

Park Medi World Ltd. - IPO Investment Note

Issue Open	Issue Close	Price Band (₹)	Rating
10 December 2025	12 December 2025	₹154 to ₹162	SUBSCRIBE

Investment Summary

Park Medi World Limited (PMWL) presents a compelling growth narrative, anchored by its position as the second largest private hospital operator in North India and the market leader in Haryana. A critical driver of this trajectory is management's established expertise in executing strategic inorganic expansions. The company has successfully acquired and integrated eight facilities, swiftly adding 1,650 beds to its network as of September 2025. This methodical approach ensures immediate and material returns, evidenced by acquired hospitals contributing over 55% to operational revenues in the first half of fiscal year 2026. This managed growth follows a localized cluster-based strategy, leveraging proximity for maximum operational efficiencies and reinforcing regional dominance. Supported by substantial, technology-equipped infrastructure, including 870 ICU beds and advanced robotic surgical systems, the existing platform is robust for specialty care delivery. Management is committed to aggressively expanding this footprint, projecting an overall bed capacity target of 4,900 beds by March 2028. Given its proven acquisition and integration track record, PMWL is strategically positioned to capture market share in the growing North Indian healthcare sector.

Company Overview

Park Medi World Limited (PMWL), established in 2011, is positioned as the second largest private hospital chain in North India, and the market leader in Haryana with 1,600 beds located in the state as of March 31, 2025. Park Medi World Limited operates a network of 14 multi-super specialty hospitals across North India. Out of these 14 operational hospitals, the company owns 10 of the facilities, demonstrating a focus on asset ownership to manage operating costs. The remaining four hospitals operate under alternative structures: two hospitals are on leased premises (Park Hospital in Faridabad, Haryana, and a part of Park Hospital in New Delhi), and two utilize a revenue share model under operations and management agreements (Amar Medical and Research Centre, Jaipur, Rajasthan, and Krishna Super Speciality Hospital, Bhatinda, Punjab). The company operates a network of 14 National Accreditation Board for Hospitals and Healthcare Provider (NABH) -accredited multi-super specialty hospitals under the 'Park' brand, serving Haryana, New Delhi, Punjab, and Rajasthan. PMWL offers over 30 specialized medical services, supported by substantial infrastructure, including 870 ICU beds and 67 operating theatres as of FY2025. A strategic focus involves the deployment of advanced technology, notably the iMARS robotic system at three hospitals, enhancing precision in minimally invasive procedures.

The company maintains a proven track record of expansion through acquisitions, integrating eight hospitals which contributed over 55% to operational revenue in the six months ended September 30, 2025. PMWL successfully increased its bed capacity from 2,550 beds in Fiscal 2023 to 3,250 beds as of FY2025, through a cluster-based approach. This expansion strategy is led by a doctor-led management team, aiming to capitalize on high demand and improve operational efficiencies across North India. The company continues its aggressive growth pipeline, targeting a total bed capacity of 4,900 beds by March 31, 2028.

Business Model

The business model of Park Medi World Limited (PMWL) is primarily centered on delivering comprehensive, multi-super specialty healthcare services through a strategically managed network of hospitals in North India, focusing heavily on patient volume and operational efficiency. The company offers over 30 specialized medical and surgical services, catering largely to the lower middle-class and middle-class segments by maintaining affordability through careful management of operating costs and leveraging economies of scale derived from its extensive regional network. This model prioritizes a high-volume approach over premium pricing, with a core focus on inpatient services, which generated 94.89% of revenue in the six months ended September 30, 2025. PMWL ensures quality care by staffing a dedicated team of over 1,000 doctors and providing advanced infrastructure, including 870 ICU beds and sophisticated equipment like the iMARS Robotic System deployed at three hospitals.

A key component of PMWL's growth and operational strategy involves the continuous expansion and optimization of its hospital network through a cluster-based approach that targets adjacent regions in North India. This strategy combines organic development with strategic inorganic acquisitions, facilitating rapid bed capacity increase (from 2,550 beds in Fiscal 2023 to 3,250 beds as of FY2025) and integrating quality assets into its network. The success of this acquisition strategy is evident as acquired hospitals contributed more than 55% of the company's operational revenue and restated Profit after Tax for FY2025 (September 2025). Furthermore, PMWL aims for geographical diversification into adjacent states like Uttar Pradesh, seeking out facilities suitable for 200-300 beds to establish a wider presence and manage logistical costs efficiently.

The company effectively manages its financial risk and ensures cash flow stability through a highly diversified payor mix, relying significantly on partnerships with government agencies and public sector undertakings (PSUs). Revenue generated from Government Schemes and PSUs represented a substantial 83.38% of total operating revenue in the six months ended September 30, 2025. While the model relies on government-backed payment systems, PMWL actively works to mitigate collection risks associated with these schemes by focusing on operational efficiencies and minimizing overheads, bolstered by the strategic advantage of primarily owning its hospital assets, including land parcels and equipment. By focusing on cost-effective procurement and leveraging economies of scale, the company maintains profitability and ensures its ability to reinvest earnings into further network expansion.

