



IPO Note

Suraksha Diagnostic Limited

Recommendation: **AVOID!**

Company Background -

- **Incorporation:** Suraksha Diagnostic Limited was originally incorporated on Mar 15, 2005. The registered office is located at Kolkata, West Bengal.
- **Business Activity:** The company is engaged in providing one-stop integrated solution for pathology and radiology testing, and medical consultation services.
- **Revenue Stream:** The major revenue stream for the company is from radiology and pathology testing.
- **Human Resource:** The company had 1,506 permanent employees as of June 30, 2024.

Objects of the Issue -

Since the company has no fresh issue the entire proceeds from the offer will be received by the promoter.

Promoters Name -

Dr. Somnath Chatterjee, Ritu Mittal and Satish Kumar Verma

Rationale for recommendation -

- ✓ The PE ratio is 74.48 times post issue makes it aggressively priced and it was the highest in FY2024 among its peers.
- ✓ The top line, bottom line and profitability margins have remained inconsistent over the years.
- ✓ The RoCE is lower compared to its peers.
- ✓ The subsidiary companies have incurred loss in FY2024.
- ✓ The IPO is a complete offer for sale and is not looking for any expansion.
- ✓ The operations are concentrated in West Bengal.
- ✓ The diagnostic industry is highly fragmented and competitive.

IPO Details

Opening Date	Nov 29, 2024
Closing Date	Dec 03, 2024
Allotment Date	Dec 04, 2024
Listing Date	Dec 06, 2024
Stock Exchange	BSE, NSE
Lot Size	34 Shares
Issue Price Per Share	₹420 to ₹441
Issue Size	846.25 Cr.
Fresh Issue	-
Offer for Sale	846.25 Cr.
Application Amt	₹ 14,994 – ₹ 1,94,922 (34 to 442 shares)

INDUSTRY - Healthcare

Avg. PE ratio as per RHP - 79.65

KPI's	KPIs (In Crores)			
	FY 22	FY 23	FY 24	Jun-24
Revenue	223.19	190.13	218.71	60.73
EBITDA	62.68	43.93	70.07	20.60
Net Profit	20.82	6.06	23.13	7.67
RoCE	14.43%	5.05%	14.37%	-2.91%
ROE	14.28%	3.90%	12.91%	4.11%
P/E	112.79	361.48	99.55	74.48*

*Annualized

Promoter Share Holding Pattern

Pre-Issue	Post Issue
61.06%	48.78%

Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	4.43	5.92
BVPS	2,596.33	40.36
P/E	99.55	74.48
P/BV	0.17	10.93
Mkt Cap (In Cr)	2,296.76	2,296.76

*Annualized

Lead Managers -

ICICI Securities Limited

Nuvama Wealth Management Limited

SBI Capital Markets Limited

Registrar -

KFin Technologies Limited

Business Overview –

Suraksha Diagnostic Limited is engaged in the business of providing one-stop integrated solution for pathology and radiology testing, and medical consultation services. As of June 30, 2024, their operational network consists of central reference laboratory, 8 satellite laboratories (co-located with diagnostic centers) and 215 customer touchpoints which include 49 diagnostic centres, and 166 sample collection centres (primarily franchised) across the states of West Bengal, Bihar, Assam, and Meghalaya.

The radiology equipment consists of 24 CT and 13 MRI machines. As of June 30, 2024, the operational network comprises a diagnostic center network of (i) 13 hub centres, which are equipped to conduct all pathology sample collections, basic and advanced radiology tests; and (ii) 'spoke' diagnostic centres which include 11 medium centers, 23 small centres and 2 centres operated under public-private partnership ("PPP") model, which are equipped to conduct all pathology sample collection and certain basic radiology tests, further supported by 166 sample collection centres (primarily franchised); and a laboratory network of (i) flagship central reference 220 laboratory; and (ii) 8 satellite laboratories which are co-located with certain hub centres.

The diagnostic test menu included (a) 788 routine pathology tests ranging from basic biochemistry and hematology to 664 specialized pathology tests such as advanced biochemistry, histopathology, and molecular pathology, and (b) 766 basic/intermediate radiology tests ranging from basic x-rays, ultrasonography ("USG"), and computerized tomography ("CT") scans to 119 advanced radiology tests such as magnetic resonance imaging ("MRI") scans and specialized CT scans, as of June 30, 2024.

Revenue Bifurcation:

(Amt in Cr.)

