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IPO NOTE

"AVOID"

Manipal Health Enterprises Limited - One Of Largest Hospital Chain Network and Bed in country But IPO Valuation high

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Mahesh M. Ojha || Vice President Research & Business Development ||

Kantilal Chhaganlal Securities Pvt Ltd
SEBI Reg. Nos.:INZ000216538(Stock Broker), INH000001428(Research Analyst)
601/602 Inizio Business Centre, Cardinal Gracious Road Opposite Proctor and Gamble, Chakala, Andheri East, Mumbai
research@kcsecurities.com www.kcsecurities.com

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ONE Page Summary

MANIPAL HEALTH ENTERPRISES LIMITED

IPO Details

Issue Opens	Thursday, 29th July' 2026
Issue Close	Monday ,31st July' 2026
Total Size	₹ 9210 – 9275.22 Crs.
Price Band	₹ 560 – ₹ 590
Face Value	₹ 2/- Per Eq. Shares
Implied Market cap at Lower Band	₹ 22,830 Crs
Implied Market cap at Upper Band	₹ 23,981 Crs.

Recommendation:

"Avoid,,

Company Background

MANIPAL HEALTH ENTERPRISES LIMITED operate a pan-India network of multispecialty hospitals delivering a comprehensive range of care services—from outpatient services to complex tertiary and quaternary interventions. As of March 31, 2026, they operated 49 hospitals with 13,037 licensed beds across 14 states and union territories. They have the widest footprint in terms of presence of hospitals among private hospital chains in India as of March 31, 2026). They are the largest pan-India multispecialty hospital network by bed capacity and the second largest hospital chain by number of hospitals as of March 31, 2026 (Source: CRISIL Report). For Fiscal 2026, they reported the second-highest revenue from operations of ₹103,357.51 million (₹109,356.18 million on a pro forma basis) among private hospital chains in India In their three key regions of (i) Karnataka, (ii) Maharashtra and Goa and (iii) West Bengal, Odisha, Jharkhand, and Sikkim (in eastern India), they had 6,404, 2,188 and 2,887 licensed beds, respectively, as of March 31, 2026. Among private hospital chains in India, as of March 31, 2026, they were the largest player in (i) Karnataka, (ii) Maharashtra and Goa region, and (iii) in select states of West Bengal, Odisha, Jharkhand, and Sikkim (in eastern India) (Source: CRISIL Report). "Licensed beds" represent the total number of hospital beds approved by regulatory authorities in a facility.

Investment Rationale & Recommendation

At the upper price band, **Manipal Health Enterprises Limited is valued at 85.67x FY26** earnings, implying a steep premium to listed hospital peers however EV/ EBITA 29.4x is reasonable but , many competitive peers like NH Trading at Lower PE. Despite its strong franchise, the company trails peers on key operating metrics, with relatively lower bed occupancy, an ALOS of 2.78 days (among the lowest in the peer group), and a declining ROCE, indicating limited near-term operating leverage.

The company also faces multiple pending tax and legal matters against Subsidiary Company appx 800 Crs.(RHP Pg No. 582) Which can dent for some next year profit , while the regulated nature of the healthcare sector adds compliance-related risks. Although the IPO proceeds will strengthen the balance sheet through debt reduction, they are not intended to fund meaningful growth initiatives. Given the demanding valuation, moderating profitability, and unfavorable risk-reward profile,
We recommend "AVOID" the issue. Investors may consider reassessing the company after 1–2 quarters of listed performance, with greater visibility on earnings, occupancy, and return ratios

Mahesh M. Ojha ||Vice President – Research & Business Development ||Email – mahesh.ojha@kcsecurities.com 022-6723 6126

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DETAILED NOTE

Anchor Bid on : Tuesday , 28th July' 2026
Issue Opens on : Wednesday, 29th July' 2026
Issue closes on : Friday , 31st July' 2026

Fresh Issue of Equity Shares aggregating up to ₹ 8,000 Cr and Offer for Sale of up to 21,613,834 Equity Shares

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	03-08-2026
Refunds/Unblocking ASBA Fund	04-08-2026
Credit of equity shares to DP A/c	04-08-2026
Trading commences	05-08-2026

Issue Details

Issue Size - ₹ 9210- 9275 Crs

Face Value - ₹ 2/-

Price Band - ₹ 560 – 590

Bid Lot - 25 Shares and in multiples

Post Issue Implied Mkt. Cap - ₹ 74,068 Crs. –77,607 Crs

Shareholding (No. of Shares)

Pre-issue	Post-issue*	Post-issue^
1,179,757,321	1,322,644,225	1315377202

*@Lower price Band ^@ Upper Price Band

Issue - Break up

Issue Break Up	No. Of Eq. Shares		Amount (In Crs.)	
Category	@Lower	@Upper	@Lower	@Upper
QIB - (75%)	123,152,341	117,714,614	6,897	6,945
NIB - (15%)	24,630,467	23,542,922	1,379	1,389
NIB 2	16,420,312	15,695,282	920	926
NIB 1	8,210,155	7,847,640	460	463
RET - (10%)	16,420,312	15,695,282	920	926
EMP	297,619	280,898	15	15
Total	164,500,739	157,233,716	9,210.37	9,275.22

