spend drives market growth**



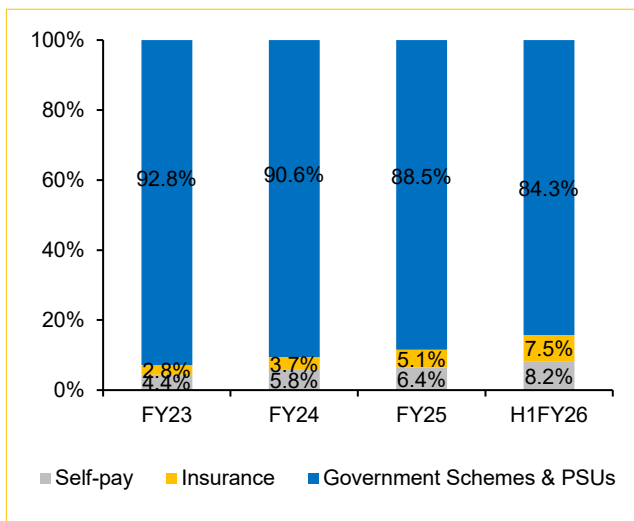
Source: Budget Document, Crisil Intelligence, Choice Institutional Equities

**Shift in payor mix in India's healthcare delivery market**



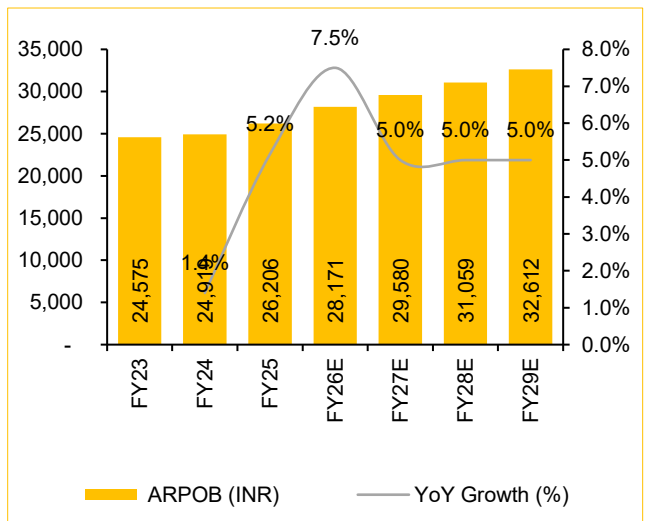
Source: Crisil MI&A, Choice Institutional Equities

**...PARKHOSP is moving towards the industry trend**



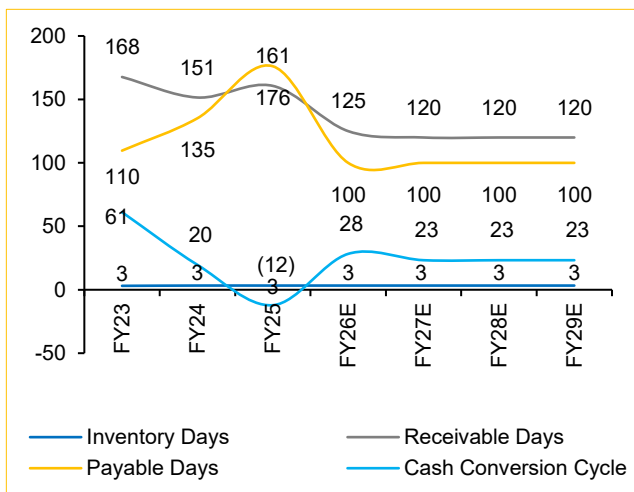
Source: PARKHOSP, Choice Institutional Equities

**...with ARPOB expected to grow towards ~INR 32,000**



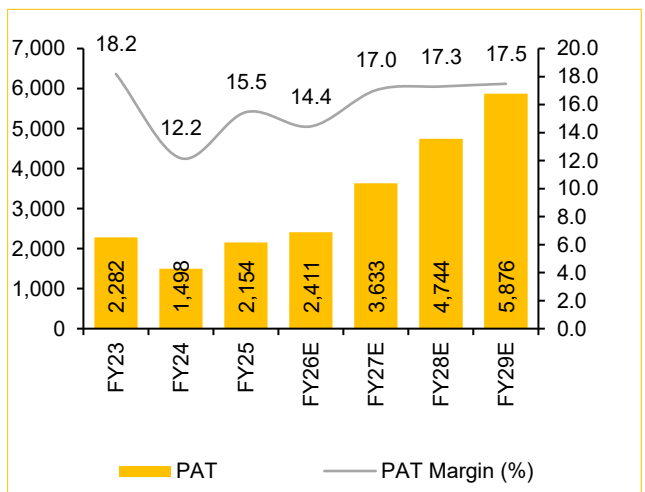
Source: PARKHOSP, Choice Institutional Equities

**...translating into strong cash conversion**



Source: PARKHOSP, Choice Institutional Equities

**...with PAT margin maintained at 15-17%**



Source: PARKHOSP, Choice Institutional Equities

**2.1 Aggressive Capacity Expansion with Lowest Capex per Bed**

PARKHOSP is executing one of India's most capital-efficient hospital rollouts, scaling from 3,960 to 5,460 beds by FY28 and doubling to over **10,000 beds over the next five years beyond FY28**, entirely **funded through internal accruals** with zero equity dilution. The cluster model sustains an unmatched **INR ~34L/bed capex** vs INR 80–100L/bed for greenfield peers, while maintaining NABH, robotics and ICU standards. Upfront payment for **acquisitions** of distressed assets extract **deep pricing discounts** competitors cannot replicate. **A high-ICU bed mix (30%)** drives **2–3x superior ARPOB**. The pipeline is de-risked and the compounding trajectory remains intact.

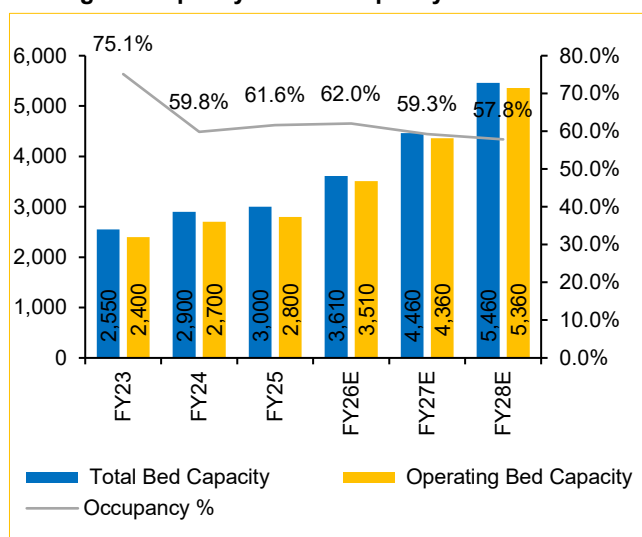
*Aggressive expansion: 4,460 beds by FY27, 5,460 by FY28; doubling to over 10,000 beyond FY28*

*Capital-efficient model, Brownfield/O&M-led growth at INR ~34L/bed, ~3x cheaper than greenfield peers*

**2.1.1 Planned taking total capacity to over 5,460 beds by FY28**

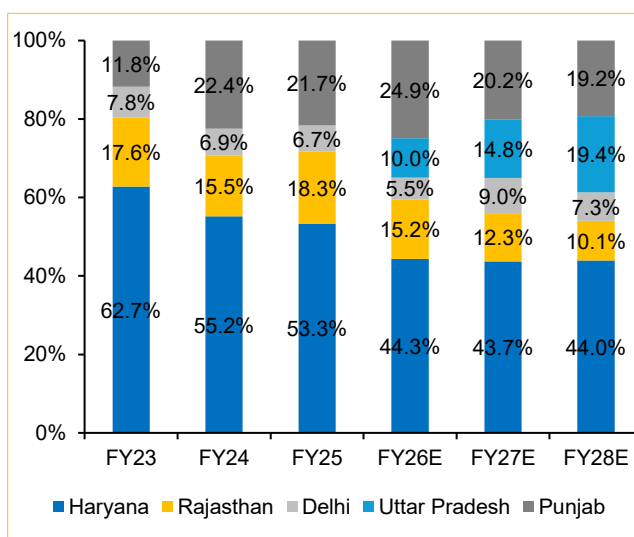
- **FY27:** An additional 850 beds are planned, of which 350 beds in Panchkula which started operations in April'2026, 300 beds in Kanpur and 200 beds in Delhi, which will start in the remaining year taking total network capacity to over 4,460 beds by FY27.
- **FY28:** The most ambitious tranche adding 1,000 beds (highest in a year) across four locations, Gorakhpur (400 beds via an O&M agreement), Ambala Extension as a dedicated oncology facility (200 beds), Mohali (expansion of 150 beds) and Rohtak Greenfield (250 beds), reaching the group's stated aspiration of over 5,460 beds by FY28.
- **Looking beyond FY28:** A long-term vision of doubling capacity to ~10,000 beds over the subsequent five years beyond FY28. The geographic selection for the longer-term on expanding the UP cluster (Lucknow and Varanasi identified as next nodes), deepening the existing Haryana, Punjab, Delhi and Rajasthan clusters.
- Unlike greenfield-heavy peers who carry significant execution risk, PARKHOSP's expansion pipeline is dominated by brownfield acquisitions and O&M agreements on already-operational assets.
- The KPIMS Agra acquisition, a 360-bed NABH-accredited hospital already generating INR 40 Mn/month in revenue at 30% occupancy, is a live proof point. The Gorakhpur unit is an O&M arrangement, requiring zero upfront capex for bed addition.
- The remaining **beds addition through FY28 is funded at a blended capex of just INR ~34/lakhs per bed**, which is ~3x cheaper than comparable greenfield additions by other peers.

**Scaling bed capacity while occupancy stabilises**



Source: PARKHOSP, Choice Institutional Equities

**Cluster-led expansion with strategic foray into Uttar Pradesh**



Source: PARKHOSP, Choice Institutional Equities

**2.1 Aggressive Capacity Expansion with Lowest Capex per Bed**

**2.1.2 Balanced Organic + Inorganic Expansion**

*Greenfield only where brand is proven, cluster approach de-risks organic expansion significantly.*

- What distinguishes PARKHOSP from both, pure greenfield operators and pure acquisition-driven hospital, chains is its **purposefully balanced capital allocation** across organic and inorganic growth vectors. Each playing a specific and complementary role in the overall expansion strategy.
- **Organic expansion: Selective and de-risked:** Greenfield development is reserved exclusively for markets where **the cluster logic is already proven** and where brand recall gives a new facility an **immediate competitive advantage**. The Panchkula greenfield is an example, located within the Tri-City corridor where PARKHOSP already operates the Mohali hospital. The new facility immediately benefits from established insurer relationships, patient referral networks and a talent base which already knows the Park brand.
- Similarly, the upcoming Rohtak greenfield (250 beds) benefits from PARKHOSP's existing Haryana dominance. Organic projects are also funded from internal accruals, with no equity dilution envisaged through FY28.