Particulars	FY 2022		FY 2023		FY 2024	
	Amt	%	Amt	%	Amt	%
Radiology	697.32	31.24	841.31	44.25	1,006.72	46.03
Pathology	797.00	35.71	1,024.57	53.89	1,165.81	53.30
Doctor Consultation	-	-	-	-	10.62	0.49
Covid Tests	737.60	33.05	35.46	1.87	3.94	0.18
Total	2,231.92	100.00	1,901.34	100.00	2,187.09	100.00

The company has private equity investors which include Lighthouse Funds, OrbiMed group, OrbiMed Asia II Mauritius FDI Investments Limited etc.

The company's medical technology vendors include HORIBA, Schiller Healthcare India, Beckman Coulter, ITDOSE, Boston Ivy, Siemens Healthineers, Wipro GE Healthcare, bioMérieux, Biorad, BPL Medical Technologies Limited, Phillips India, Carestream Health India, Roche Diagnostics India, Samsung India Electronics, Qiagen India, Becton Dickinson India, R.A. Enterprises etc.

Subsidiaries:

- Suraksha Radiology Private Limited (74% shareholding)** – It is engaged in the business of running diagnostic centres, scan centres, clinical and pathological testing laboratories, as authorized under the objects clause of its memorandum of association.
- Asian Institute of Immunology and Rheumatology LLP (60% shareholding)** – It is engaged in the business of running polyclinic, pharmacy, day care unit of rheumatology and immunology, healthcare centres and diagnostic centres under limited liability partnership deed dated July 22, 2023.
- Suraksha Speciality LLP (99.99% shareholding)** – It is engaged in the business of running diagnostic centres as authorized under the limited liability partnership deed dated April 16, 2019.
- Suraksha Salvia LLP (60% shareholding of Suraksha Speciality LLP)** – It is established to carry on the business of running polyclinics, OPD, pharmacy, diagnostic centres, pathology testing laboratories, etc., as authorized under the limited liability partnership deed dated August 21, 2019.

Competition -

- 1. Market Competition:** The company is in a highly competitive industry and the key factors of competition are brand, integrated services model, quality of diagnostic services, centre infrastructure and customer experience, convenience of operational network and home collection etc.
- 2. Geographic Competition:** The company faces competition from organized as well as unorganized players in both domestic as well as international market.
- 3. Barriers to entry:** Moderate barriers to entry.
- 4. Threat of Substitutes:** High threat of substitutes.
- 5. Bargaining Power of Buyers:** The bargaining power is high with the customers.
- 6. Bargaining Power of Suppliers:** The bargaining power of suppliers is moderate.

Business Strategies -

1. The company intends strengthen their position in core geography i.e. Kolkata and the rest of West Bengal.
2. The company expand in adjacent geographies of eastern and north-eastern India.
3. The company intends to increase touch points and engagement with customers through digital and technological initiatives. They have a web application for customers to enable them to book home collection service requires and access their test reports.
4. The company intends to use detailed data from various segments and regions to support and develop solutions based on artificial intelligence in pathology and radiology.
5. The company intend to augment medical consultation services offered through polyclinic chambers at diagnostic centres in order to boost revenue through cross-selling diagnostic services which will help them achieve higher footfalls, tests per patient, and average operating revenue per patient.
6. The company intends to set up more polyclinics in existing diagnostic centres, and (ii) increasing the number and specialties of doctors associated.

Risk Factors -

The company derived 95.48% of their revenue from West Bengal in FY2024.

The company has 7 outstanding cases against it for tax, statutory and civil matters amounting to Rs. 0.9 Cr and they have filed 3 cases regarding criminal and civil matters amounting to Rs. 3.14 Cr.

The directors/ promoters have 1 case against them regarding tax matters amounting to Rs. 0.02 Cr.

The subsidiary companies have 1 case against them regarding civil matters.

The company has contingent liabilities of Rs. 8.77 Cr.

The subsidiary companies Suraksha Salvia LLP, Asian India Institute of Immunology and Radiology LLP and Suraksha Radiology Private Limited have incurred loss in FY2024.

