



## LONG TERM SUBSCRIBE

### IPO Report

22<sup>ND</sup> Dec'25

#### Snapshot

Company is one of the regional healthcare companies located in the central region of state of Gujarat and operate a chain of mid-sized multispeciality hospitals, providing integrated healthcare services, with a focus on secondary and tertiary care. Company on a consolidated basis, operate seven (07) multispeciality hospitals and four (04) pharmacies operating within its Hospitals, Gujarat Kidney and Superspeciality Hospital (Vadodara), Gujarat Multispeciality Hospital (Godhra), Raj Palmland Hospital Private Limited (Bharuch), M/s. Surya Hospital and ICU (Borsad), Gujarat Surgical Hospital (Vadodara), Ashwini Medical Centre (Anand), Ashwini Medical Store (Anand) and Apex Multispeciality & Trauma Center (Bharuch) with a total bed capacity of 490 beds, approved bed capacity of 445 beds and operational bed capacity of 340 beds.

#### VALUATION

Company is bringing the issue at price band of Rs 108-114 per share at p/e multiple of more than 40x on post issue annualized Q1FY25 PAT basis.

Company has Pre-eminence in renal sciences, with established sub-superspecialties in urology and strong capabilities in other specialties; Company has ability to attract, train and retain quality medical professionals; Investment in infrastructure, processes and clinical excellence driving affordability, and a strong value proposition for stakeholders; Also, company has track record of operating and financial performance and growth along with professional management and experienced leadership.

Hence, we recommend “Long Term Subscribe” to the issue.

|                                  |  |
|----------------------------------|--|
| <b>Price Band (Rs./Share)</b>    | <b>108-114</b>                           |
| <b>Opening date of the issue</b> | <b>22<sup>nd</sup> Dec '2025</b>         |
| <b>Closing Date of the issue</b> | <b>24<sup>th</sup> Dec '2025</b>         |
| <b>No of shares pre issue</b>    | 5,68,43,250 Eq Shares                    |
| <b>Issue Size</b>                | Rs 250.80 Cr                             |
| <b>Fresh issue</b>               | Rs 353.40 Cr                             |
| <b>No of Shares</b>              | 2,20,00,000 Eq Shares                    |
| <b>Face Value (Rs/ share)</b>    | Rs 2/share                               |
| <b>Bid Lot</b>                   | 128                                      |
| <b>BIDDING DETAILS</b>           |  |
| <b>QIBs (Including Anchor)</b>   | 75% of the offer                         |
| <b>Non-Institutional</b>         | 10% of the offer                         |
| <b>Retail</b>                    | 15% of the offer                         |
| <b>Lead managers</b>             | Nirbhay Capital Services Private Limited |
| <b>Registrar to the issue</b>    | MUFG Intime India Private Limited        |

#### WHAT WE LIKE

##### *Pre-eminence in renal sciences, with established sub-superspecialties in urology*

During the initial years post commencement of business operations at company's Gujarat Kidney Hospital, company had successfully established six (06) sub-specialties in company's urology department, viz., endourology, urologic oncology, pediatric urology, reconstructive urology, renal transplant, laparoscopic urology and female urology.

##### *Asset light business model with focus in central region of Gujarat*

Company operate through using leased property in Gujarat Multispeciality Hospital in Godhra and Gujarat Kidney and Superspeciality Hospital in Vadodara. In the past, company had acquired operational control in Raj Palmland Hospital Private Limited in Bharuch, M/s Surya Hospital and ICU in Borsad, Gujarat Surgical Hospital in Vadodara and Harmony Medicare Private Limited in Bharuch through acquisition of 51%, 90%, 90% and 51% holding respectively. Such acquisition of holding had allowed company to operate hospital without investing in land and building, medical equipment and necessary furniture and fixtures

##### *Accreditation of company's hospital facilities*

Company's facilities in Gujarat Kidney and Superspeciality Hospital in Vadodara and Raj Palmland Hospital in Bharuch have received accreditations, from the National Accreditation Board for Hospitals and Healthcare Providers (the “NABH”). This accreditation is testament to its focus on the quality of medical services and reflects its strong commitment to work towards better health and cure of company's patients and their care.



## COMPANY BACKGROUND

Company categorize its healthcare services as secondary services (which are surgical services) and Tertiary Services (which are super speciality surgical services). Company's hospitals are providing integrated diagnostic services, either in-house, and pharmacies that cater to company's patients. Company have strategically focussed on the relatively underpenetrated healthcare market in the state of Gujarat, India where company have presence in four cities, which has provided company an understanding of regional nuances, patient culture and the mindset of medical professionals and where there is under-penetration of quality and affordable healthcare services.

The hospital sector forms the core part of Indian healthcare industry, which also include medical devices, clinical trial, medical tourism, telemedicine, health insurance and medical equipment. Hospitals is the largest segment and in the total healthcare market. Indian hospital industry witnessed significant growth, increasing from INR 2,400 billion in FY 2016 to INR 5,800 billion in FY 2023, further, it is estimated to have risen by 12% in FY 2024, reaching approximately INR 6,496 billion. Growth in the patient base due to changes in lifestyle, increase in noncommunicable diseases, growing elderly population, high discretionary income, and increasing penetration of health insurance schemes is expected to propel the healthcare delivery sector in the country during the coming decade.