NIB -2 = NII Bid Above ₹ 10 Lakhs ||\ NIB – 1 + NII Bid Between ₹ 2 tio 10 Lakhs

BRLM's - Kotak Mahindra Capital / Axis Capital / Goldman Sachs / JP Morgan /DBS / UBS / Jeferries

Registrar – Kfin Technologies Limited

Shareholding (%)

Shareholder	Pre Issue	Post Issue
Promoters	69.87%	61.84%
Promoter Group	11.99%	10.24%
Public Other Selling Sh	18.14%	15.96%
Public Others	0.00%	11.95%
Total	100.00%	100.00%

Category	Retail Category	Small HNI 2 - 10 Lakhs	Big HNI > ₹ 10 Lakhs
Min. Bid Lot	25 Shares	350 Shares	1700 Shares
Min. Bid	₹ 14,750^	₹ 2,06,500^	₹ 10,03,000^
Appl for 1x	6,27,811 Apps	22,422 Apps	44,844 Apps

Issue highlights

IPO Funds Utilization : Repayment/ prepayment, in full or in part, of certain outstanding borrowings and accrued interest thereon availed by one of the material subsidiaries, Manipal Hospitals Pvt. Ltd - 5552.76 Crs. Acquisition of minority stake in the stepdown Subsidiary, Sahyadri Hospitals Pvt. Ltd - 574 Crs.

Offer Details

Particulars	No. of Shares
Fresh Issue of Rs. (8,000 Cr)	Upto 13,56,19,881 ^ Equity Shares

Offer for Sale by	No. Of Shares	WACA Per Equity Shares
Imperius Healthcare Investments - Promoter Selling Shareholder	Up to 10,808,861 ^ Equity Shares	68.73
Manipal Education and Medical Group India - Promoter Selling Shareholder	Up to 6,792,002 ^ Equity Shares	102.56
TPG SG Magazine - Investor Selling Shareholder	Up to 2,329,667 ^ Equity Shares	265.23
Seventy Second Investment Co. - Investor Selling Shareholder	Up to 792,494 ^ Equity Shares	351.81
Ammar Sdn Bhd - Investor Selling Shareholder	Up to 405,791 ^ Equity Shares	355.66
Novo Holdings Invest Asia A/S - Investor Selling Shareholder	Up to 264,556 ^ Equity Shares	355.53
Phoenix Bear Investments, LLC - Investor Selling Shareholder	Up to 220,463 ^ Equity Shares	355.53

Back Ground

The company was originally incorporated in Bengaluru , Karnataka 'MANIPAL HEALTH ENTERPRISES LIMITED, on February 15, 2010. Dr. Ranjan Ramdas Pai, Manipal Global Health Services, MEMG International Ltd, Kangto Investments Pte. Ltd., Imperius Healthcare Investments Pte. Ltd., and Kabru Investments Pte. Ltd are the promoters of the company. The promoters, excluding MEMG International, hold 824,275,155 Equity Shares aggregating 69.86% of the pre-Offer Equity Share capital of the Company.

Brief about Directors

Dr. Hebri Sudarshan Ballal is the Chairman and Non-Executive Director of the Company since October 29, 2010. He is also the consultant at the nephrology department of Manipal Hospital, Old Airport Road, Bengaluru. He has over 34 years of experience in the healthcare sector.

Dilip Jose Puthiyidathu is the Managing Director and CEO of the Company since November 14, 2017. He has previously been associated with TPG Capital, HM Patel Centre for Medical Care & Education, the National Dairy Development Board, Vadilal Industries, Fortis Healthcare and Quality Care India. He has over 36 years of experience including over 23 years of experience in the healthcare and hospital management sector.

Dr. Ranjan Ramdas Pai is a Non-Executive Director of the Company since October 29, 2010. He has previously been associated with Cipla and JVMC Corporation Sdn. Bhd. He is the chairman of the Manipal Education and Medical Group. He has over 25 years of experience in the healthcare and education sector and as a director in various companies.

Ravi Lambah is a Non-Executive Director on the Board of the Company since September 26, 2023. He has previously been associated with Indus Towers, Tata Teleservices and Temasek Holdings Advisors India. He has over 15 years of experience in the investment management sector.

Ved Kalanoria is a Non-Executive Director of the Company since September 16, 2023. He has been associated with Temasek Holdings Advisors India Private Limited. He has over 14 years of experience in the investment management sector.
Puneet Bhatia is a Non-Executive Director of the Company since February 26, 2015.Currently he is the managing director and country head of TPG Capital India Pvt. Ltd and has been associated with TPG Capital since 2002. Previously he was associated with GE Capital India, ICICI, Havells India, UPL Sustainable Agri Solutions, Shriram Finance, Altimetrik, Jana Bank holdings and Sai Life Sciences. He has over 35 years of experience.