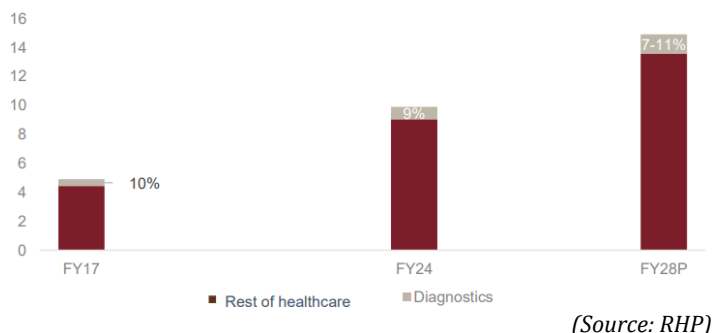
INDUSTRY OVERVIEW

Healthcare Industry in India-

India’s fast-growing healthcare industry has become one of the leading contributors to the economy. A combination of economic and demographic factors is driving healthcare demand in the country.

The healthcare industry grew at 10-11% CAGR between FY17 and FY24 to ~Rs 9.5-10.5 trillion. By FY28, the industry is expected to grow to Rs 14.5-15.5 trillion, at a CAGR of 10-11%, driven by factors such as an aging population, increased incidence of lifestyle diseases, growing healthcare awareness, technology adoption and a growing affluent middle class.

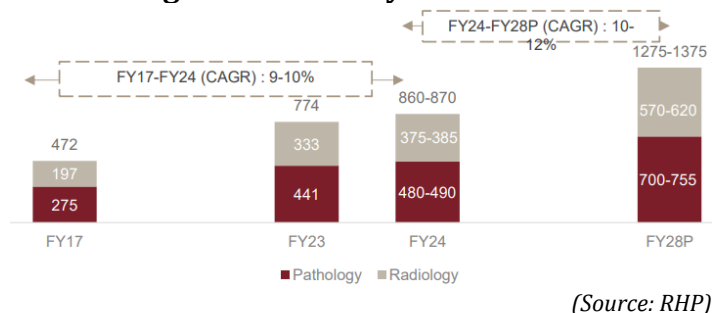
Indian Healthcare Market



Diagnostic Industry in India -

The diagnostic services sector plays a pivotal role in recommending essential treatments and monitoring the recovery of patient’s post-treatment. The industry experienced robust growth at a CAGR of 9-10% over FY17 and FY24 due to factors like increasing urbanisation, rising disposable income, increased test menu by players, increase in prevalence of non-communicable diseases which has led to a rise in healthcare demand. The diagnostics industry’s market size is poised to grow at a CAGR of 10-12% over FY24 and FY28 to Rs 1,275-1,375 billion.

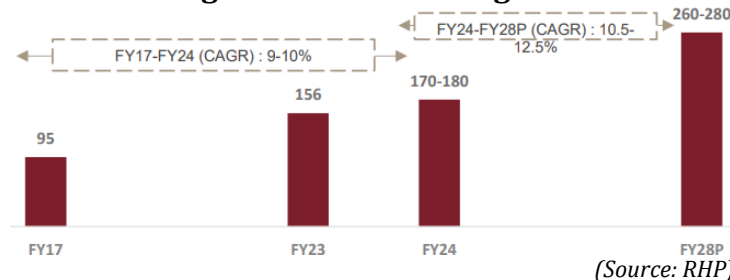
Indian Diagnostic Industry



Diagnostic Industry in East and North-East India-

The East including Northeast India diagnostic market grew at a CAGR of 9-10% between FY17 and FY24 to reach Rs 170-180 billion in FY24. The growth has been driven by a mix of growing number of patients and improving revenue per patient.

East including Northeast India diagnostic market

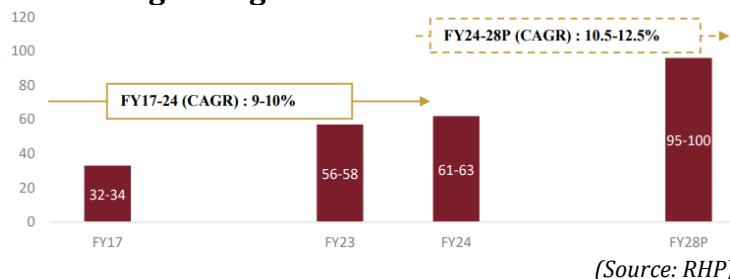


The diagnostic market in India for FY24 displays a notable regional split, with the North leading at 28-30%, followed closely by the South at 25-27% and the West at 25-27%.

Diagnostic Industry in West Bengal -

The Diagnostic market in West Bengal grew at a CAGR of 9-10% from FY17 to FY24 to reach a market of Rs. 61-63 billion in FY24. From FY24 to FY28, West Bengal diagnostic market is expected to clock 10.5-12.5% CAGR thereby reaching a market size of Rs. 95-100 billion in FY28.