Industry Outlook

The Indian healthcare delivery industry was valued between ₹6.9 trillion to ₹7.0 trillion in Fiscal 2025 and is projected to exhibit a Compounded Annual Growth Rate (CAGR) of 10% to 12% to reach approximately ₹10.2 trillion to ₹10.8 trillion by Fiscal 2029. This expansion is underpinned by structural growth factors like an aging population, rising middle-class income, and increased incidence of Non-Communicable Diseases (NCDs), with NCDs accounting for nearly 66% of all deaths in India by 2019. The North Indian healthcare delivery market is expected to grow the fastest among all regions, projecting a CAGR of 12% to 14% to reach ₹3.3 trillion to ₹3.4 trillion by Fiscal 2029. This regional growth is driven by the fact that North India currently has a relatively low bed density (15 to 16 beds per 10,000 population) compared to global recommendations. Furthermore, government initiatives like the Pradhan Mantri Jan Arogya Yojana (PMJAY) are expected to significantly increase health insurance coverage and demand for healthcare services, especially leveraging the expansion plans of private players like PMWL. Key challenges remain, including government price capping of medical services and outstanding receivables, yet the overall outlook remains robust.

Investment Rationale

1. Regional Market Leader

PMWL is recognized as the second largest private hospital chain in North India and holds the position as the largest private hospital chain in Haryana, with 1,600 beds located in the state as of March 31, 2025. The company operates an extensive network of 14 NABH-accredited multi-super specialty hospitals serving Haryana, New Delhi, Punjab, and Rajasthan. This established regional presence allows PMWL to leverage strong brand recognition, efficiently share resources, and benefit from crucial economies of scale across the high-demand North Indian healthcare market.

2. Affordable Quality Healthcare

The company operates with a core commitment to delivering high-quality healthcare services at affordable rates, predominantly serving the lower middle-class and middle-class segments. This affordability is successfully managed through strict control over operating costs and the strategic utilization of modern medical technology, such as implementing the iMARS robotic system at three hospitals. Additionally, PMWL offers a comprehensive selection of over 30 specialized medical services, including internal medicine, cardiology, and oncology, thereby diversifying its service mix and mitigating risks associated with single-specialty reliance.

3. Proven Acquisition Track Record

PMWL possesses a demonstrated capability in successfully executing inorganic growth strategies, having acquired and efficiently integrated eight hospitals into its network, contributing an extra of 1,650 beds as of September 30, 2025. This rapid expansion approach has significantly bolstered the company's performance, with acquired facilities generating

55.12% of revenue from operations and 61.90% of restated profit after tax for the six months ended September 30, 2025. The integration process ensures that acquired assets align with established cost structures and standard operating procedures to maintain system-wide quality and efficiency.

4. Strong Financial Performance

The company maintains robust financial health, underpinned by a continuous focus on increasing patient volume and optimizing operational costs, which resulted in a solid restated Profit After Tax (PAT) of ₹139.14 crores (₹1,391.43 million) for the six months ended September 30, 2025. A critical element of its stability is a highly diversified payor mix. Revenue derived from Government Schemes and Public Sector Undertakings (PSUs) formed 83.38% of total operating revenue in the six months ended September 30, 2025. Furthermore, PMWL enhances capital efficiency by primarily owning its hospital assets (land and equipment), reducing overheads and enabling direct reinvestment into growth.

5. Expert Doctor-Led Team

PMWL benefits from a strong management structure led by experienced doctors, providing crucial strategic oversight and profound industry knowledge. This leadership is anchored by founder and Chairman Dr. Ajit Gupta, who has over 25 years of experience, and Dr. Ankit Gupta (Managing Director), with over 20 years of medical experience. This clinical expertise is fundamental to successfully executing ambitious expansion plans, managing complex operations, and ensuring the maintenance of high clinical standards across the North Indian network.

6. Advanced Technology & Infrastructure

The PMWL group prioritizes continuous investment in advanced technology and comprehensive infrastructure to deliver superior clinical outcomes. As of September 30, 2025, the network includes 870 ICU beds and 67 operating theatres (OTs), emphasizing critical care capability. A key technological asset is the iMARS robotic surgical system, deployed at three hospitals, which utilizes high-definition imaging to perform complex, minimally invasive procedures, resulting in quicker patient recovery and improved operational flow.