Vinesh Kumar Jairath is a Non-Executive Independent Director of the Company since February 18, 2026. Previously, he was the principal secretary (industries) of the Government of Maharashtra. He has also been associated with Tata Motors and Bharat Heavy Electricals Ltd. He has over 40 years of experience in the field of administration and as director on the board of various companies.

Subramaniam Somasundaram is a Non-Executive Independent Director of the Company since February 18, 2026. Previously, he was associated with Titan Company, BPL Mobile Communications, Essar Investment, I.T.C, V.S.T. Industries and Mannai Corporation, Qatar. He has over 40 years of experience in the field of business management.

Revathy Ashok is a Non-Executive Independent Director of the Company since February 18, 2026. She has been associated with TSI Ventures (India), Welspun Metallics Limited, Quess Corp Limited, Aztrazeneca Pharma India, Manipal Cigna Health Insurance Company, Sansera Engineering, Microland, L&T Realty Developers, United Foodbrands and Shell MRPL Aviation Fuels and Services. She has over 19 years of experience in the field of business management and as a director on the board of various companies.

Source: RHP

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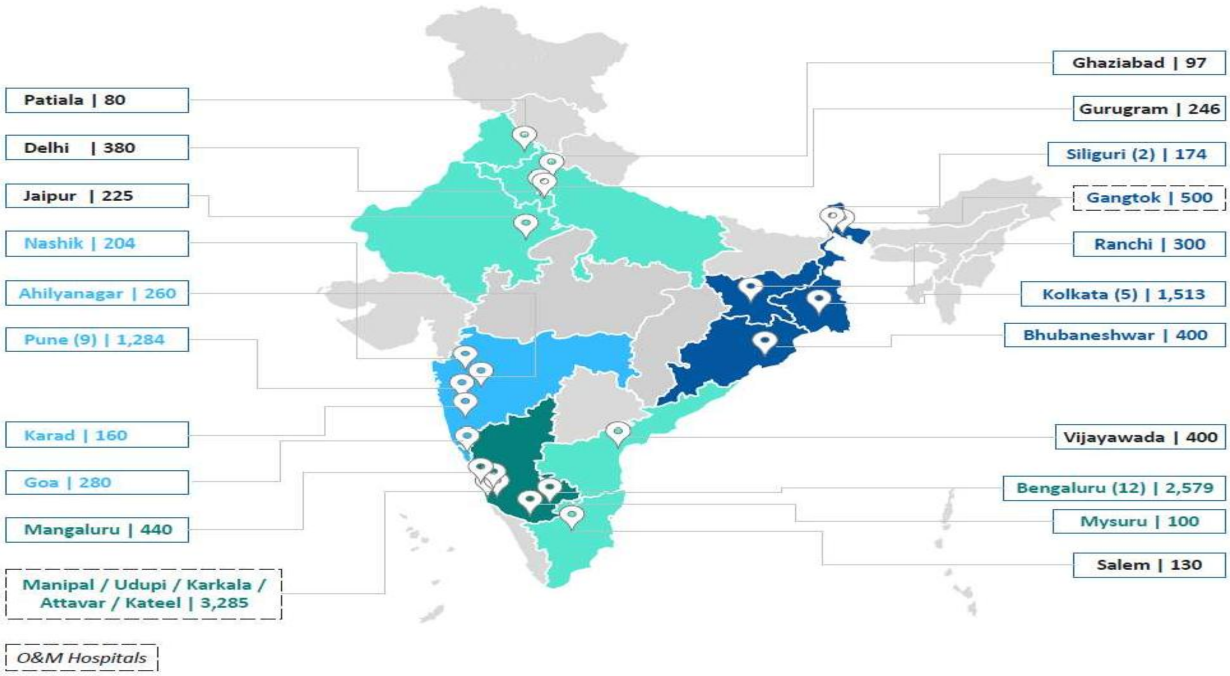
BUSINESS OVERVIEW

Manipal Health Enterprises Ltd (MHEL) operates a pan-India network of multispecialty hospitals delivering a comprehensive range of care services, from outpatient services to complex tertiary and quaternary interventions. As of March 31, 2026, it operated 49 hospitals with 13,037 licensed beds across 14 states and union territories and had the widest hospital footprint among private hospital chains in India. It was the largest pan-India multispecialty hospital network by bed capacity and the second-largest hospital chain by number of hospitals in India. For Fiscal 2026, it reported revenue from operations of 10335.75 Crs. (10,935.62 Crs on proforma basis), the second-highest among private hospital chains

In its key markets of Karnataka, Maharashtra and Goa, and eastern India (West Bengal, Odisha, Jharkhand and Sikkim), it operated 6,404, 2,188 and 2,887 beds, respectively.
The company is also the only private hospital chain to lead across the metro markets of Bengaluru, Kolkata and Pune, with an aggregate bed capacity of 5,376. It operated 12 hospitals in Bengaluru, five in Kolkata and nine in Pune, with 2,579, 1,513 and 1,284 beds, respectively



The Company's growth has been driven by strategic capital allocation and a combination of organic expansion and acquisitions, including AMRI (September 2023), Medica Synergie (July 2024) and the Sahyadri Group (October 2025).