**Balanced growth playbook: Acquisition, organic and asset-light synergy**

Mode	Beds Added (FY28E)	Avg Capex per Bed	Risk Profile	Geographies Used
Acquisition	2,710 beds across 11 hospitals + 350 incremental beds via brownfield expansion	Lower	Low — operating asset, immediate revenue	Haryana, Punjab, Rajasthan, Uttar Pradesh, Delhi
Organic	1,700 beds across 7 hospitals	Higher (full build cost)	Medium — brand established in market	Haryana, Delhi, Punjab
O&M	700 beds across 2 hospitals	Minimal capex	Lowest — management fee model	Uttar Pradesh — new geography entry

Source: PARKHOSP, Choice Institutional Equities

*Upfront payment for distressed asset acquisitions unlock deep discounts at INR ~34L/bed, unmatched by peers.*

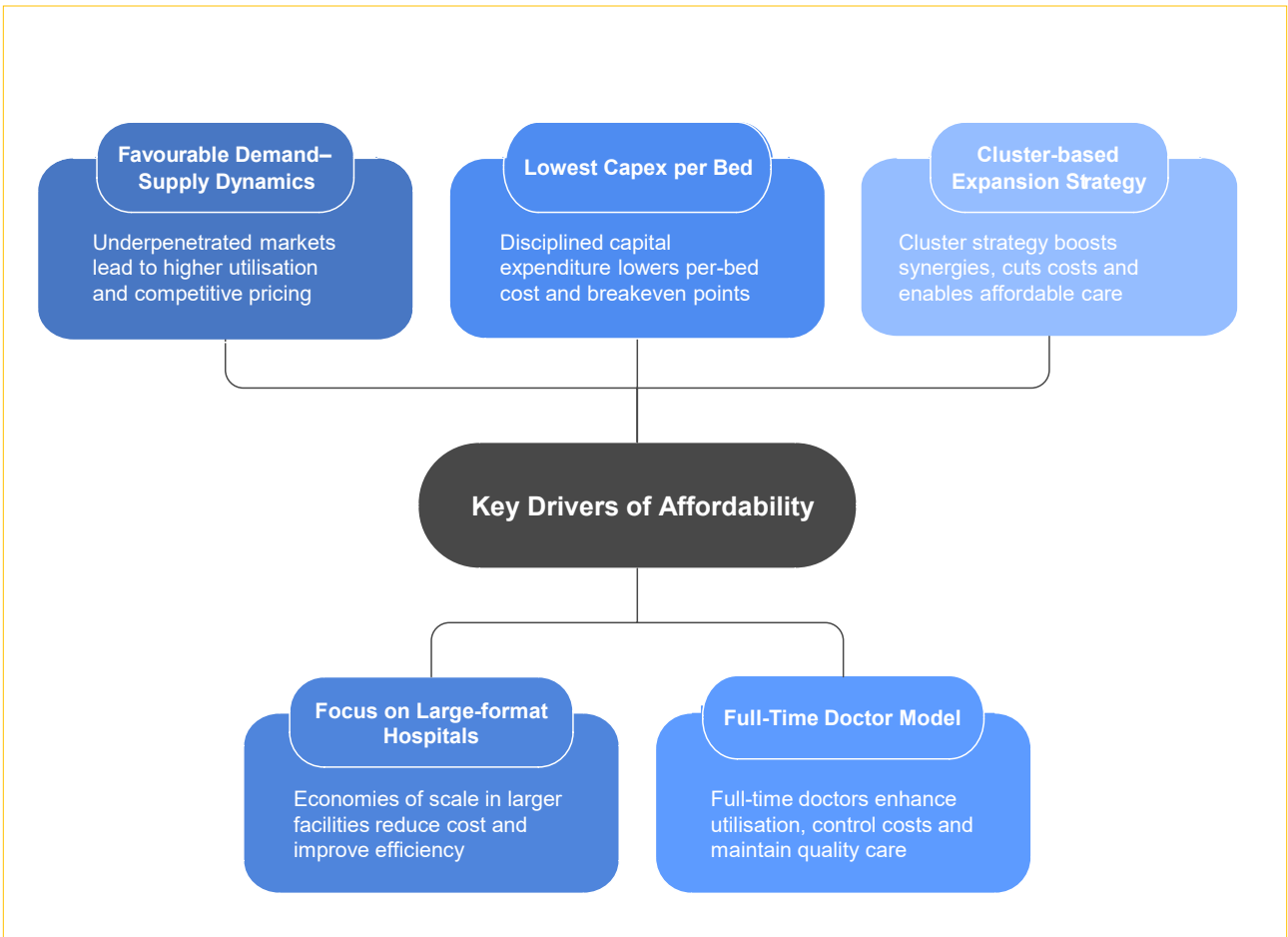
- The acquisition playbook is highly standardised. Management targets **distressed brownfield assets** in strategically located micro-markets, evaluating four parameters - strategic location quality, depth of distress (which drives pricing discount), current medical service availability in the catchment and the headroom to grow occupancy and specialty depth.
- Because PARKHOSP pays upfront, it consistently extracts **deep pricing discounts** which cannot be matched by competitors relying on deferred or earn-out structures. This is how the company sustains its INR ~34 lakh/per operating bed blended capex.
- PARKHOSP's O&M strategy delivers the most capital-efficient bed addition, **minimal capex, minimal balance sheet risk, management fee income from Day 1**. The Gorakhpur agreement (400 beds, FY28) anchors the eastern UP cluster without committing a single rupee, while transferring PARKHOSP's sovereign CGHS empanelment and clinical playbook instantly. Every O&M bed is pure earnings accretion, effectively a free option on a proven market opportunity before permanent capital commitment.

**2.1 Aggressive Capacity Expansion with Lowest Capex per Bed**

**2.1.3 Cluster-led approach enhances utilisation and operational efficiency**

*Smart bed mix maximises yield, 30% ICU (2–3x ARPOB) + twin-sharing density drives revenue per sq ft.*

- The cluster strategy is PARKHOSP’s **most structurally differentiated and hard-to-replicate competitive advantage**. At its core, the cluster model enables **three distinct types of value creation**, shared resource efficiency (the cost advantage), faster occupancy ramp-up (the revenue advantage) and structural competitive insulation (the moat advantage)
- The numerical evidence of this efficiency is visible in the **capex per bed metric**: PARKHOSP sustains INR ~34 lakhs per operating bed across its portfolio, a figure that the company has held constant over two decades and guided to maintain through the coming years, **at a time when greenfield hospital construction costs in North India have escalated to INR 80–100 lakhs per bed**.
- The only way to sustain lower capex per bed while maintaining NABH accreditation, robotics capability and ICU infrastructure is through the cluster model’s shared resource efficiency.
- Another critical element of cost efficiency is the **bed configuration model**, 40% general ward, 30% ICU/critical care, 20–22% twin-sharing and the remainder single rooms. This configuration maximises bed density per square foot (twin-sharing rooms house two patients in the space which most premium hospitals reserve for a single patient), keeps the construction cost per bed low and simultaneously maintains clinical capability through the high ICU ratio. ICU beds generate 2–3x the ARPOB of general ward beds and are used to cater critically ill patients.



Source: PARKHOSP, Choice Institutional Equities

**2.2 Shift Towards High-end Case Mix and Optimising ALOS**

PARKHOSP is executing a deliberate, multi-year clinical upgrade that is still in its early innings. Internal Medicine's structural retreat to 30% is being systematically **replaced by high-acuity, high-margin specialties** anchored by three 5th-generation da Vinci robotic systems, Meril system and Robo lens. Robotic volumes are running at barely 20–25% of maturity benchmarks, indicating the operating leverage ahead is substantial. Simultaneously, **ALOS compression and ARPOB expansion** confirm genuine clinical efficiency gains. **The full-time doctor model and HIS standardisation** create compounding institutional advantages.

**2.2.1 Increasing share of tertiary & quaternary procedures**

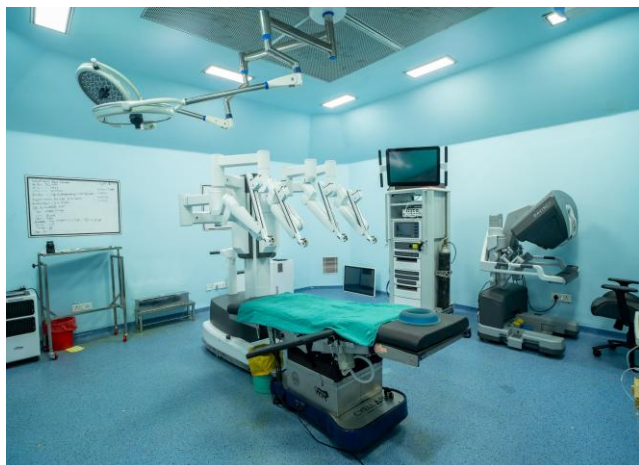
**Internal Medicine's revenue share has declined, from 41% in FY23 to 30% in H1FY26**, while every high-acuity specialty has simultaneously grown. Cardiology moved from 7% to 10%, Urology from 10% to 11%, Oncology from 5% to 6% and Neurology held at 14–15% on a materially larger revenue base. This is the financial signature of a deliberate and systematic clinical upgrade cycle which is still in its early stages.

*Revenue mix structurally shifting toward high-acuity specialties, with Internal Medicine's decline signalling deliberate clinical upgrading*

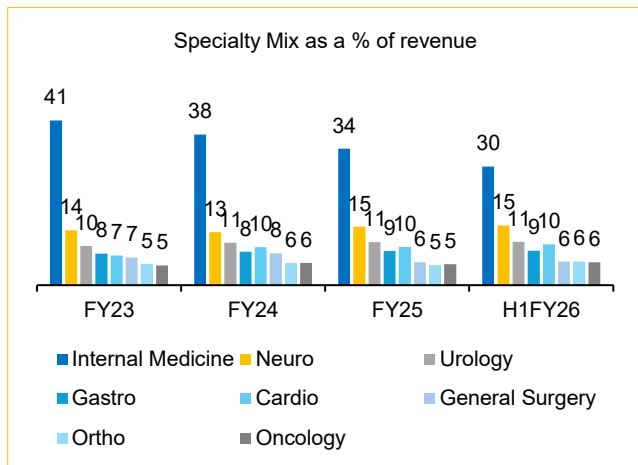
The engine driving this upgrade is invested in advanced medical technology, including robot-assisted surgeries, modern diagnostic and critical care infrastructure. PARKHOSP's deployment of **three 5th-generation da Vinci robotic systems**, reportedly the only hospital group in India to deploy three simultaneously.

**PARKHOSP's 5th-generation da Vinci robotic systems**

**PARKHOSP Pivoting toward High-margin Specialty Mix**



Source: PARKHOSP Sec 47 facility, Choice Institutional Equities



Source: PARKHOSP, Choice Institutional Equities

*3 da Vinci robotic systems ramping toward 100–150 procedures monthly, each driving higher ARPOB at negligible marginal cost.*

The robotic platform has unlocked a new category of quaternary procedures, robotic kidney transplants (25–30 per month), robotic cardiac surgeries, 300+ robotic joint replacements per month, neuro-interventional procedures and cardio-interventional cases.

Each of these carries lower ALOS and higher ARPOB versus the network average of INR 27,480, indicating that every percentage point shift of admissions, from internal medicine to robotics-enabled quaternary care, generates huge incremental revenue at near-zero additional fixed cost.

The robotic programmes ramp curve is still steep. As individual hospitals scale up, from the existing 25–30 robotic procedures per month towards the mature 100–150 per month benchmark, and as the organ transplant programme expands into the UP cluster where there is essentially zero access to quaternary care, the **high-acuity procedure mix could increase in the next few years.**

**2.2 Shift Towards High-end Case Mix and Optimising ALOS**

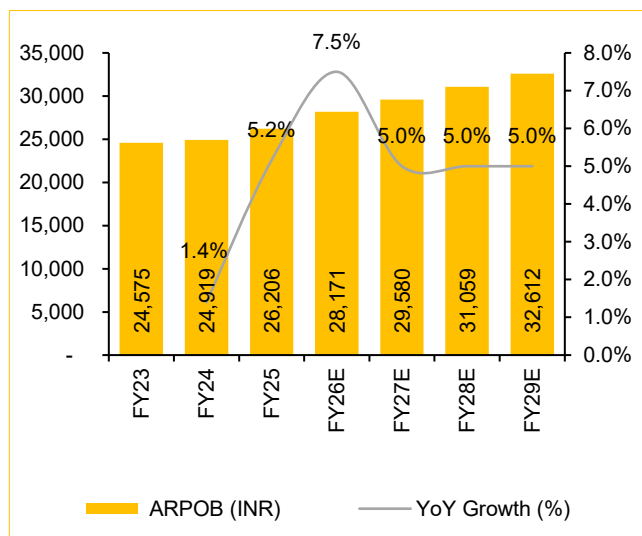
**2.2.2 Better Clinical Outcomes, Reducing ALOS and Improving ARPOB**

*Scaling minimally invasive procedures drives faster recovery cycles, freeing bed capacity for incremental admissions.*

PARKHOSP's ALOS has declined consistently, from **6.97 days in FY23 to 6.53 days in FY25 to 6.34 days in 9MFY26**, a 9% compression over nearly three years. ALOS is reducing because of the improvement in the clinical efficiency, evidenced by rising ARPOB from INR 24,575 to INR 27,480 during the same period. **Declining ALOS alongside rising ARPOB** is the definitive fingerprint of a genuine clinical quality upgrade.

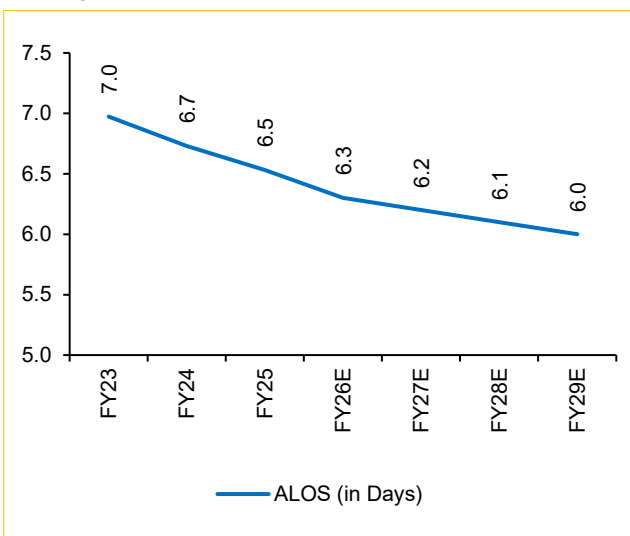
This shift is driven by the robotic and minimally invasive surgery, improved clinical protocols and better post-operative rehabilitation pathways. A robotic kidney transplant, joint replacement and cardiac surgery require much less days versus the normal surgery and recovery is also faster.

