

Paras Healthcare Limited

October 01, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long-term / Short-term bank facilities	RBI	-	-	Revised to CARE BBB; Stable/ CARE A3+ and withdrawn
Long-term bank facilities	RBI	-	-	Revised to CARE BBB; Stable and withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed the outstanding ratings to 'CARE BBB/ CARE A3+' assigned to bank facilities of Paras Healthcare Limited (PHL), while revising the outlook to "Stable" from "Negative". The rating action is considering improvement in operating and financial performance in FY26 (refers to period April 01 to March 31) characterised by recovery overall occupancy level to 62% in FY26 from 51% in FY25 and subsequently achieving higher profit before interest, lease rentals, depreciation and taxation (PBILDT), which stood at ₹320 crore in FY26, increasing from ₹143 crore in FY25. The company's debt coverage indicators also showed improvement in FY26, with net leverage improving to 4.16x (8.34x in FY25) and interest coverage to 2.68x (PY: 1.52x) in FY26.

Subsequently, ratings have been withdrawn with immediate effect. The action has been taken at the request of the company and 'No Objection Certificate' received from the bank(s) that have extended the facilities rated by CareEdge Ratings.

Analytical approach: Consolidated

Consolidated (list of entities mentioned under Annexure 5), audited financials of Paras Healthcare Limited and its wholly owned subsidiary Paras Healthcare (Ranchi) Private Limited and Plus Medicare Hospitals Private Limited as on March 31, 2026, are considered for analysis owing to strong management, operational and financial linkages.

Outlook: Stable

The 'Stable' outlook indicates CareEdge Ratings' expectation of sustenance in the PHL's business risk profile backed by healthy occupancy levels and average room rate (ARR) in the medium term.

Detailed description of key rating drivers

Key strengths

Diversified network of hospitals

PHL commenced operations of its first hospital in Gurgaon in 2006 and gradually expanded its hospital network across other regions. Currently, PHL operates eight multi-super specialty hospitals under the brand name 'Paras Health'. Two hospitals are in Haryana, two in Bihar, one in Rajasthan, one in Jharkhand, one in Jammu and Kashmir, and one in Uttar Pradesh. The Gurgaon and Udaipur hospitals (acquired in June 2022 through 100% equity acquisition in Plus Medicare Hospitals Private Limited) are owned by PHL, while remaining hospitals operate on long-tenure lease arrangements of ~20-35 years.

Established track record of operations of two flagship hospitals with improving operational indicators for some hospitals

Paras Hospital, Gurgaon has an operational track record of over 18 years, while Paras HMRI Hospital, Patna has been operational for ~11 years. Other hospitals have an operational track record of less than five years. In FY26, PHL generated an estimated total operating revenue of ₹1609 crore (PY: ₹1297 crore) at an operating margin of 19.88% (PY 11%), driven by a healthy average revenue per occupied bed (ARPOB) of ₹47,428 (PY ₹47,668) and an overall average occupancy level of 61% (PY 76%).

¹SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

²Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Moderately Leveraged capital structure and improvement in debt coverage indicators

The group's capital structure though improved remained moderately leveraged, as reflected by an overall gearing of 3.58x as on March 31, 2026 (PY: 4.50x). PBILDT interest coverage ratio also improved to 2.68x in FY26 from 1.52x in FY25. Net debt to PBILDT and total debt to gross cash accruals (TD/GCA) improved at ~4.16 and 7.56x, respectively in FY26 against 8.34x and 20.52x, respectively in FY25.

Experienced and professional management team with proven track record of operations in healthcare industry

Dr Dharminder Nagar, Managing Director, PHL, has experience of over two decades in the healthcare industry. He graduated as a doctor from Mysore University in 1995 and holds an MPhil in Hospital and Health System Management from Birla Institute of Technology and Science, Pilani. He has undertaken an Executive Management Programme in healthcare delivery from Harvard Business School and holds an Advanced Diploma in Healthcare Management and Health Systems Administration from Imperial College, London. He is supported by a team of experienced medical and financial professionals for day-to-day operations and strategic decision-making. PHL has an experienced team of over 3,500 employees, including doctors, nursing, and other support staff. Promoters have ensured the availability of renowned medical practitioners across multiple therapeutic segments, resulting in a gradual increase in occupancy and building their reputation in the respective segments. Reputed doctors such as Padmashree Dr VS Mehta, who has been associated with PHL for over a decade and serves as Director, Paras Institute of Neurosciences; Padmashree Dr Alka Kriplani (a Dr. B.C. Roy National Awardee), who has been associated for over five years and heads the gynaecology, obstetrics and antiretroviral therapy (ART) department; and Padmashree Dr MV Padma Shrivastava, who has over 30 years of experience in stroke management, dementia due to Alzheimer's disease, multiple sclerosis, management of cerebrovascular disease, and seizures in epilepsy, joined PHL as Chairperson, Neurology. PHL has consistently invested in upgradation and renewal of medical equipment to support smooth functioning. All hospitals are well-equipped with state-of-the-art and high-end medical machinery and equipment.