Its network expanded from 33 hospitals with 9,520 licensed beds as of March 31, 2024, to 49 hospitals with 13,037 licensed beds as of March 31, 2026.

The Company has a track record of improving acquired assets, with Columbia Asia's EBITDA (excluding exceptional items) margin increasing from 30.51% in FY 2024 to 33.78% in FY 2026. It continues to invest in infrastructure, advanced medical equipment and technology, and plans to add ~ 483 licensed beds through brownfield expansions and 1,943 licensed beds through greenfield projects by 2030

Source: RHP

Key Performance Indicators

Particulars	FY2026		FY2025		FY2024
	Pro Forma	Restated	Pro Forma	Restated	Restated
Financial Metrics					
Revenue From Operation (In Crs.)	10,935.62	10,335.75	9,263.56	8,242.25	6,171.63
Revenue growth (%)	18.05%	25.40%	NA	33.55%	27.52%
Profit for the Year (In Crs.)	684.9	916.52	534.8	1,081.67	533.2
PAT Margin (%)	6.26%	8.87%	5.77%	13.12%	8.64%
EBITDA (excluding exceptional items) (In Crs.)	2,928.47	2,795.94	2,468.38	2,247.07	1,776.60
Adjusted EBITDA (In Crs.)	2,749.59	2,644.15	2,361.65	2,165.36	1,696.59
EBITDA (excluding exceptional items) Margin (%)	26.78%	27.05%	26.65%	27.26%	28.79%
Adjusted EBITDA Margin (%)	25.14%	25.58%	25.49%	26.27%	27.49%
Return on Capital Employed (ROCE) (%)	NA	21.88%	NA	26.98%	27.74%
Net Debt (including lease liabilities) / Adjusted EBITDA (x)	NA	3.74	NA	2	2.15
Material Cost to Revenue (%)	20.53%	20.47%	20.42%	20.38%	20.27%
Operational Metrics					
Number of hospitals (Nos.)	49*	49	47	37	33
Licensed beds (Nos.)	13,037*	13,037	12,100	10,494	9,520
Operational beds (Nos.)	6,878	6,227	6,263	5,179	4,055
Occupancy (%)	64.45%	64.47%	66.19%	67.09%	65.32%
Average Revenue per Occupied Bed (ARPOB) (Rs. Per Day)	66,144.59	68,937.61	59,820.40	63,312.23	61,741.68
Average Length of Stay (ALOS) (days)	2.8	2.78	2.9	2.88	2.93
Outpatient volumes (Footfalls)	57,17,889	54,83,403	50,88,359	47,17,313	38,10,672
Inpatient volumes (Footfalls)	5,78,099	5,27,227	5,22,575	4,39,724	3,30,725
Outpatient volume growth (%)	12.37%	16.24%	NA	23.79%	19.01%
Inpatient volume growth (%)	10.63%	19.90%	NA	32.96%	18.88%
Specialty-wise Revenue Mix					
Cardiac sciences (%)	16.76%	16.27%	16.61%	15.74%	15.24%
Oncology (%)	11.37%	11.60%	9.96%	10.24%	8.87%
Neurosciences (%)	9.14%	9.07%	9.21%	9.15%	9.12%
Gastro sciences (%)	7.00%	7.15%	7.05%	7.36%	7.63%
Orthopedics (%)	12.64%	12.87%	12.08%	12.52%	12.93%
Renal sciences (%)	7.18%	7.34%	7.19%	7.55%	7.76%
Others (%)	35.91%	35.70%	37.90%	37.44%	38.45%
Payor-wise Revenue Mix					
Cash (%)	30.33%	30.33%	30.99%	31.20%	32.63%
Third Party Administrators / Insurance (%)	49.51%	49.68%	49.06%	49.18%	49.45%
Government (%)	14.03%	13.80%	13.74%	13.41%	11.04%
Others (%)	6.13%	6.19%	6.21%	6.21%	6.88%
Employee Count (Nos.)	24,240*	24,240	23,217	19,707	15,778