**Steady ARPOB Expansion Reflect Improving Realisation**



Source: PARKHOSP, Choice Institutional Equities

**Gradual Reduction in ALOS Reflects Improving Throughput**



Source: PARKHOSP, Choice Institutional Equities

PARKHOSP's **100% full-time doctor model** (zero visiting consultants) is an equally important structural driver. Full-time doctors are on site at all times, ready for immediate intervention, conducting multiple daily rounds, actively managing discharge planning at the optimal clinical stage and available for deployment to other group hospitals as needed.

*Full-time doctor model- Outcome-driven incentives and promoter recognition create a compounding clinical efficiency culture.*

Doctors are evaluated not on volume or revenue but exclusively on **patient satisfaction and clinical outcome**, creating a bilateral incentive for optimal ALOS which is calibrated to clinical need rather than administrative pressure. Any clinician achieving a performance score above the 75th percentile in a given month is personally acknowledged by the promoters and rewarded with a substantial performance bonus.

The HIS (Hospital Information System) standardisation in progress at present across the network will further accelerate ALOS improvement by systematically transferring best-practice clinical protocols from mature hospitals to recently acquired facilities.

**2.3 Improving Payor Mix and benefit from revised CGHS rates**

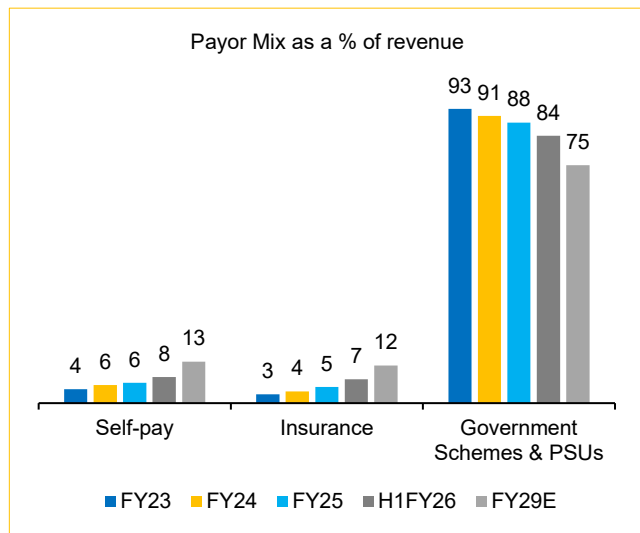
PARKHOSP's 83% government payor mix, is its most **durable competitive moat**, simultaneously **inaccessible to premium chains and unsustainable for standalone operators**. The CGHS rate hike of 12–15% (first in a decade) delivers a guaranteed **~7.5% revenue uplift flowing to EBITDA** at near-zero incremental cost. Full cascade percolation across ECHS, Railways and state governments by H2FY27. Simultaneously, the organic **payor mix evolution, from 83%/17% towards 75%/25% government/private**, progressively compresses the collection cycle, structurally improving free cash flow.

*Gradual move toward 75/25 government/Cash-TPA compresses working capital and improves free cash flow.*

**2.3.1 Gradual shift from government schemes towards insurance/cash**

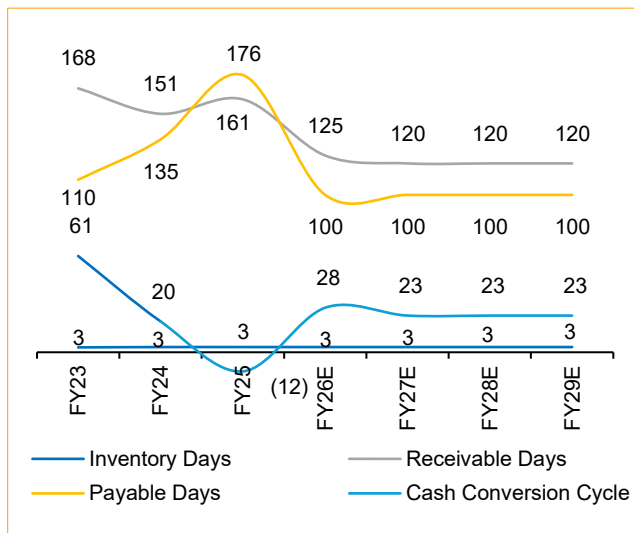
- PARKHOSP's payor mix, **83% government schemes, 9% self-pay, 8% TPA**, is the company's **most durable competitive moat** and the forward trajectory of this mix makes it an increasingly powerful earnings differentiator rather than a liability.
- Of the 83% government revenue, ~93% is central government (CGHS, ECHS, Railways, paramilitary). The company has **never experienced a credit loss** on government receivables. The ~5 month collection cycle, while longer than private insurance, is fully added into PARKHOSP's working capital structure and is actively compressing towards **4 months by FY26** as government digital payment infrastructure improves.
- During IPO, the split was 84% government/16% private. Today, it is 83%/17% and the management guided towards **75%/25% in 12 months**. This gradual shift towards private insurance, which carries 30–45-day collection cycles versus ~4 months for government, will progressively **compress working capital requirements and improve free cash flow conversion** without the management needing to actively reposition the business.

**Improving Payor Mix with Rising Private Contribution**



Source: PARKHOSP, Choice Institutional Equities

**Operational Discipline Drives Stable Working Capital Metrics**



Source: PARKHOSP, Choice Institutional Equities

*Organised affordable tertiary care in North India remains simultaneously inaccessible to premium chains and unviable for small operators.*

- The combination of low ARPOBs (INR 27,480) and long government receivable cycles creates a market positioning that is **simultaneously inaccessible to large premium chains and impossible for small standalone operators**.
- PARKHOSP occupies a **structural monopoly** in organised affordable tertiary care in North India, a position that strengthens with every new cluster hospital added, as government empanelments transfer network-wide quickly, giving new hospitals a sovereign-backed patient flow that no new competitor can replicate.

**2.3 Improving Payor Mix and benefit from revised CGHS rates**

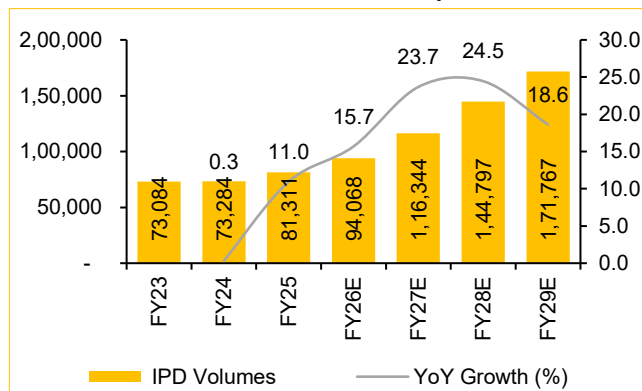
**2.3.2 Tailwinds from the revised CGHS rates**

*First CGHS revision in a decade delivers ~7.5% revenue growth, directly flowing to EBITDA.*

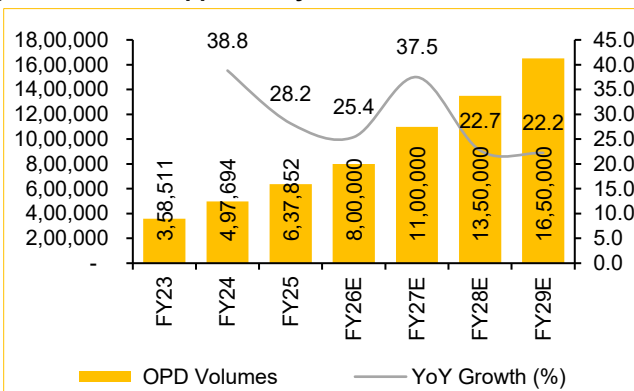
The government's CGHS rate revision of **12–15% across the procedures**, the first meaningful hike in nearly a decade, is a direct, non-negotiable revenue uplift on PARKHOSP's largest revenue stream. With 83% government revenue exposure, management's **conservative 7.5% net realisation assumption** translates to **~7.5% total revenue growth purely from rate revision**, flowing to EBITDA at **incremental margin**, since the cost base is entirely unchanged.

Critically, the CGHS hike cascades, it percolates to ECHS, Railways, National Highway Authority, paramilitary, state governments and electricity boards on their own revision cycles. PARKHOSP expects **full impact by H2FY27**, creating a clearly dated, highly visible earnings inflection. Unlike insurance tariff renewals, which carry renegotiation risk and volume conditions, this is a **sovereign rate notification**, effective immediately across all empanelled procedures with zero counterparty risk.

**Increase in number of beds and patient inflow, the growth will be supported by revised CGHS rates**



Source: PARKHOSP, Choice Institutional Equities



Source: PARKHOSP, Choice Institutional Equities

*ECHS, Railways, paramilitary and state government revisions follow independently, extending the earnings uplift well beyond H2FY27.*

The forward earnings' impact combines two simultaneous forces, the **CGHS rate hike flowing through in H2FY27** and the **gradual private insurance mix expansion** improving cash conversion. Together, they create a scenario where PARKHOSP's revenue quality, collection efficiency and EBITDA margin improve concurrently. PARKHOSP historically delivered above conservative guidance. If the actual CGHS benefit approaches the 10–12% range rather than the estimated 7.5%, FY27 EBITDA could surprise **above the current guidance**.

**CGHS Rate Differentiation**

Hospital Category	Rate Applied
NABH-Accredited Hospital	Base Rate
Super-specialty Hospital (200+ beds)	Base Rate + 15%
Non-NABH Hospital	Base Rate – 15%
Tier-II City Hospital	Base Rate – 10%
Tier-III City Hospital	Base Rate – 20%

Source: PARKHOSP, Choice Institutional Equities

**3.1 Relative Analysis (PARKHOSP V/S PEERS)**
**Operational Metrics**

Companies	ARPOB	ALOS	Bed Addition by FY28E	% increase in bed count	Occupancy (%)	Bed Capacity	Operational Beds	Occupied Beds
PARKHOSP IN EQUITY	27,408	6.3	1,500	37.9%	63.0%	3,960	3,860	2,355
ARTMSL IN EQUITY	84,100	3.6	380	54.3%	62.0%	700	544	337
JLHL IN EQUITY	68,000	3.8	487	29.0%	61.4%	1,681	1,048	643
NARH IN EQUITY	49,725	4.4	1,185	19.0%	60.0%	6,245	5,801	3,480
MEDANTA IN EQUITY	67,361	3.0	496	13.9%	59.1%	3,579	2,851	1,684
YATHARTH IN EQUITY	33,744	4.3	700	27.5%	67.0%	2,550	2,305	1,544

Source: Company, Choice Institutional Equities

**Financial Metrics for FY25**

Companies	FY25 Revenue (INR Mn)	FY25 EBITDA (INR Mn)	FY25 PAT (INR Mn)	Revenue CAGR (FY22-25)	EBITDA CAGR (FY22-25)	PAT CAGR (FY22-25)	FY25 EBITDA Margin	FY25 PAT Margin %	FY25 EPS	FY25 ROE%	FY25 ROCE %
PARKHOSP IN EQUITY	13,936	3,710	2,154	8.7%	2.5%	2.6%	26.6%	15.5%	5.6	22.7%	19.8%
ARTMSL IN EQUITY	9,369	1,518	822	19.1%	31.0%	37.8%	16.2%	8.8%	6.0	12.8%	11.9%
JLHL IN EQUITY	12,616	2,966	1,935	19.8%	24.7%	56.0%	23.5%	15.3%	29.5	15.3%	16.8%
NARH IN EQUITY	54,830	12,764	7,896	14.0%	25.0%	31.5%	23.3%	14.4%	38.6	21.8%	17.1%
MEDANTA IN EQUITY	36,923	8,771	4,442	19.6%	24.2%	31.3%	23.8%	12.0%	16.5	13.1%	18.4%
YATHARTH IN EQUITY	8,805	2,202	1,306	30.0%	25.7%	43.5%	25.0%	14.8%	13.6	8.1%	10.1%