Led by company's Promoter and Managing Director, Dr. Pragnesh Yashwantsingh Bharpoda, who has around more than a decade of experience in the medical industry and has helped company expand its geographical presence by strategically acquiring various multi-speciality hospitals, over the years. He is an established name in the field of urology.

Company is in the process of acquiring another hospital named "Parekhs Hospital" situated at, Shyamal Cross Roads, Near Jivaraj Over Bridge, 132 Feet Ring Road, Satellite, E-Vejalpur, Ahmedabad – 380 051, Gujarat, India from Parekhs Hospital Private Limited, by utilising a portion of the Net Proceeds towards such acquisition. The said hospital was commissioned in the year 2006, with 49 beds including 8 beds across ICUs as of February 28, 2025.

Company endeavour to provide quality and affordable healthcare services to all its patients, and company on a proforma consolidated basis have 670 employees, 89 full-time consultants, and 238 visiting consultants as of November 12, 2025. Company wholly own some of the hospitals but manage the operations of each of its hospitals through a separate professional management team. Each of company's hospitals is managed by a Chief Operating Officer, who is responsible for supervising day to day functioning. This structure provides company with greater control over its hospitals and helps Company to deliver quality healthcare services.

Given the geographical concentration of company's hospitals in Gujarat, company is well-placed to capitalise on the expected growth in the healthcare sector in Gujarat due to company's strategically located hospitals, understanding of the regional markets and its nuances and due to company's existing track record. Company believe that due to its long-standing operations, quality of medical care and company's long-term relationships with company's visiting consultants, fulltime resident doctors and other medical professionals, company have been able to become one of the key regional healthcare companies in central Gujarat. This is demonstrated by the fact that in the three month period ended on June 30, 2025 and the Financial year ended on March 31, 2025 is 94.54% and 90.00% of company's revenue from operations has come from patients insured individually or from walk-in-patients

## OBJECTS OF OFFER

The Issue constitutes a public Issue of Up to 2,20,00,000 Equity Shares

The Objects of the Fresh Issue

Company proposes to utilize the Net Proceeds from the Issue towards funding the following objects:

1. Proposed acquisition of "Parekhs Hospital Private Limited" at Ahmedabad
2. Part payment of purchase consideration for the already acquired hospital i.e. "Ashwini Medical Centre"
3. Acquisition of additional shareholding in Company towards setting up of a new hospital exclusively for women's health care in Vadodara;
5. Buying robotics equipment for company's hospital Gujarat Kidney & Super Speciality hospital at Vadodara location
6. Full or part repayment and/or prepayment of certain outstanding secured borrowings availed by Company and
7. Funding inorganic growth through unidentified acquisitions and General Corporate Purposes.

## RISKS

Company proposes to use a portion of the Net Proceeds from the Issue for acquisition of Parekhs Hospital Private Limited, following which Company will be responsible for overseeing and managing the Parekhs Hospital. Company may face difficulties in completing the acquisition within the terms mentioned in term sheet, affecting Company's future plans and prospects.

Source:RHP



**Consolidated Financials**

(Rs in Mn)

| Financials              | FY23    | FY24      | FY25     | Q1FY26   |
|-------------------------|---------|-----------|----------|----------|
| Total Revenue (A)       | 0.00    | 477.43    | 4024.21  | 1526.02  |
| Total Expenditure (B)   | 0.63    | 282.34    | 2369.51  | 663.46   |
| EBIDTA                  | -0.63   | 195.09    | 1654.70  | 862.56   |
| EBIDTA Margin           | #REF!   | -31066.67 | 748.17   | -47.87   |
| Other Income            | #DIV/0! | 40.86     | 41.12    | 56.52    |
| Depreciation            | 0.01    | 70.39     | 15.49    | 0.83     |
| EBIT                    | 0.00    | 31.93     | 329.04   | 96.41    |
| Interest                | -0.62   | 233.55    | 1341.15  | 766.98   |
| PBT                     | 0.00    | 6.72      | 64.63    | 18.07    |
| Share of profit in Asso | -0.62   | 226.83    | 1276.52  | 748.91   |
| PBIT                    | 0.00    | 0.00      | 0.00     | 0.00     |
| Exceptional             | -0.62   | 226.83    | 1276.52  | 748.91   |
| PBT                     | 0.00    | 0.00      | 0.00     | 0.00     |
| Tax                     | -0.62   | 226.83    | 1276.52  | 748.91   |
| PAT                     | 0.00    | 55.43     | 326.58   | 208.59   |
| NPM                     | -0.62   | 171.40    | 949.94   | 540.32   |
| ROE%                    | -1.67   | 15.86     | 36.61    | 15.85    |
| EPS                     | 0.00    | 0.49      | 1.85     | 0.85     |
| Eq Cap                  | 20.00   | 20.00     | 1,136.87 | 1,136.87 |
| Net Worth               | 37.02   | 1,080.43  | 2,712.64 | 3,242.77 |

(Source: RHP)



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