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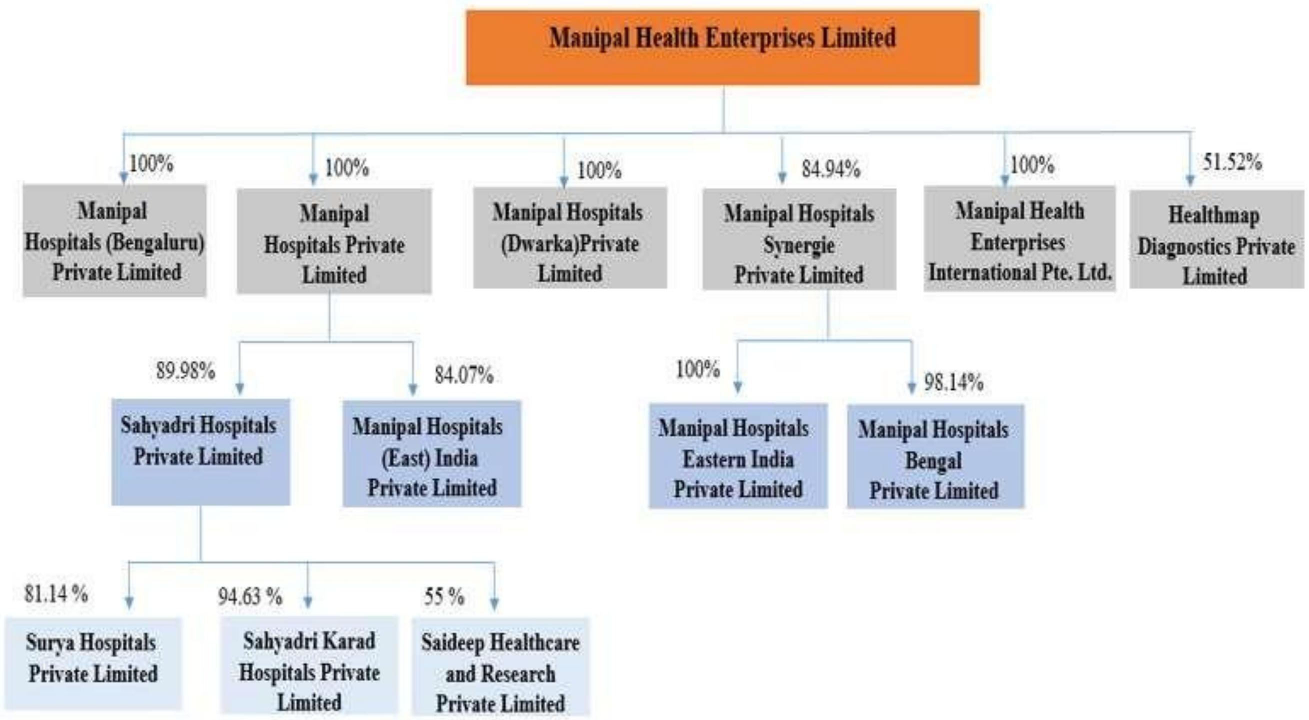
Holding structure of the Company and its Subsidiaries



The Company is the largest pan-India multispecialty hospital network by bed capacity, with 13,037 beds as of March 31, 2026, and was also the second-largest hospital chain by number of hospitals as of the same date.

Details of hospitals in three key regions

Region-Wise Bed Capacity[1]	Karnataka	Maharashtra & Goa	West Bengal, Odisha, Jharkhand, and Sikkim (in Eastern India)
Manipal Health Enterprises Limited	**6,404**	**2,188**	**2,887**
Apollo Hospitals Enterprise Limited	781	N/A	N/A
Max Healthcare Group	-	808	250
Fortis Healthcare Limited	886	770	374
Narayana Hrudayalaya Limited	2,295	N/A	1,453
Aster DM Healthcare Limited	1,231	250	-
Global Health Limited	-	-	310
Krishna Institute of Medical Sciences Limited	800	1,309	-
Region-Wise Metrics			
GSDP[2] (₹ Trillion)	28.8 *Karnataka: #4 amongst states*	Maharashtra: 45.3 *Maharashtra: #1 amongst states*	West Bengal: 18.2
NSDP[2]/Capita (₹)	380,906	Maharashtra: 309,300	N/A
Beds / 10k populace[3]	Total: 40-42; Private: 30-31	**National Avg: 16** Total: 17-18; Private: 15-16	Total: 10.5-11.5; Private: 3-4
Private Healthcare Insurance Penetration[4] (%)	66%	**National Avg: 23.95%** 63%	12%

Amongst the leading states in terms of Insurance penetration

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Company Products

The company is the only private hospital chain network in India with leadership in three metros (Bengaluru, Kolkata and Pune) with a balanced and diversified presence across metros and non-metros

The company is the only private hospital chain network in India to lead in 3 metro markets of Bengaluru (Karnataka), Kolkata (West Bengal) and Pune (Maharashtra) by bed capacity (5,376) as of March 31, 2026. The Company's footprint in these cities enables it to serve large urban populations within these metros, as well as adjacent areas through referrals from various adjoining districts and cities, including (i) Kolar, Tumkur and rural Bengaluru via Bengaluru, (ii) Bardhaman, Midnapore, Howrah and North and South Parganas via Kolkata and (iii) Ahilyanagar and Sambhajinagar via Pune.