Source: Company, Choice Institutional Equities

**Financial Metrics for FY28E**

Companies	Revenue CAGR (FY25-28)	EBITDA CAGR (FY25-28)	PAT CAGR (FY25-28)	FY28 EBITDA Margin	FY28 PAT Margin %	FY28 EPS	FY28 ROE%	FY28 ROCE %
PARKHOSP IN EQUITY	25.3%	25.1%	30.1%	26.5%	17.3%	11.0	17.8%	21.7%
ARTMSL IN EQUITY	26.1%	28.9%	31.3%	17.3%	9.9%	11.8	16.2%	17.3%
JLHL IN EQUITY	25.9%	25.2%	23.3%	23.1%	14.4%	55.3	18.2%	19.9%
NARH IN EQUITY	17.1%	18.2%	23.1%	24.0%	16.9%	72.9	20.9%	20.0%
MEDANTA IN EQUITY	16.9%	18.2%	25.7%	24.4%	14.9%	32.9	15.9%	19.6%
YATHARTH IN EQUITY	35.5%	35.7%	43.6%	25.1%	17.6%	40.1	15.8%	19.6%

Source: Company, Choice Institutional Equities

**Valuation Metrics**

Companies	Current Price (INR)	Market Cap (INR Cr)	Current EV (in INR Cr)	TTM EVEBITDA (x)	Debt to Equity (x)	Price/Sales	PEG Ratio*	FY28E PE	FY28E EV/EBITDA
PARKHOSP IN EQUITY	235	10,160	10,480	25.7	0.64	7.3	1.2	21.4	13.0
ARTMSL IN EQUITY	240	3,800	3,727	18.2	0.31	3.7	1.1	28.3	15.4
JLHL IN EQUITY	1,240	8,100	8,474	22.7	0.28	5.6	0.8	22.4	13.6
NARH IN EQUITY	1,770	36,175	37,997	24.4	0.58	5.3	1.4	24.3	17.6
MEDANTA IN EQUITY	1,143	30,760	30,484	30.4	0.25	7.4	1.4	34.8	20.9
YATHARTH IN EQUITY	803	7,744	7,514	25.7	0.0	7.1	1.1	20.0	12.9

\* PEG Ratio = TTM PE/PAT CAGR for FY27-29E

 # Data as on 29<sup>th</sup> April, 2026

Source: Screener, Choice Institutional Equities

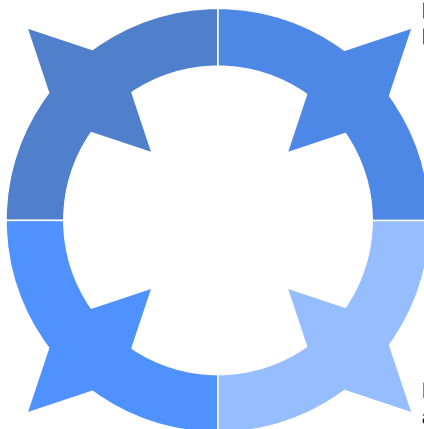
## 3.2 Key Risks

**Delay in the ramp-up of new hospitals**

Possible delay in scaling up bed additions or occupancy levels could affect earnings

**Elevated doctor attrition**

Increase in turnover of key medical professionals could affect overall operational performance

**Delays in realising acquisition synergies**

Probable lag in operational integration and capturing expected benefits from future acquisitions could impact the profitability

**Heightened competition intensity affecting occupancy and ARPOB**

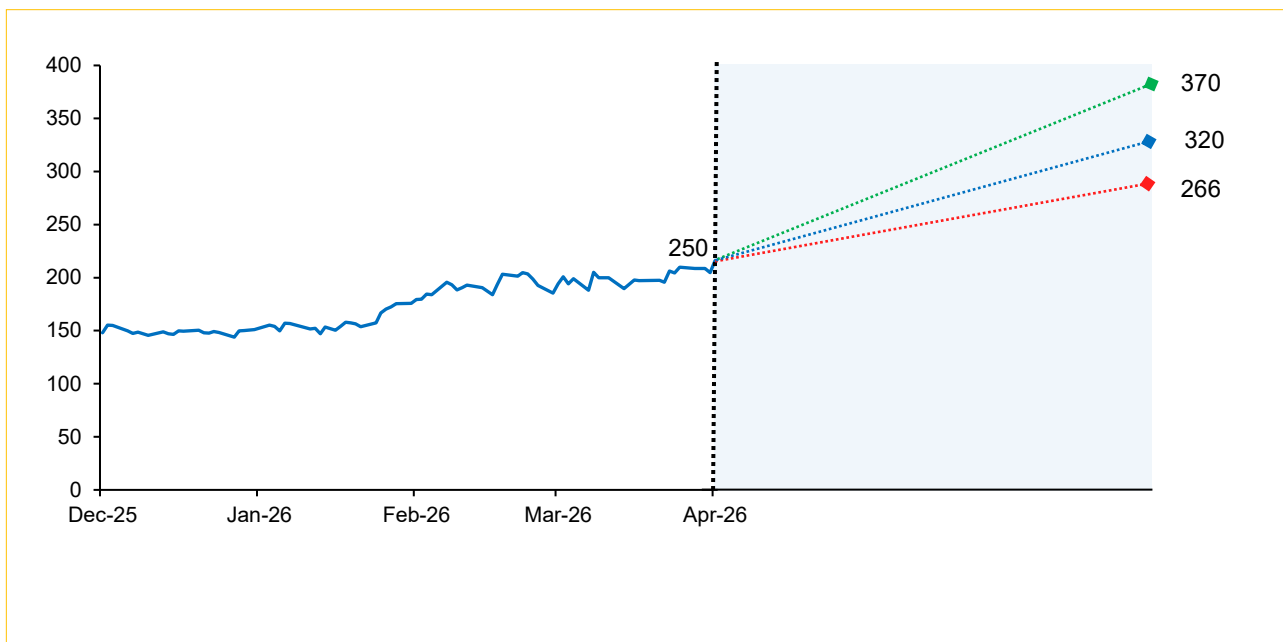
Unforeseen new entrants in its operating regions could pressure occupancy level and limit ARPOB growth


## 3.3 View and Valuation

*We initiate coverage with a 'BUY' recommendation on PARKHOSP and target price of INR 320, an upside of 36.0%.*

- PARKHOSP's debt-free balance sheet funding capacity expansion at INR 34 lakhs/bed, industry's lowest, creates a structurally differentiated, self-compounding growth engine with multi-year earnings visibility.
- PARKHOSP's higher ALOS (6.3 days) and lower ARPOB (INR 27,480) directly reflect its affordable tertiary care positioning, serving government-insured patients and geriatric patients requiring complex, longer-stay procedures with higher complication profiles, at administered tariffs rather than premium market rates.
- The CGHS rate hike percolating fully by H2FY27, combined with robotics-driven ARPOB expansion, creates a high-conviction earnings inflection.
- The cluster-based UP entry, zero to 1,060 beds by FY28 in India's most underpenetrated large-state healthcare market.
- We expect **Revenue/EBITDA/PAT to expand at a CAGR of 26.3%/27.1%/34.6%** over FY26–29E, driven by aggressive capacity expansion with low capex per bed, a shift towards a higher-end case mix, optimisation of ALOS, improvement in payor mix and gains from revised CGHS rates.
- Thus, **we initiate coverage on PARKHOSP with a 'BUY' recommendation and target price of INR 320, with an upside of 36.0%**, by valuing the company on 18x EV/EBITDA on FY28E.
- **Optionality:** Concentrated in North India at present, expansion into new regions would reduce concentration risk. An upgrade in case mix is expected to drive higher ARPOB.

3.4 Bull/Bear Case



  
**INR 370**  
57.5% Upside

**BULL Assumptions**

- Expecting total bed capacity to reach 7,060 by FY29E, driven by at least one inorganic expansion of 300 beds in each year from FY27 to FY29E
- Expecting ARPOB to grow by 7% every year
- Occupancy level to remain above 60% (60–61%) by FY29E
- Revenue to expand at a CAGR of 34.4% over FY26–29E

  
**INR 320**  
36.0% Upside

**BASE Assumptions**

- Expecting total bed capacity to reach 6,160 by FY29E, driven by the company's guidance of adding 850/1,000 beds in FY27/FY28E and assuming 700 beds in FY29E
- Expecting ARPOB to grow by 5% every year
- Occupancy level to remain below 60% (58–59%) by FY29E
- Revenue to expand at a CAGR of 26.3% over FY26–29E

  
**INR 266**  
13.0% Upside

**BEAR Assumptions**

- Expecting total bed capacity to reach 5,260 by FY29E, affected by delay in the execution of upcoming projects
- Expecting ARPOB to grow by 4% every year
- Occupancy level to remain below 59% (57–58%) by FY29E
- Revenue to expand at a CAGR of 16.8% over FY26–29E

## 3.5 Key Investor Questions Answered

*26–27% EBITDA, 15–17% PAT;  
30% occupancy breakeven,  
margin normalize from year 3*

**1) How sustainable are EBITDA margin given rapid capacity additions?**

PARKHOSP targets EBITDA of 26-27% and PAT of 15–17% over the medium-to-long term. Newly acquired hospitals typically reach EBITDA breakeven at 30% occupancy, 20% margin by year two and normalised 26–27% margin by year three. The cluster-based model and full-time doctor structure help contain costs. However, near-term margin pressure is expected as Agra (360 beds) and Panchkula (300 beds) ramp up, with pre-commissioning hiring already visible in the previous quarter.

*Government-heavy mix (83%),  
4.5–month receivables; target  
75% government, 25%  
insurance*

**2) What is the risk of over-dependence on government/CGHS schemes at ~83% of revenue?**

The concentration is a deliberate strategic choice targeting India's lower-middle and middle-class segment. Management views government receivables as near-sovereign in quality, with virtually zero default risk, particularly since 93% comes from central government schemes. The moat is actually structural, high receivable cycles (~4 months) discourage larger premium players from entering this segment. Gradually, the mix is expected to shift toward 75% government and 25% private insurance as insurance penetration rises organically.

*CGHS rate hike benefits strong  
government exposure; uplift  
gradual, full impact by H2FY27*

**3) How will the CGHS rate hike benefit financials and when will it fully reflect?**

The recent CGHS rate revision covers roughly 4,500 items with an estimated 12–15% overall hike. Since ~83% of PARKHOSP's revenue comes from government schemes, the company is among the maximum beneficiaries. However, management is conservatively projecting only a 7.5% revenue and EBITDA uplift, with full impact expected from H2FY27 as the hike percolates to ECHS, railways, paramilitary and state government schemes.

*Expansion to ~5,460 beds by  
FY28; cluster model supports  
scalable occupancy & efficiency*

**4) What is the long-term bed expansion roadmap and does it risk operational dilution?**

PARKHOSP targets ~5,460 beds by March 2028 from the current 3,960, adding 500 in FY27 (Kanpur + Delhi) and Panchkula 350 beds already commissioned in April'26 and 1,000 in FY28 (Gorakhpur, Ambala, Rohtak and Mohali). Post FY28, 5-year aspiration is ~10,000 beds. The cluster strategy mitigates dilution risk by enabling shared HR, equipment and clinical resources across proximate locations. Occupancy of mature hospitals at 75-80% with ARPOB of INR 27,480 demonstrates the company's scalability. New hospitals operate with full specialist deployment from day one, consistent with the standardised operating process.

### Key Insights from Management Meeting and Facilities Visit

We had the opportunity to interact with **Dr. Ankit Gupta - Managing Director, Dr. Sanjay Sharma - CEO, Mr. Rajesh Sharma - Chief Financial Officer and Mr. Sudesh Sharma - Chief Strategy Officer**. Additionally, we visited the company's Sector 47 and Palam Vihar, Gurgaon facilities.