Key weaknesses**Challenges of attracting and retaining quality medical professionals**

Undertaking new hospital projects and expanding existing facilities requires adequate availability of trained doctors and medical personnel. However, considering the intense competition and scarcity of quality medical specialists, the company's ability to retain its current medical fraternity will be a key differentiator. Loss of services of senior medical personnel may impair the company's ability to manage and expand operations, given the highly skill-driven nature of medical services. PHL has a dedicated team of full-time consultant doctors, who practice across therapeutic areas. PHL strategically selects hospital locations in regions with medical colleges to attract doctors and medical professionals from the same region.

Fragmented nature of healthcare industry leading to increasing competition

The healthcare sector remains highly fragmented, with few large players in the organised segment and several small players in the unorganised segment, resulting in intense competition. Differentiating factors such as range of services offered, quality of service, pedigree of doctors, and success rate in treatment of complex and critical diseases will be crucial to attract patients and improve occupancy.

Liquidity: Adequate

The liquidity profile is adequate, supported by cash and liquid investments of ~₹302 crore as on March 31, 2026, comprising cash and cash equivalents of ₹61 crore and short-term bank deposits of ₹241 crores. The company also reported healthy gross cash accruals of ₹184.33 crore in FY26, which with the available liquidity, provides adequate cushion against its operational and financial commitments.

Assumptions/Covenants: Not applicable**Environment, social, and governance (ESG) risks:** Not applicable

Applicable criteria

[Definition of Default](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Manufacturing Companies](#)
[Rating Outlook and Rating Watch](#)
[Consolidation and Combined Approach](#)
[Hospital](#)
[Financial Ratios – Non financial Sector](#)
[Notching by Factoring Linkages in Ratings](#)
[Withdrawal Policy](#)
[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Healthcare services	Hospital

PHL was promoted by Dr Dharminder Nagar in 2006 having successful operational track record of over a decade in the Healthcare Industry. PHL operates seven multi-super specialty hospitals in North and East India with a total census inventory of 1,700 beds as on September 2025. In July 2017, Creador, a Southeast-Asia based, and India focused private equity (PE) firm had invested ₹260.03 crore (through Commelina Limited, its investment vehicle) by subscribing 62,245 equity share and 10,22,182, 0.01% Series A, compulsory convertible preference shares (CCPS). These CCPS were converted into ordinary equity shares in September 2018. Post this conversion, Commelina Limited held 24.68% equity stake in PHL. Two more investors have come up in April 2025, 360 ONE Special Opportunities Fund with total shares of 71,94,093, which holds total of 7.12% and Axis New Opportunities AIF ~36,68,439 with holding of 3.63%. Total shareholding of Commelina Limited reduced to 16.44% and promoters diluted there shareholding by 2.52% for ₹80 crore, which has come up as pre-IPO fund.

Brief Financials (Consolidated) (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)
Total operating income	1,297.81	1609.35
PBILDT*	143.06	319.99
Profit after tax (PAT)	-57.98	43.83
Overall gearing (x)	4.50	3.58
Interest coverage (x)	1.52	2.68

A: Audited; UA: Unaudited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:

A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based-Long Term	RBI	Simple	-		-	-	0.00	Withdrawn
Non-fund-based-LT/ST	RBI	Simple	-		-	-	0.00	Withdrawn
Term Loan-Long Term	RBI	Simple	-		-	31-03-2034	0.00	Withdrawn

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Term Loan-Long Term	LT	-	-	1)CARE BBB; Stable (01-Oct-26)	1)CARE BBB; Negative (30-Sep-25)	1)CARE BBB; Negative (31-Mar-25) 2)CARE BBB+; Stable (04-Jul-24)	1)CARE BBB+ (RWD) (22-Dec-23)
2	Fund-based-Long Term	LT	-	-	1)CARE BBB; Stable (01-Oct-26)	1)CARE BBB; Negative (30-Sep-25)	1)CARE BBB; Negative (31-Mar-25) 2)CARE BBB+; Stable (04-Jul-24)	1)CARE BBB+ (RWD) (22-Dec-23)
3	Non-fund-based-LT/ST	LT/ST	-	-	1)CARE BBB; Stable / CARE A3+ (01-Oct-26)	1)CARE BBB; Negative / CARE A3+ (30-Sep-25)	1)CARE BBB; Negative / CARE A3+ (31-Mar-25)	1)CARE BBB+ / CARE A2 (RWD) (22-Dec-23)

							2)CARE BBB+; Stable / CARE A2 (04-Jul- 24)	
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LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-5: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Paras Healthcare (Ranchi) Private Limited	Full	Wholly owned Subsidiary
2	Plus Medicare Hospitals Private Limited (PMHPL)	Full	Wholly owned Subsidiary

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:

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