Details of hospitals in Bengaluru, Kolkata, and Pune

City-Wise Bed Capacity[1]	Bengaluru	Kolkata	Pune
Manipal Health Enterprises Limited	**2,579**	**1,513**	**1,284**
Apollo Hospitals Enterprise Limited	568	761	-
Max Healthcare Group	-	-	-
Fortis Healthcare Limited	886	374	-
Narayana Hrudayalaya Limited	1,498	1,453	-
Aster DM Healthcare Limited	1,131	-	-
Global Health Limited	-	-	-
Krishna Institute of Medical Sciences Limited	800	-	-
City-Wise Metrics			
NDDP[2] (₹ Billion)	11,899.35	NA	4,878.43
Per Capita Income[3] (₹)	776,155.49 National Avg: 192,774	NA	426,720.00
Bed Density[4] (# of beds / 10k pop)	43 National Avg: 16	24	30
Other comments	IT Capital of India Major Manufacturing & Engineering Hub	Hub of Commerce, Manufacturing, Education and Arts	Industrial Hub: Hosts Several IT, Engineering & Automotive Companies Part of Mumbai-Pune Economic Corridor

The Company's hospitals are equipped with advanced infrastructure, equipment and technology irrespective of location. As a result, patients in non-metros can obtain advanced treatments, high-quality care and specialized quaternary care locally.

Advanced infrastructure and medical equipment, with a strong focus on clinical excellence
The Company delivers advanced clinical care through innovation and adoption of medical technologies. The Company routinely performs advanced interventions and complex procedures, including structural heart and minimally invasive cardiac surgery; comprehensive organ transplants (liver, heart and kidney); complex neuro and spine surgery (including epilepsy surgery, deep brain stimulation and advanced stroke interventions); comprehensive oncology (including bone marrow transplant and precision oncology); interventional radiology (including advanced neuro-interventions); and advanced pulmonary and pulmonary and gastroenterogy procedure such as endobronchial ultrasound (EBUS) endoscopies ultra sound (EUS) and peroral endoscopic myotomy (POEM) The company has received numerous accreditations from healthcare bodies and associations, including NABH and NABL, for adherence with their quality standards

Good Track record of delivering industry leading growth Company has delivered financial and operational performance, as demonstrated by its growth and efficiency From 2024 to Fiscal 2026 Revnue From operation grew at CAGR of 29.41% from 6171.63 Crs. To 10,335 .75 Crs. Profit grew by 31.11% from 533.20 Crs. To 916.52 Crs. While EBITA (excluding exception item) increased CAGR 25.45% From 1776.60 crs to 2794.94 Crs.

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Competition

The Company operates in the Indian hospital market, which remains highly fragmented, with large private hospitals accounting for only approximately 20% of the overall market as of Fiscal 2026 (Source: CRISIL Report). It competes with pan-India hospital chains and regional players, including Apollo Hospitals Enterprise, Fortis Healthcare, Max Healthcare Institute, Narayana Hrudayalaya, Global Health (Medanta), Krishna Institute of Medical Sciences and Aster DM Healthcare. The private healthcare sector in India also competes with a wide range of providers, including standalone multi-specialty and single-specialty hospitals, day-care and specialty centers, as well as facilities owned or managed by government agencies, trusts and public-private partnerships (PPPs) Trust Government -owned facilities and PPPs may be able to obtain financing on more favorable terms than private healthcare providers.

PEER COMPARISION

Name Of Company	Manipal Health Enterprises Pro Forma	Manipal Health Enterprises Restated	Apollo Hospital Enterprises	Fortis Healthcare	Max Health Care
Years of Legacy	35 Yrs.	35 Yrs.	47 Years	30 Years	25 Years
CMP (Rs.)	590	590	8817	942	1079
Face Value Per Eq. Share	2	2	5	10	10
Market Cap	77607	77607	126768	71125	105006
Revenue From Operation	10935.62	10335.75	25228	9128	10065
EBITA	2749.59	2644.15	3769	2085	2343
Profit for the Year	684.9	916.52	2002.7	1064.2	1631
EBITA Margin (%)	25.14	25.58	14.9	22.8	26.8
Net Profit Margin(%)	6.26%	8.87%	7.8	11.6	17.7
Face Value	2	2	5	10	10
EPS Basic	NA	7.71	134.94	13.8	14.76
P/E (x)	NA	84.675	64.8	67.3	70.8
EV / EBITA (x)	28.22	29.35	33.63	34.11	44.82
ROCE (%)	NA	21.88%	20.7	13.3	14.3
EV/ Bed	6.1	6.1	12	12	17.5
No. Of Hopitals	49	49	76	36	17
No. Of Beds	13037	13037	10970	6100	6131
Occupancy (%)	64.45	64.47	67	68	76
Per Bed Cost					
Average Revenue per Occupied Beds (Per Day)	66144.59	68937.61	60580	68770	77800
Average Length of Stay (ALOS) (days)	2.8	2.78	3.2	4.2	4.1

Note : For Manipal Health Enteprises Ltd. (PE, EBITA, EV/ BED are calculated on post issue equity share capital based on the upper price band ,
Many Peers like NH and others trade lower PE compare to Manipal Hospital

Risk Factors

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A substantial portion of the Company's operations is concentrated in Karnataka, from which it derived 46.40%, 51.55% and 59.98% of revenue from operations in Fiscals 2026, 2025 and 2024, respectively. Any loss of business, operational disruptions, or geopolitical and policy changes in Karnataka could materially and adversely affect the Company's business, financial condition, results of operations, cash flows and prospects

The Company primarily generates revenue from inpatient care at its hospitals. Any inability to maintain or improve admission and hospital occupancy rates could adversely affect its business, financial condition, results of operations, cash flows and prospects