Below are some of the key takeaways from our interaction with the management:

- **850 beds for FY27:** Out of which Panchkula (350 beds) already commenced in April'26, Kanpur (300 beds) and Delhi (200 beds) are planned for FY27, continuing the cluster-based, city-by-city expansion approach across North India.
- **5,460 beds target by FY28:** Adding 1,000 beds across Gorakhpur (400), Ambala facility (200), Mohali (150) and Rohtak Greenfield (250) to reach approximately 5,460 total beds by FY28.
- **10,000-bed vision by FY33:** Management aspires to double capacity to ~10,000 beds by FY28, building on the current strong foundation across North India.
- **Zero to 1,060 UP beds in 24 months:** PARKHOSP will go from zero to 1,060 beds in Uttar Pradesh by FY28 in just 24 months, a significant milestone for the group's geographic diversification.
- **Agra acquisition at INR 2,450Mn crores:** Paid INR 2,450Mn for 360 operational beds in Agra (21 lakh population). Plans to ramp from 30% to 75-80% occupancy within three years.
- **Fully debt-free by February 2026:** Pre-IPO term debt of INR4,250Mn has been repayment in February 2026.
- **26-27% EBITDA sustained long-term:** Management guides EBITDA margin to remain in the 26-27% band over a next few years, even as new hospitals are added and ramp up operations.
- **15-17% PAT margin trajectory:** PAT margin expected to remain strong in 15-17% range. 9MFY26 PAT already grew over 40% YoY to INR1,968Mn, driven by operating leverage.
- **12-15% CGHS rate hike:** A significant CGHS rate hike of 12-15% is being implemented. With ~83% of revenue from government insurance, PARKHOSP is among the maximum beneficiaries.
- **7.5% revenue uplift guided:** Management conservatively guided for 7.5% incremental revenue impact from CGHS hikes in FY27, with full effect expected in the H2FY27.
- **Payer mix shifting to 75:25 ratio:** Government-to-private payer mix expected to shift from current 83:17 to 75:25 within few years.
- **INR34 lakh/bed capex discipline maintained:** Blended capex per bed stays at INR34 lakhs across 1,850 beds being added by March 2028, well below industry norms.
- **Three fifth-gen da Vinci robots deployed:** PARKHOSP operates three fifth-generation da Vinci robots, Meril robotics and Robo lens, unique in the industry, enabling robotic cardiac surgeries, joint replacements and organ transplants at affordable rates compared to other peers in the same region.



Source: PARKHOSP Palam Vihar Facility, Choice Institutional Equities



Source: PARKHOSP Palam Vihar Facility, Choice Institutional Equities



Source: PARKHOSP Palam Vihar Facility, Choice Institutional Equities



Source: PARKHOSP Sec 47 Facility, Choice Institutional Equities

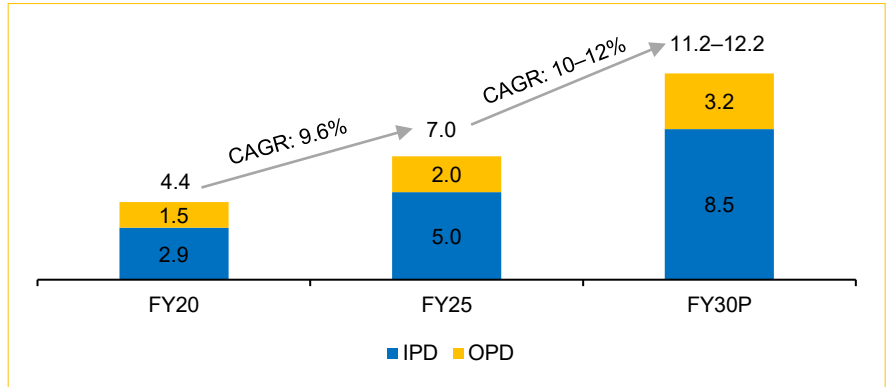
**5.1 India's Hospital Sector: Entering a Structural Golden Cycle**

**India's Hospital Industry enters Accelerated Growth Cycle**

India's hospital industry stands at an inflection point - transitioning from a historically under-penetrated, margin-constrained sector into one of the most compelling structural growth stories in Indian equities. A confluence of powerful tailwinds is redefining the sector's long-term trajectory: an aging population, rising burden of non-communicable diseases, deepening health insurance penetration, government-led initiatives such as Ayushman Bharat and a rapidly growing medical tourism segment.

*As healthcare delivery scales across India, hospitals remain one of the most attractive opportunities in Indian equities.*

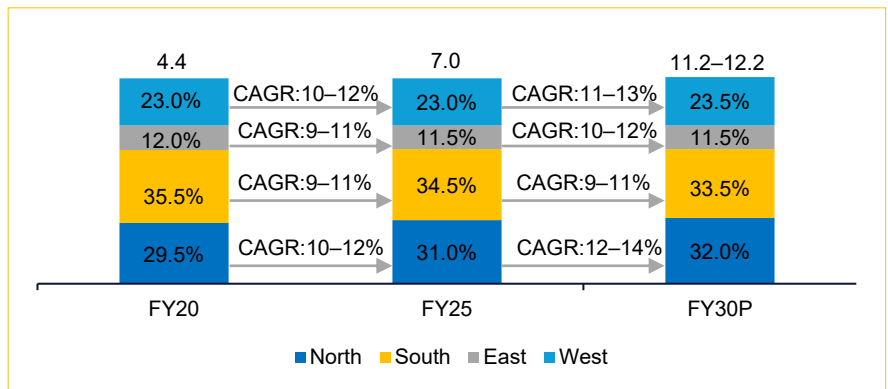
**Healthcare Delivery Market in India (INR Tn)**



Source: Crisil Intelligence, Choice Institutional Equities

**Region-wise Healthcare Delivery Market Share in India (INR Tn)**

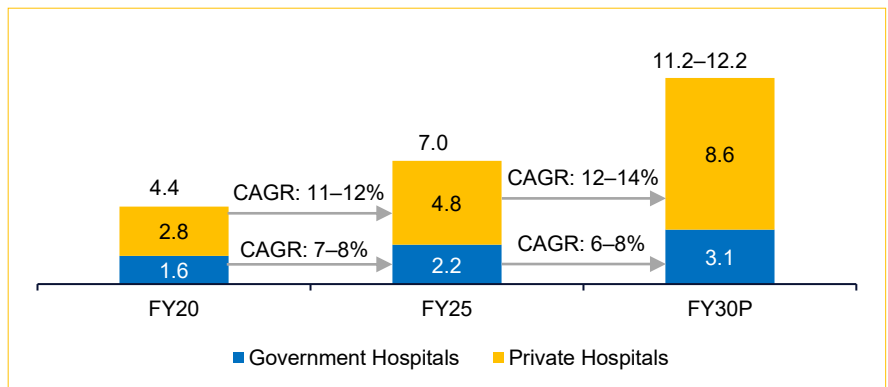
*North India maintains strong growth momentum, led by rising urbanisation, improving insurance penetration and sustained private sector investments.*



Source: Crisil Intelligence, Choice Institutional Equities

**Segmentation of Healthcare Delivery Market in India (INR Tn)**

*Private healthcare is not just growing – it's winning; its share of India's healthcare delivery market is set to climb from 64% in FY2020 to ~69% by FY2030.*



Source: Crisil Intelligence, Choice Institutional Equities

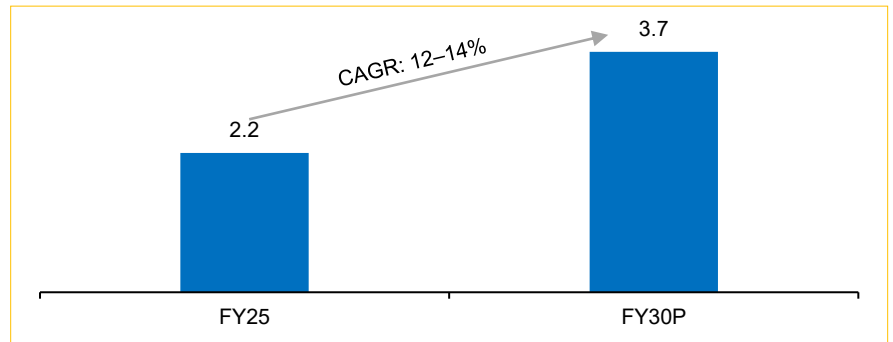
**5.2 North India: The High-Growth Healthcare Frontier**

**North India's Healthcare Market Remains Underpenetrated**

North India — anchored by Haryana, Punjab, Uttar Pradesh, Delhi-NCR and Rajasthan, presents one of the most compelling and durable untapped opportunities in the Indian hospital sector. Outside the Delhi-NCR metro core, bed densities in key states fall well below even India's already-low national average of 16 per 10,000. Layered on top is a heavy and rising non-communicable disease burden creates a durable demand pipeline for high-acuity, multi-specialty tertiary care. Increasing health insurance coverage, aggressive PMJAY and state scheme empanelment and rising per-capita incomes in the region's fastest-growing urban corridors make this an irreversible, multi-decade demand story for organised private hospital operators.

*North India is the fastest-growing regional healthcare market in India.*

**North India Healthcare Delivery Market (INR Tn)**



Source: Crisil Intelligence, Choice Institutional Equities

**A Large and Growing Healthcare Infrastructure Gap**

With a shortfall of over 2 lakh beds against normative requirement, a structural gap that has only deepened over time, North India presents a long, durable runway for organised healthcare capacity expansion opportunity in the region.

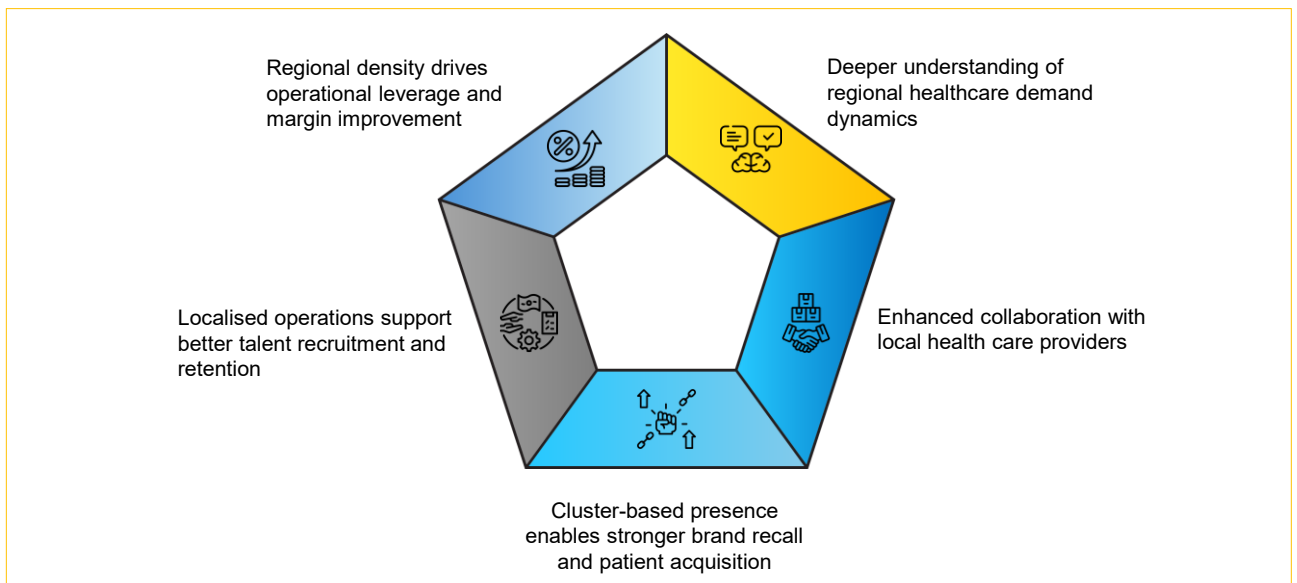
*A widening mismatch between population needs and hospital capacity highlights a compelling opportunity for sustained infrastructure build-out in North India.*

Metric	Number
North India Population	~429 Mn
Available beds (Public + Private)	~620,000 – 630,000
NHP 2017 Recommended Ratio	2 beds per 1,000 people
Target Bed Count	~857,536
Bed Deficit	~227,536 – 237,536

\*Data as of Fiscal 2022

Source: PARKHOSP, Crisil Intelligence, Choice Institutional Equities

**Strategic Benefits for a Regional Focus**



Source: Crisil Intelligence, Choice Institutional Equities

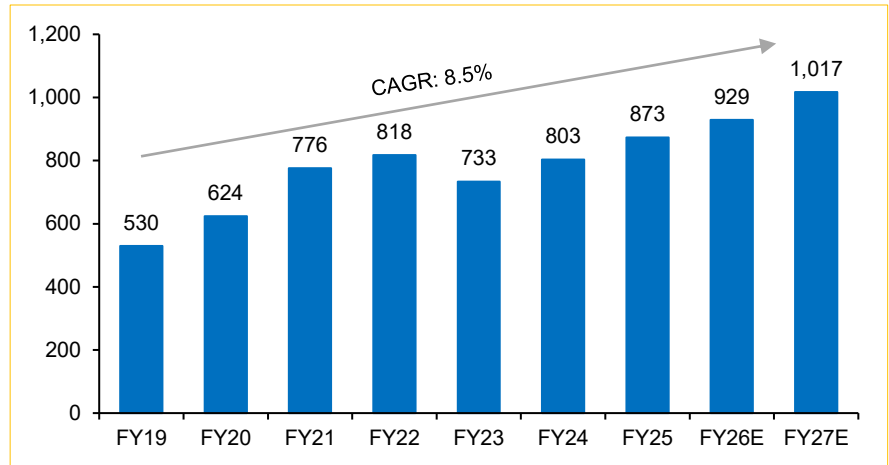
**5.3 India's Government Healthcare Architecture**

**Government Schemes: The Structural Demand Backbone of India's Healthcare System**

India's healthcare ecosystem is witnessing a structural policy push, with rising public expenditure and large-scale schemes aimed at improving accessibility and affordability. While government spending still trails global benchmarks, recent budgets and flagship programs are unlocking demand, expanding insurance coverage and crowding in private sector participation—especially in secondary and tertiary care.