Key Risks

1. Heavy Reliance on Government Scheme Revenue & Collection Delays

A substantial portion of PMWL's revenue is generated from payments made by government agencies and Public Sector Undertakings (PSUs) under various healthcare schemes, accounting for 83.38% of total operating revenue in the six months ended September 30, 2025. The company faces a material risk from delays in receiving these payments or from the outright rejection of claims. Such issues can severely impact cash flows and results of operations. Furthermore, the collection period remains high, indicated by Trade Receivable Days of 173.48 in the six months ended September 30, 2025, posing a continuous threat to the company's financial stability.

2. High Dependency on Haryana Market & Regional Risk

A significant majority of PMWL's revenue is concentrated in a single state, Haryana, which accounted for 69.06% of the revenue from operations in the six months ended September 30, 2025. This exposes the company to material risks arising from adverse local developments, such as political instability, unfavorable changes in local laws, economic slowdowns, or natural disasters specific to that region. For instance, operational revenue in Haryana declined in Fiscal 2024 partly due to floods in Punjab impacting nearby facilities and strategic downsizing due to government payment delays.

3. Workforce Attrition & Dependence on Medical Consultants

The company's performance relies heavily on retaining its large team of doctors, nurses, and medical staff. The attrition rate for doctors was significantly high at 33.72% as of September 30, 2025, making the recruitment and retention of skilled professionals a perennial challenge in the competitive healthcare market. Moreover, the company engages a large number of specialists through one-year renewable consultancy agreements (562 consultants as of September 30, 2025, representing 55.43% of total doctors). If these essential consultants discontinue their association or cannot dedicate sufficient time, patient trust and operational results may be adversely affected.

4. Contingent Liabilities & Pending Regulatory/Legal Actions

PMWL faces substantial financial risk from contingent liabilities and pending legal proceedings. As of September 30, 2025, the company's contingent liabilities (excluding corporate guarantees) represented 11.66% of its net worth, while corporate guarantees provided to banks on behalf of its Subsidiaries totalled a massive 71.58% of its net worth. Should a significant portion of these large guarantees materialize, the business, cash flows, and financial condition could be severely affected. Furthermore, the company, its Promoters, and Subsidiaries are involved in various legal and regulatory proceedings, including pending tax demands (e.g., GST claims totalling ₹124.04 crores (₹1,240.39 million) against Subsidiaries). Any adverse decision in these matters could significantly harm the reputation and financial status of the Group.

5. Operational & Financial Strain from Acquisitions & Expansion

PMWL's growth strategy heavily relies on acquiring and integrating new hospitals, including ongoing efforts like the acquisition of Durha Vitrak (Febris Multi Specialty Hospital). The success of this strategy is contingent upon effectively realizing anticipated synergies, overcoming complex integration hurdles, mitigating risks related to undisclosed liabilities of acquired entities, and achieving anticipated operating capacities in proposed facilities. Failure to successfully complete or integrate these projects as planned or within projected timelines (such as the new hospitals in Panchkula and Rohtak) due to delays in construction, approvals, or securing necessary financing could adversely impact the entire business and financial results.

Financial Snapshot

Metric	In (Cr)		
	FY23	FY24	FY25
Revenue (₹ Cr)	1254.60	1231.07	1393.57
EBITDA (₹ Cr)	390.34	310.30	372.17
Net Profit (₹ Cr)	228.19	152.01	213.22
EBITDA Margin (%)	31.11%	25.21%	26.71%
PAT Margin (%)	18.19%	12.35%	15.30%
EPS (₹)	5.94	3.95	4.93

IPO Details and Use of Proceeds

Parameter	Details
Issuer	Park Medi World Ltd.
IPO Structure	Fresh Capital-cum-Offer for Sale
Issue Size	5,67,90,123 shares (920 Cr) (Fresh- 770 Cr & OFS 150 Cr)
Price Band	Rs 154 – Rs 162
Face Value	Rs 2 per share
Post-Issue Market Cap	Rs 6997.28 Cr
IPO Opening Date	10 December, 2025
IPO Closing Date	12 December, 2025
Listing	BSE & NSE
Promoter Holding (Pre/Post)	95.55% / 82.89%
Book Running Lead Manager(s)	Nuvama Wealth Mngement Ltd
Use of Proceeds	Repayment of Debt (₹380 crores) Capital Expenditure (₹60.50 crores) General Corporate Purposes



Valuation and Recommendation

At the upper price band of ₹162, Park Medi World Ltd. is valued at a **P/E** of **32.84x** and an **EV/EBITDA** of **19.52x** on FY25 basis, implying a market capitalization of ₹6,997.28 crore. Considering its position as a leading regional hospital chain with a strong presence across North India, along with its focus on affordable, technology-enabled healthcare services, these valuations appear relatively attractive. The company's robust financial performance, supported by consistent patient growth and efficient cost structures, further strengthens its long-term outlook. Given the combination of solid fundamentals and cheaper valuations, **we recommend subscribing to the IPO.**

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