The Company is exposed to legal claims and regulatory actions arising from the provision of healthcare services, including claims relating to alleged medical negligence by doctors and other healthcare professionals. The Company may also be subject to liabilities arising from operational and equipment-related risks, which could materially and adversely affect its reputation, business, financial condition and results of operations. Further, quarantines, sterilization requirements or similar measures could disrupt hospital operations and result in reputational damage

The Company derived 49.68%, 49.18% and 49.45% of its gross inpatient revenue from insurance companies and third-party administrators in Fiscals 2026, 2025 and 2024, respectively. Any termination, non-renewal, delays or collection challenges under contracts with insurance companies, third-party administrators, government entities and other non-cash payors could materially and adversely affect the Company's business, financial condition, results of operations, cash flows and prospects

A portion of the Net Proceeds is proposed to be utilized for the repayment or prepayment of certain borrowings in the nature of Non-Convertible Debentures issued by one of the Company's subsidiaries to DBS Bank Ltd., the parent company of DBS Bank India Ltd. Which is one of Promoter and Selling Shareholders, in terms of Regulation 21A of the SEBI Merchant Bankers Regulations

Company having Criminal Cases and Tax Matter against Company and its directors and Subsidiaries RHP Page No. 582 to 597 which seems very higher compare to peers recently acquired Sahyadri hospital also having many cases.

Summary table of outstanding litigations

A summary of pending tax proceedings and pending criminal proceedings, statutory and regulatory actions and other material pending litigation involving our Company, Promoters, Directors, Key Managerial Personnel and Senior Management, Subsidiaries and Group Companies, as applicable and as identified by our Company pursuant to the materiality policy adopted by our Board, is set out below:

Name of entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions including penalty imposed by SEBI or Stock Exchanges against our Promoters in the last five fiscals, including outstanding action	Material civil litigations	Aggregate amount involved (in ₹ million)*
Company						
By our Company	10	Nil	NA	NA	Nil	6.60
Against our Company	1	40	4	NA	Nil	2,963.36
Directors						
By our Directors	1	Nil	NA	NA	Nil	Nil
Against our Directors	4	2	2	NA	Nil	Nil
Promoters						
By our Promoters	Nil	Nil	NA	NA	Nil	Nil
Against our Promoters	Nil	2	2	Nil	Nil	NA
Subsidiaries						
By our Subsidiaries	90	Nil	NA	NA	4	1,148.92
Against our Subsidiaries	9	180	30	NA	3	5,041.54
Key Managerial Personnel and Senior Management						
By our Key Managerial Personnel and Senior Management	Nil	NA	NA	NA	NA	Nil
Against our Key Managerial Personnel and Senior Management	1	NA	Nil	NA	NA	Nil

* To the extent quantifiable.

Source: RHP

on October 24, 2024, there was a data breach whereby certain sensitive data in relation to appointment details and personal data of approximately 1,200 to 1,500 doctors and patients was compromised. While our Company resolved the data breach and deployed additional testing measures in relation to this instance, any such breach (or perceived breach) of our confidentiality obligations to our patients, including due to data leakages or improper use of such medical information notwithstanding the safeguards that we have implemented, could expose us to fines, potential liabilities and legal proceedings, such as litigation or regulatory proceedings, which would adversely affect our reputation
Source : RHP Page No. 64
Changing laws, rules and regulations and regulatory reforms in the healthcare industry in India and legal uncertainties including any adverse application of corporate and tax laws, may adversely affect business, cash flows, prospects and results of operations.

Political changes could adversely affect economic conditions in India

Restated Consolidated Statement of Profit & Loss

(₹ in Crs.)

Particulars	Year ended March 31st,		
	2026	2025	2024
Income			
Revenue from operations	10,335.75	8,242.25	6,171.63
Other income	184.77	120.54	93.54
Total income	10,520.52	8,362.79	6,265.17
Expenses			
Purchase of medical consumables and pharmacy items	2,136.78	1,687.75	1,274.30
Changes in inventories	-20.63	-7.71	-23.09
Employee benefits expense	1,490.04	1,219.41	857.04
Finance costs	864.29	511.87	454.93
Depreciation and amortisation expense	679.55	506.84	397.02
Other expenses	4,118.39	3,216.27	2,380.32
Total expenses	9,268.42	7,134.43	5,340.51
Profit before exceptional items and tax	1,252.10	1,228.36	924.66
Exceptional items	-74.07	13.95	-179.63
Profit before tax	1,178.03	1,242.31	745.04
Total tax expense	261.51	160.64	211.83
Profit for the year	916.52	1,081.67	533.2
Other comprehensive income/ (loss) for the year (net of tax)	3.95	-5.07	-3.38
Total comprehensive income for the year	920.47	1,076.61	529.82
Earnings per Share			
Basis	7.71	9.25	5.27
Dilluted EPS	7.67	9.25	5.25

Source: RHP

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Kantilal Chhaganlal
Since 1954

Restated Consolidated Statement of Assets and Liabilities

(₹ in Crs.)