Government healthcare spend has grown ~2x over the last decade, accelerating healthcare access and infrastructure creation.

**Department of Health and Family Welfare Expenditure (INR Bn)**



Source: Budget Document, Crisil Intelligence, Choice Institutional Equities

**Flagship Schemes See Sustained Budgetary Upscaling**

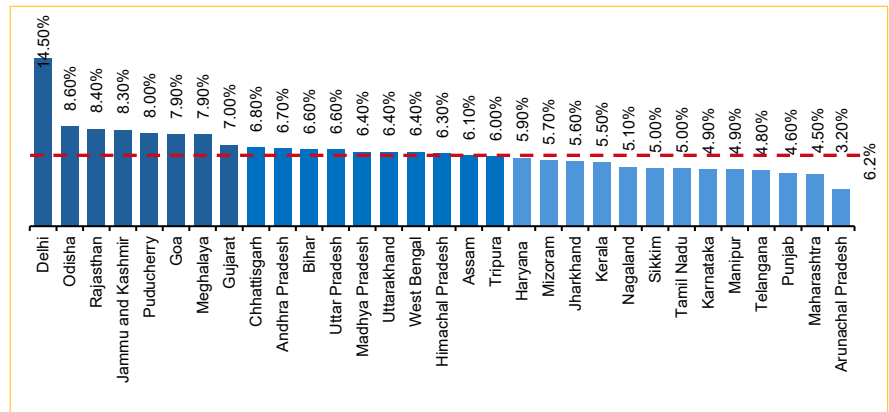
Continued growth in scheme outlays underscores the government's intent to deepen healthcare penetration across both urban and rural regions.

Schemes	FY24 (INR Cr)	FY27E (INR Cr)	Growth
National Health Mission	33,043	39,390	1.2x
Pradhan Mantri Jan Arogya Yojana	6,670	9,500	1.4x
PM Ayushman Bharat Health Infrastructure Mission	2,230	4,200	1.9x
Central Government Health Scheme	1,827	2,358	1.3x
Pradhan Mantri Swasthya Suraksha Yojana	1,390	2,005	1.4x

Source: Budget Documents, PRS India, Choice Institutional Equities

**States estimated to spend ~6.2% of their budget towards health and family welfare**

States are increasingly allocating a meaningful proportion of their budgets toward healthcare, reflecting growing prioritisation at the regional level.



Source: State Budget Documents, PRS India, Choice Institutional Equities

## 5.4 CGHS: A Structurally Underappreciated Payor Undergoing a Generational Reset

## CGHS Rate Revision: Improving Realisations for Private Hospitals

In October 2025, the Ministry of Health and Family Welfare announced a landmark revision of Central Government Health Scheme (CGHS) package rates, marking the first major update in nearly 15 years. The revised rates, effective from October 13, 2025 aim to make cashless healthcare more accessible and financially viable for both beneficiaries and healthcare providers. Historically, CGHS reimbursement rates have remained materially below prevailing treatment costs, limiting hospital participation and constraining patient intake under the scheme. **The revised rates improve realisations per patient without requiring additional capital investment, thereby supporting margin and enhancing EBITDA per occupied bed.**

*CGHS has crossed from a volume-support tool to a commercially meaningful institutional revenue stream.*

## What the Reform Entails?

## Scope &amp; Scale

- ~2,000 medical procedures have been re-priced under the new regime, the effective date is October 13, 2025.

## Rate Differentiation

- Rates depend on geographic tier (city classification) and hospital accreditation / size.

*The reimbursement framework, being linked to accreditation and quality standards, creates a structural advantage for larger, organised, multi-specialty providers.*

Hospital Category	Rate Applied
NABH-Accredited Hospital	Base Rate
Super-Specialty Hospital (200+ beds)	Base Rate + 15%
Non-NABH Hospital	Base Rate - 15%
Tier-II City Hospital	Base Rate - 10%
Tier-III City Hospital	Base Rate - 20%

## Recent Policy Developments Strengthening CGHS Ecosystem

- ECHS alignment with revised CGHS rates (Dec 2025):** Ex-servicemen healthcare scheme adopted the updated CGHS pricing framework, extending standardised, quality-linked rates across beneficiaries and improving access and hospital participation.
- Reimbursement ceiling doubled to INR 10 lakh (Feb 2026):** The medical reimbursement ceiling under CGHS and CS(MA) Rules has been enhanced from INR 5 lakh to INR 10 lakh. Heads of Departments can now settle eligible claims up to INR 10 lakh without consulting the Integrated Finance Division, provided all conditions and rates are adhered to, thus significantly accelerating settlement timelines and easing financial burden on beneficiaries.

## Old vs New CGHS Rates Comparison

CGHS Treatments List	Speciality	Old Rate	Tier I	Tier II	Tier III	Super Speciality
		NABH	NABH	NABH	NABH	
Total Knee Joint Replacement	Orthopaedics Procedure	109,710	152,000	136,800	121,600	139,840
Laparoscopic GI bypass operation	Abdomen/GI Surgery Procedure	25,300	63,000	56,700	50,400	57,960
CABG without Bypass	Cardiovascular And Cardiac Surgery Procedure	161,000	236,000	212,400	188,800	217,120
Extracranial-Intracranial Bypass Procedures (EC-IC) bypass procedures	Neuro-Surgery Procedure	36,800	63,000	56,700	50,400	57,960
Laparoscopic Appendectomy	Abdomen/GI Surgery Procedure	30,000	33,000	29,700	26,400	30,360
Omphalocele 1st Stage (Hernia Repair)	Paediatric Surgery Procedure	17,854	35,000	31,500	28,000	32,200
Consultation OPD – Super speciality/Psychiatry	Consultation	0	700	700	700	700

Source: PARKHOSP, Choice Institutional Equities

## 6.1 Unit Economics

**A- Sales and Margin Assumptions:**

- ARPOB will start from INR 26,000 in year 1 and reach INR 31,600 by year 5
- Occupancy will improve from 30% in year 1 to 75% in year 5
- Gross margin are expected to broadly remain at ~81%
- Panchkula facility will achieve EBITDA breakeven in the year 1 and margin will improve from 5% to 29% in year 5

**B- Initial Investment:**

- The investment of ~35 lakh/bed for 350 beds

**C- ROE:**

- By Year 5, the ROE is projected to reach ~60% for the facility, reflecting the profitability and efficiency of the investment.

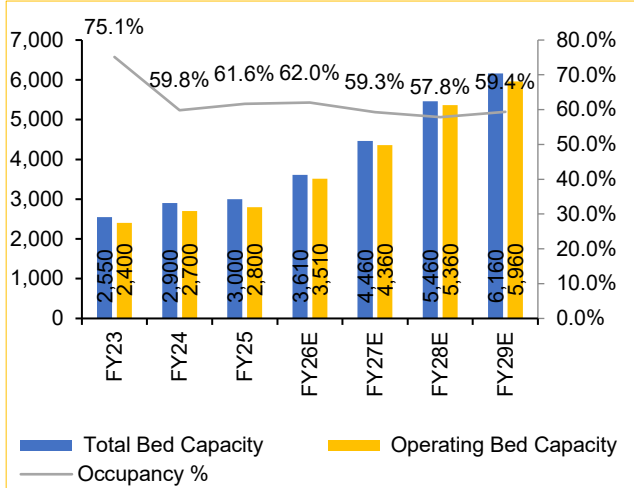
**Unit Economics for the recently launched Panchkula Facility in Haryana (INR Mn)**

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
ARPOB (INR)	26,000	27,300	28,665	30,098	31,603
YoY Growth (%)		5.0%	5.0%	5.0%	5.0%
Operational Beds	350	350	350	350	350
Occupancy (%)	30.0%	45.0%	60.0%	70.0%	75.0%
<b>Revenue</b>	996	1,569	2,197	2,692	3,028
<b>COGS</b>	199	306	417	511	575
COGS as % of Sales	20.0%	19.5%	19.0%	19.0%	19.0%
Gross Profit	797	1,263	1,780	2,180	2,453
Gross Margin	80.0%	80.5%	81.0%	81.0%	81.0%
<b>Variable Costs</b>					
Other expenses	528	706	835	942	999
as a % of Sales	53.0%	45.0%	38.0%	35.0%	33.0%
Employee cost	219	314	417	511	575
as a % of Sales	22.0%	20.0%	19.0%	19.0%	19.0%
Fixed Cost	747	1,020	1,252	1,453	1,575
Operating Profit (EBITDA)	50	243	527	727	878
EBITDA Margin	5.0%	15.5%	24.0%	27.0%	29.0%
<b>Initial Investment</b>	1,225				
Net Working Capital	82	129	181	221	249
Net Working Capital Days	30	30	30	30	30
Net Working Capital growth		47	52	41	28
Total Capital Tie-up	1,307	47	52	41	28
Cumulative Cash flow	(1,257)	(1,061)	(585)	101	951
Pay back period	~3.5 yrs				
ROCE	3.8%	18.0%	37.5%	50.2%	59.6%

Source: PARKHOSP, Choice Institutional Equities

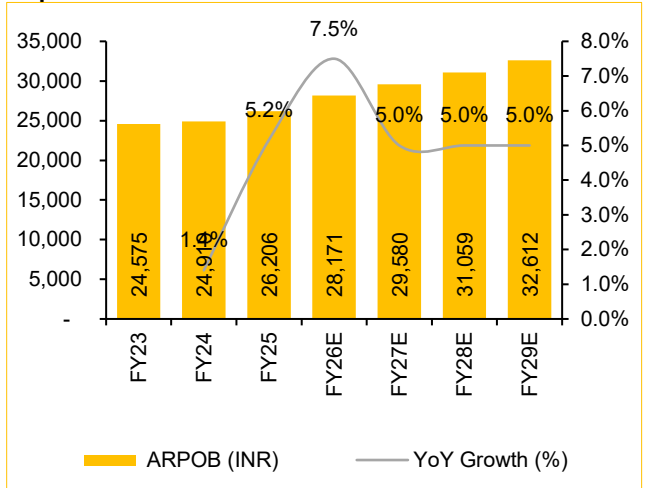
6.2 Graphs and Trends

**Bed capacity growth with stable occupancy profile**



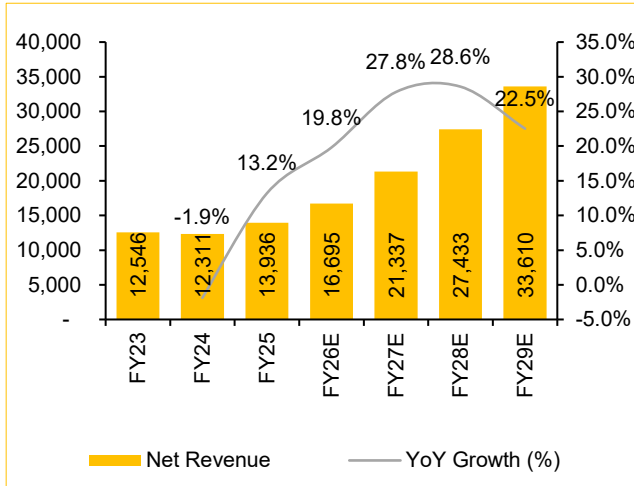
Source: PARKHOSP, Choice Institutional Equities

**ARPOB growth backed by ongoing case mix improvement**

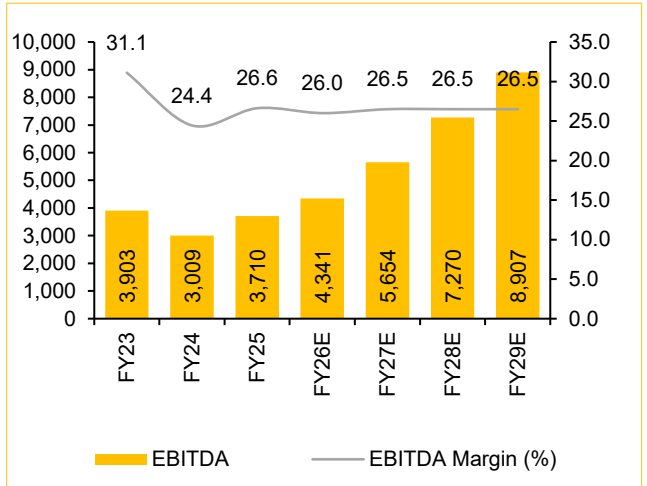


Source: PARKHOSP, Choice Institutional Equities

**Strong revenue growth supported by expansion strategy EBITDA margin to remain stable ~27% amid expansion**

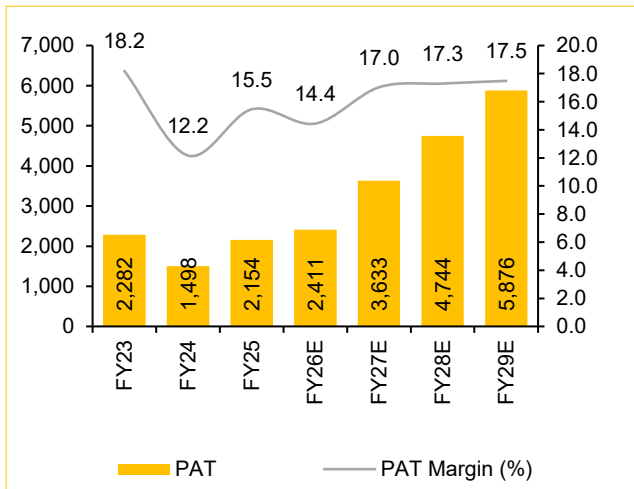


Source: PARKHOSP, Choice Institutional Equities



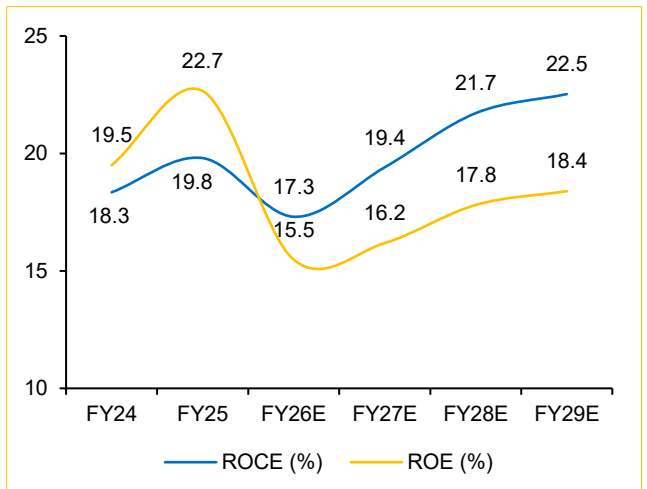
Source: PARKHOSP, Choice Institutional Equities

**PAT expected to more than double over FY26–FY29E**



Source: PARKHOSP, Choice Institutional Equities

**Capacity ramp-up drives return ratio expansion**



Source: PARKHOSP, Choice Institutional Equities

### 6.3 Financials and Ratio Analysis

#### Income Statement (Consolidated in INR Mn)

Particular	FY25	FY26E	FY27E	FY28E	FY29E
Revenue	13,936	16,695	21,337	27,433	33,610
Gross profit	11,115	13,690	17,496	22,495	27,560
EBITDA	3,710	4,341	5,654	7,270	8,907
Depreciation	569	1,006	1,086	1,268	1,485
EBIT	3,141	3,335	4,568	6,002	7,422
Other Income	324	334	363	411	504
Interest Expense	608	450	80	80	80
PBT	2,857	3,219	4,851	6,333	7,846
Reported PAT	2,154	2,411	3,633	4,744	5,876
EPS (INR)	5.6	5.6	8.4	11.0	13.6

#### Ratio Analysis

	FY25	FY26E	FY27E	FY28E	FY29E
<b>Growth Ratios</b>					
Revenues	13.2	19.8	27.8	28.6	22.5
Gross Profit	12.6	23.2	27.8	28.6	22.5
EBITDA	23.3	17.0	30.3	28.6	22.5
EBIT	24.9	6.2	37.0	31.4	23.7
PBT	30.4	12.7	50.7	30.6	23.9
PAT	43.8	11.9	50.7	30.6	23.9
<b>Margins (%)</b>					
Gross Profit Margin	79.8	82.0	82.0	82.0	82.0
EBITDA Margin	26.6	26.0	26.5	26.5	26.5
EBIT Margin	22.5	20.0	21.4	21.9	22.1
PBT Margin	20.5	19.3	22.7	23.1	23.3
Tax Rate	24.6	25.1	25.1	25.1	25.1
PAT Margin	15.5	14.4	17.0	17.3	17.5
<b>Profitability (%)</b>					
Return on Equity (ROE)	22.7	15.5	16.2	17.8	18.4
Return on Invested Capital (ROIC)	18.0	14.3	18.4	20.7	22.2
Return on Capital Employed (ROCE)	19.8	17.3	19.4	21.7	22.5
<b>Financial Leverage</b>					
OCF/EBITDA (x)	0.6	0.9	0.7	0.6	0.6
OCF/Net Profit (x)	1.0	1.6	1.0	0.9	1.0
Debt to Equity (x)	0.6	0.1	0.0	0.0	0.0
Interest Coverage (x)	5.2	7.4	57.1	75.0	92.8
<b>Working Capital</b>					
Inventory Days	3	3	3	3	3
Receivable Days	161	125	120	120	120
Creditor Days	176	100	100	100	100
Cash Conversion Cycle	(12)	28	23	23	23
<b>Valuation Metrics</b>					
No of Shares (INR Mn)	384	432	432	432	432
EPS (INR)	5.6	5.6	8.4	11.0	13.6
BVPS (INR)		47.8	56.2	67.2	80.8
Market Cap (INR Mn)		101,603	101,603	101,603	101,603
PE (x)		42.1	28.0	21.4	17.3
P/BV (x)		4.9	4.2	3.5	2.9
EV/EBITDA (x)		22.7	17.0	13.0	10.3
EV/Sales (x)		5.9	4.5	3.4	2.7
CMP		235.23	235.23	235.23	235.23

Source: PARKHOSP, Choice Institutional Equities

#### Balance Sheet (Consolidated in INR Mn)

Particular	FY25	FY26E	FY27E	FY28E	FY29E
Net Worth	10,521	20,632	24,265	29,009	34,885
Minority Interest	668	668	668	668	668
Borrowings	6,224	1,170	1,000	1,000	1,000
Trade Payables	1,361	823	1,052	1,353	1,657
Other Non-current Liabilities	671	671	671	671	671
Other Current Liabilities	1,818	1,818	1,818	1,818	1,818
<b>Total Net Worth &amp; Liabilities</b>	<b>21,263</b>	<b>25,781</b>	<b>29,474</b>	<b>34,518</b>	<b>40,699</b>
Net Block	7,714	11,943	12,007	13,339	14,954
Capital WIP	371	371	371	371	371
Goodwill & Intangible Assets	1,190	1,190	1,190	1,190	1,190
Investments	1	1	1	1	1
Trade Receivables	6,135	5,718	7,015	9,019	11,050
Cash & Cash Equivalents	3,608	4,313	6,636	8,334	10,860
Other Non-current Assets	1,649	1,649	1,649	1,649	1,649
Other Current Assets	596	597	605	615	625
<b>Total Assets</b>	<b>21,263</b>	<b>25,781</b>	<b>29,474</b>	<b>34,518</b>	<b>40,699</b>

#### Cash Flows (INR Mn)

	FY25	FY26E	FY27E	FY28E	FY29E
Cash Flows from Operations	2,185	3,745	3,723	4,378	5,705
Cash Flows from Investing	(1,032)	(5,235)	(1,150)	(2,600)	(3,100)
Cash Flows from Financing	(889)	2,196	(250)	(80)	(80)

#### DuPont Analysis (INR Mn)

	FY25	FY26E	FY27E	FY28E	FY29E
Tax Burden (%)	75.4	74.9	74.9	74.9	74.9
Interest Burden (%)	90.9	96.5	106.2	105.5	105.7
EBIT Margin (%)	22.5	20.0	21.4	21.9	22.1
Asset Turnover (x)	0.7	0.7	0.8	0.9	0.9
Financial Leverage (x)	2.1	1.5	1.2	1.2	1.2
<b>ROE (%)</b>	<b>22.7</b>	<b>15.5</b>	<b>16.2</b>	<b>17.8</b>	<b>18.4</b>

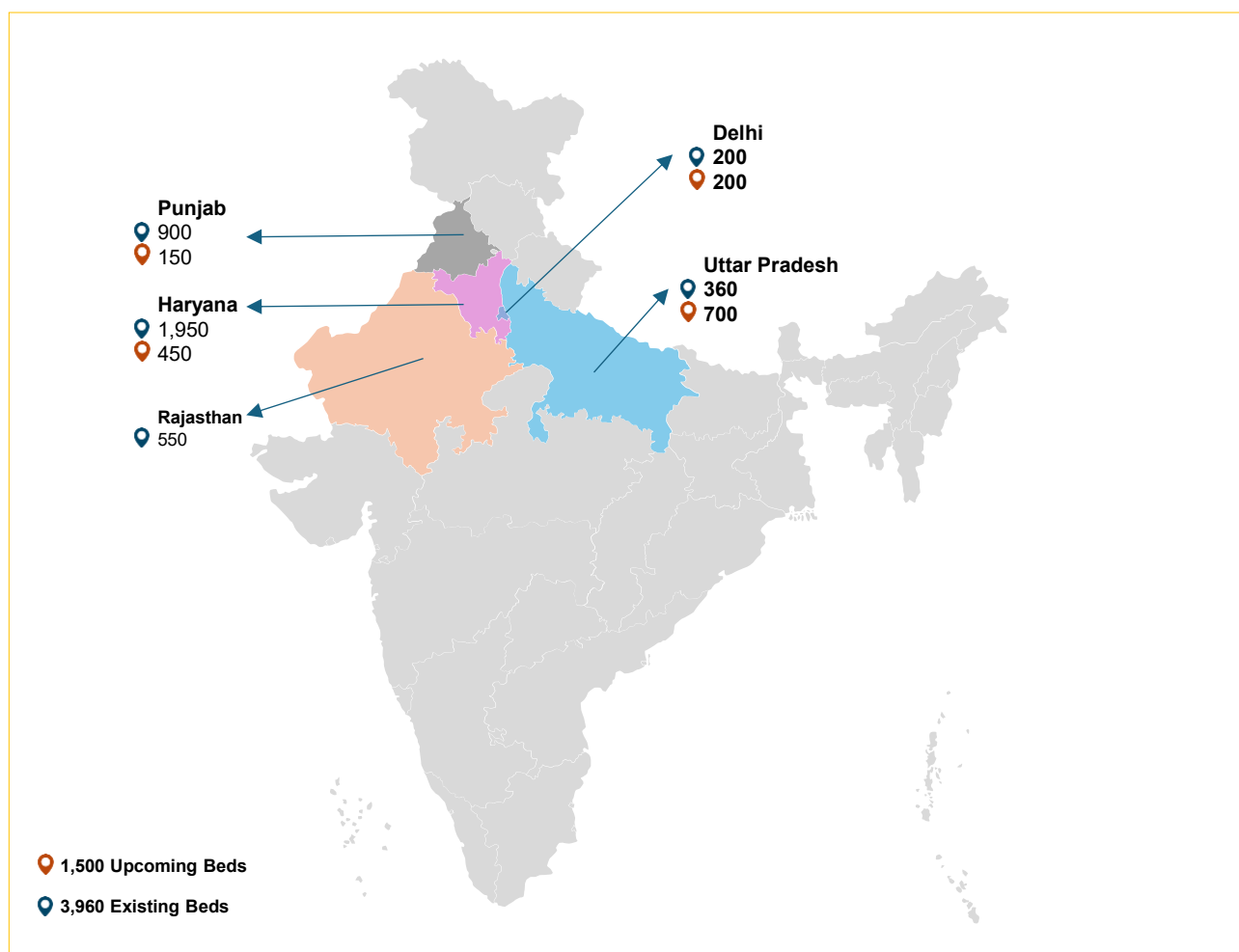
Source: PARKHOSP, Choice Institutional Equities

## 7.1 Introduction

*PARKHOSP is the 2<sup>nd</sup> largest private hospital chain in North India with a bed capacity of 3,960 beds, operating a network of 16 NABH accredited multi-specialty hospitals*