Particulars	Year ended March 31st		
	2026	2025	2024
Non-current assets			
Property, plant and equipment	5,840.79	4,224.73	3,750.24
Capital work in progress	795.3	614.03	41.59
Right-of-use assets	2,385.12	1,699.75	1,224.16
Goodwill	8,120.57	3,399.02	2,759.54
Other intangible assets	2,406.39	502.67	424.49
Investments	282.84	144.91	116.17
Loans	-	-	0.05
Other financial assets	157.66	133.75	87.43
Deferred tax assets (net)	129.84	181.61	61.35
Income tax assets (net)	546.69	256.18	255.79
Other non-current assets	92.32	60.8	40.07
Total non-current assets	20,755.51	11,217.46	8,760.88
Current assets			
Inventories	169.85	131.93	103.18
Investments	2,392.35	1,630.76	1,004.92
Trade receivables	929.76	637.3	458.88
Cash and cash equivalents	299.35	291.28	360.88
Bank balances other than cash and cash equivalents	23.86	39.01	18.91
Loans	4.06	3.38	1.94
Other financial assets	173.99	58.79	29.29
Other current assets	109.28	55.67	73.44
Total Current assets	4,102.50	2,848.12	2,051.45
Asset held-for-sale	6.5	6.5	6.5
Total assets	24,864.50	14,072.08	10,818.83
Equity and Liabilities			
Equity			
Equity share capital	235.95	77.06	75.63
Other equity	8,190.14	5,770.28	3,939.91
Equity attributable to owners of the Company	8,426.09	5,847.34	4,015.54
Non-controlling interest	372.67	152.83	71.98
Total equity	8,798.76	6,000.18	4,087.51
Liabilities			
Non-current liabilities			
Borrowings	9,948.81	4,469.98	3,700.14
Lease liabilities	2,230.41	1,548.87	1,133.67
Other financial liabilities	178.76	34.96	-
Provisions	63.17	39.55	29.83
Deferred tax liabilities (net)	282.22	183.74	210.94
Total non-current liabilities	12,703.37	6,277.10	5,074.58
Current liabilities			
Borrowings	604.62	296.85	243.85
Lease liabilities	79.22	69.47	52.59
Trade payables	1,464.54	1,126.59	1,130.52
Other financial liabilities	858.53	117.73	62.75
Other current liabilities	283.98	112.02	91.13
Provisions	70.88	68.71	50.69
Current tax liabilities (net)	0.59	3.44	25.21
Total Current Liabilities	3,362.37	1,794.80	1,656.74
Total equity and liabilities	24,864.50	14,072.08	10,818.83

Source: RHP

Restated Consolidated Statement of Cash Flow

(₹ in Crs.)

Particulars	Year ended March 31st,		
	2026	2025	2024
Profit before tax	1,178.03	1,242.31	745.04
Adjustments Related to Non-Cash & Non-Operating Items	1,487.39	993	898.67
Operating Profits before Working Capital Changes	2,665.42	2,235.31	1,643.70
Adjustments for Changes in Working Capital	-164.95	-375.63	36.3
Net cash generated from operations before tax	2,500.47	1,859.68	1,680.00
Income tax (paid)/Refund, (net)	-422.07	-289.85	-291.35
Cash flow before exceptional items	2,078.40	1,569.83	1,388.65
Net cash used in investing activities	-7,036.74	-2,658.34	-870.5
Net cash used in financing activities	4,954.44	904.08	-250.21
Net (decrease)/ increase in cash and cash equivalents during the period	-3.9	-184.43	267.94
Cash and Cash Equivalents at the beginning of the year	291.28	360.88	68.2
Cash and cash equivalents of acquired entities during the year	11.97	12.97	13.97
Cash and cash equivalents as at the end of the period	299.35	189.42	350.11

KC Securities (Kantilal Chhaganlal Securities) Outlook

- **Rating - Avoid**
- **Valuation:** At the upper price band, the company is valued at 85.0x FY26E P/E, which appears high compare to peers
- **Balance Sheet Improvement**: The company intends to utilize a portion of the IPO proceeds to repay debt, for Clean balance sheet no New Organic growth will come from fresh funds.
- **Pending Tax Matters & Litigations :** Company acquired Subsidiary recently having many pending litigation also there are many pending criminal cases and Tax matter Tax Amt., approximately 800 Crs.
- ROCE (%) is Declining still IPO Price band is aggressive , valuation seems too high
- Typical hospital Sector depend much more on regulation, reputation , talent acquisition , occupancy , ARPOB
- Company having Lower bed occupancy, Per Bed Revenue and ALOS of 2.78 days (among the lowest in the peer group),

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Kantilal Chhaganlal Securities Pvt Ltd

SEBI Reg. Nos.:INZ000216538(StockBroker), INH00001428(Research Analyst)

601/602 Inizio Business Centre, Cardinal Gracious Road Opposite Proctor and Gamble, Chakala, Andheri East, Mumbai

research@kcsecurities.com 02267236000 www.kcsecurities.com