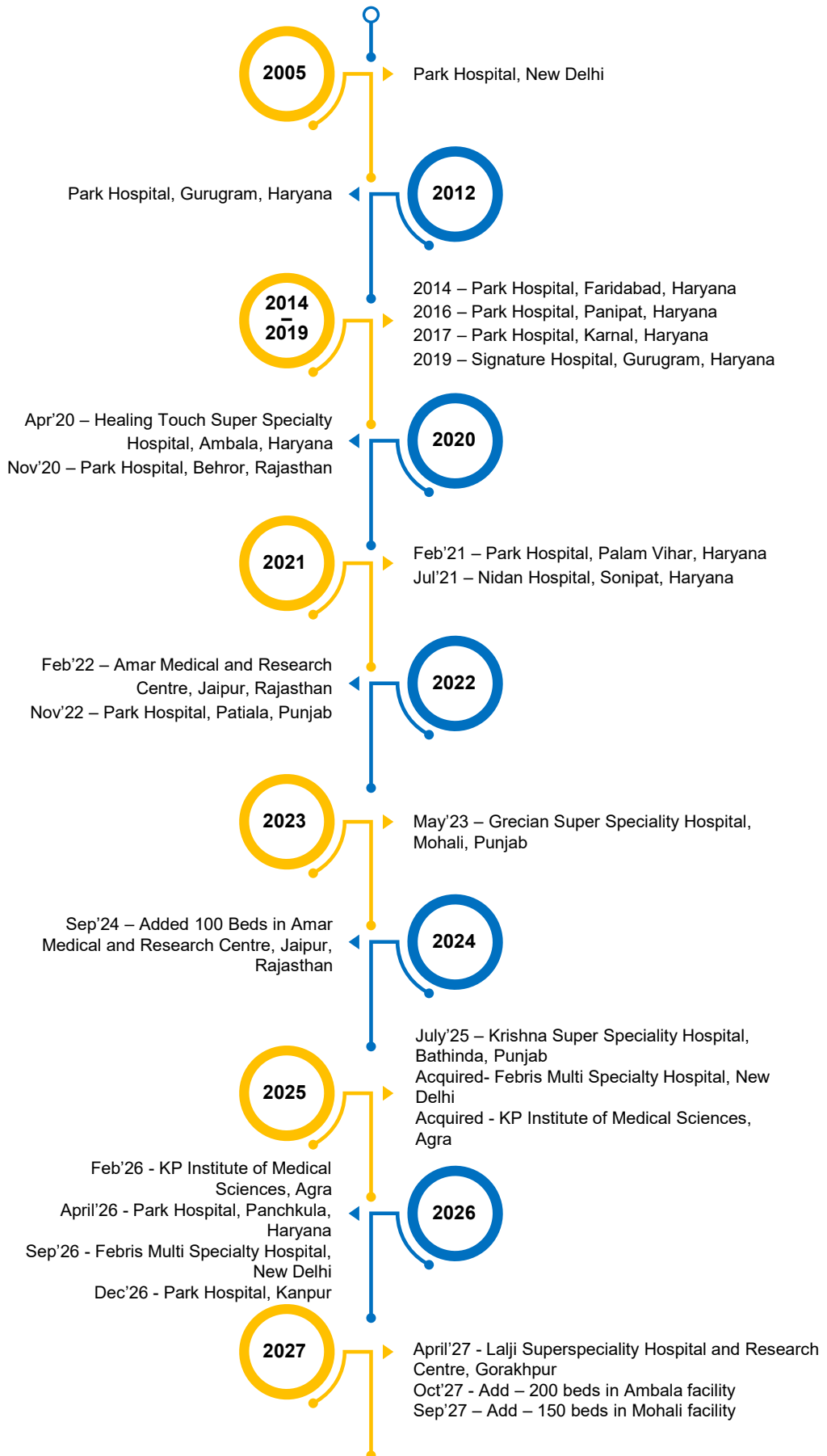
- Dr. Ajit Gupta, the promoter, began his medical career in 1981. In June 2000, he set up a private clinic in South Delhi. A significant milestone for PARKHOSP came in January 2005 with the launch of a 200-bed Park Hospital in New Delhi.
- Over the next two decades, the group evolved from a single-facility operation into a leading regional healthcare platform.
- Park Medi World Ltd has grown to become the second-largest private hospital chain in North India, operating 16 multi-super specialty hospitals with a total capacity of 3,960 beds across Haryana, Punjab, Rajasthan, Uttar Pradesh and Delhi.
- Through its cluster-based expansion strategy, PARKHOSP plans to increase its capacity to 5,460 beds by FY28, while deepening its presence in underserved regions such as Uttar Pradesh.
- It offers more than 30 specialties, including internal medicine, neurology, urology, gastroenterology, cardiology, oncology, orthopaedics and general surgery, with a strong emphasis on serving middle-income patients through accessible, cost-effective care.
- The company is focused on providing advanced yet affordable healthcare, supported by a capital-efficient asset ownership model and a fully employed 100% full-time doctor base.

## 7.2 Hospital Footprint

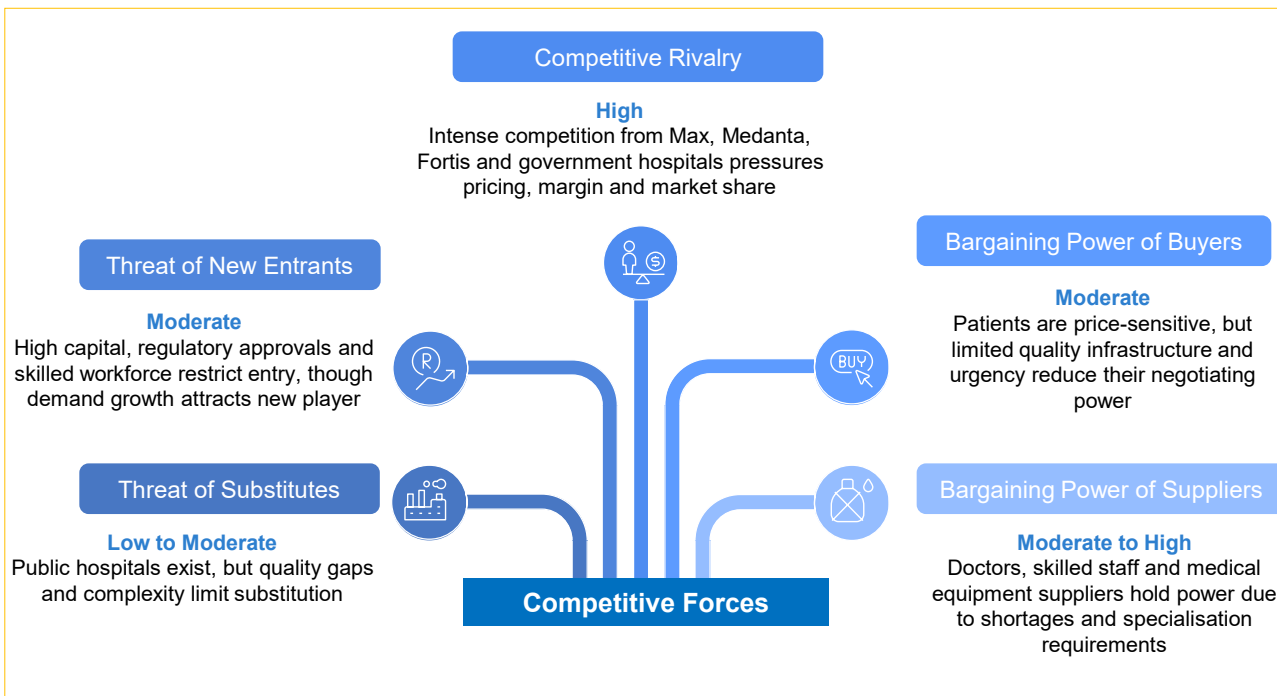


Source: PARKHOSP, Choice Institutional Equities

7.3 Key Milestones

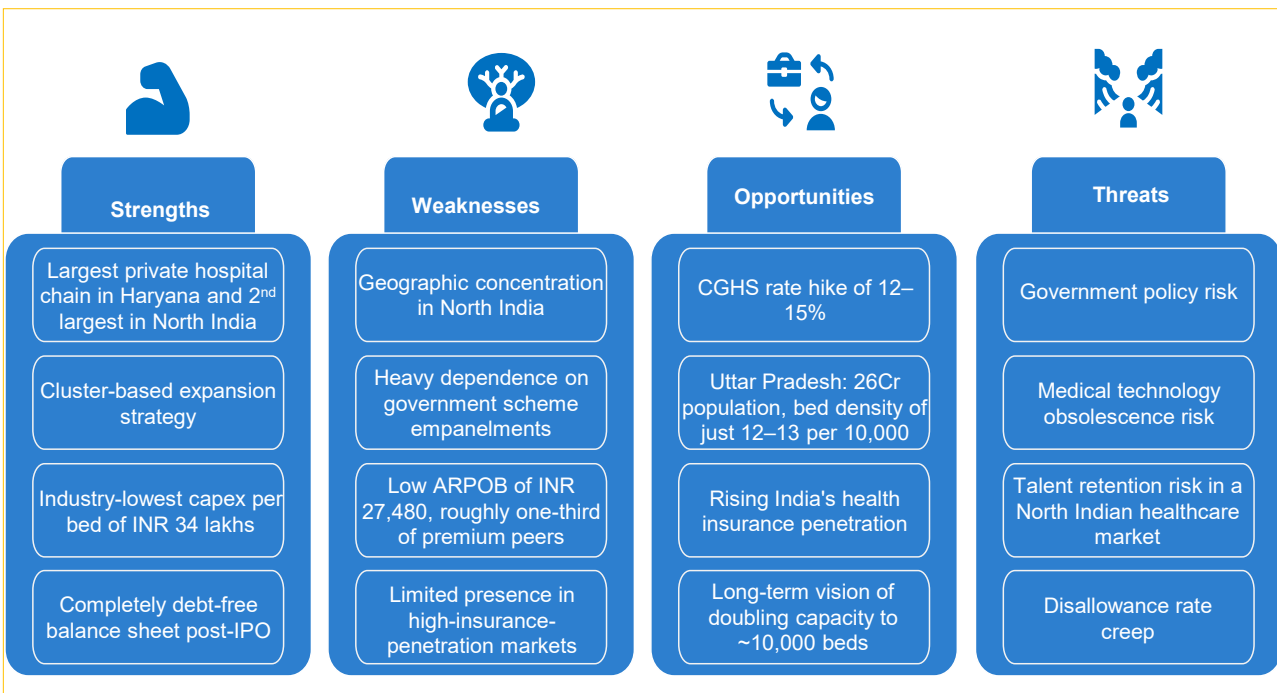


**7.4 Michael Porter's Five Forces Analysis**



Source: PARKHOSP, Choice Institutional Equities

**7.5 SWOT Analysis**



Source: PARKHOSP, Choice Institutional Equities

## 7.6 About the Management

Name	Designation	Qualification	Experience
 Dr. Ajit Gupta	Promoter, Chairman and Whole-Time Director	MBBS degree from University College of Medical Sciences, University of Delhi	Dr. Ajit Gupta has been registered with the Medical Council of India since January 8, 1981. Prior to joining the company in January 2011, he worked as a junior resident at Safdarjung Hospital and operated PARKHOSP and Sunil Nursing Home as a sole proprietor. He has more than 25 years of experience in the nursing home and hospital business.
 Dr. Ankit Gupta	Promoter and Managing Director	MBBS degree from Bharati Vidyapeeth Deemed University, Pune	Dr. Ankit Gupta as been registered with the Delhi Medical Council since March 14, 2005. In January 2011, he was associated with PARKHOSP as Head of Operations. He has over 20 years of experience in the medical profession.
 Dr. Sanjay Sharma	Whole-Time Director and CEO	MBBS degree from the University of Delhi	Dr. Sanjay Sharma has been associated with the Park Group of Hospitals since January 2014 and was appointed as CEO in November 2024. He has previously held roles across several healthcare and corporate organisations and has more than 20 years of experience in the medical industry.
 Mr. Rajesh Sharma	Chief Financial Officer	B.Com from the University of Delhi and an MBA from Madurai Kamaraj University	Mr. Rajesh Sharma is an associate member of the Institute of Chartered Accountants of India. He joined the Park Group of Hospitals in November 2012 and was appointed CFO in November 2024. He has over 28 years of experience in the finance sector.
 Mr. Sudesh Sharma	Group Officer on Special Duty - Finance	Bachelor's degree in engineering (civil) from the Birla Institute of Technology and Science and a PGDM from the IIM, Lucknow	Mr. Sudesh Sharma is responsible for developing and implementing corporate strategic plans along with capital raising, risk management, identifying and pursuing new business opportunities. He has more than 15 years of experience in the finance sector.

Source: PARKHOSP, Choice Institutional Equities

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BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
<b>Mid &amp; Small Cap*</b>	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
<b>Other Ratings</b>	
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UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
<b>Sector View</b>	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

\*Large Cap: More Than INR 20,000 Cr Market Cap  
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