West Bengal Diagnostic Market



Key Management -

Key Management Persons Name -	Dr. Somnath Chatterjee
Age	64
Designation and No. of experience	Promoter, Chairman and Joint Managing Director, 32+ years of experience in medical and diagnostics business.
Qualification	Bachelor's degree in medicine and surgery
Responsibility	Responsible for overall planning and business strategies of the Company
Other Directorships	Suraksha Radiology Private Limited, Suraksha Diagnostic & Eye Centre Private Limited and Tinni Investments Limited

Key Management Persons Name -	Ritu Mittal
Age	51
Designation and No. of experience	Promoter, Joint Managing Director and CEO, 28+ years of experience in in medical and diagnostics business.
Qualification	Bachelor's degree in commerce
Responsibility	Responsible for end to end operations of the Company
Other Directorship	ERC India Limited, Manila Enclave Private Limited etc.

Key Management Persons Name -	Satish Kumar Verma
Age	75
Designation and No. of experience	Promoter and Non-Executive Non-Independent Director, 40+ years of experience in management
Qualification	Bachelor's degree in mechanical engineering and post-graduate diploma in engineering
Responsibility	Responsible for strategic planning and customer relationship management of the Company
Other Directorships	Akanksha Viniyog Limited, Kanika Audio Visuals Private Limited and Senao International Limited

Key Management Persons Name -	Arun Sadhanandham
Age	40
Designation and No. of experience	Non-Executive Non-Independent (Nominee) Director, 13+ years of experience
Qualification	Bachelor's degree of engineering and post graduate diploma in management
Other Directorships	Blue Sapphire Healthcare Private Limited, Entero Healthcare Solutions Limited and LifeWell Diagnostics Private Limited

Key Management Persons Name -	Pradip Kumar Dutta
Age	65
Designation and No. of experience	Independent Director, Several years of experience
Qualification	Bachelor's degree in technology in electronics and electrical communication engineering, master's degree in science and doctorate in philosophy
Current Experience	Advisor to the board at Simyog Technology

Key Management Persons Name -	Ishani Ray
Age	60
Designation	Independent Director, 27+ years of experience in finance
Qualification	Practicing Chartered Accountant, Bachelor's degree in commerce and Master's degree in commerce
Other Directorships	ABC India Limited, Gloster Limited, Yellow Hat Consultants Private Limited etc.

Recommendation: **AVOID**

Key Management Persons Name -	Siddhartha Roy
Age	68
Designation	Independent Director, 39+ years of experience
Qualification	Bachelor's degree in law and member of ICSI
Other Directorships	Amgoorie India Limited

Key Management Persons Name -	Dharam Chand Dharewa
Age	66
Designation	Independent Director, 30+ years of experience
Qualification	Practicing Chartered Accountant and Bachelor's degree in commerce
Other Directorships	Singhi Capital Finance Private Limited and Warren Tea Limited

- The overall management of the company is satisfactory.
- The management and promoters have good experience.
- There is an evidence of dual chairmanship, which is not favourable.
- Amit Saraf (CFO) has 15+ years of experience in finance and accounting.
- The senior management consists of Chief Operating Officer, Chief Sales Operations, General Manager (Finance) and General Manager (Operations). They have an average experience of 23 years.

FINANCIAL SNAPSHOT

Statement of Profit and Loss

Amt in Crores

Particulars	FY 22	FY 23	FY 24	Jun-24
Revenue from Operations	223.19	190.13	218.71	60.73
Other Income	2.58	3.55	3.55	1.12
Total Income	225.77	193.69	222.26	61.85
Expenses				
Cost of Material Consumed	60.41	27.40	27.25	6.64
Employee benefits expense	34.23	39.82	40.07	10.38
Finance Cost	8.85	9.06	8.79	2.22
Depreciation and Amortization expense	28.40	31.67	32.60	8.99
Other Expenses	65.88	78.99	81.32	23.11
Total Expenses	197.76	186.94	190.03	51.34
EBITDA	62.68	43.93	70.07	20.60
EBITDA Margin	28.08%	23.10%	32.04%	33.93%
Profit/(Loss) before exceptional items and tax	28.01	6.75	32.23	10.51
Exceptional Items	-	-	0.78	-
Profit/(Loss) before tax	28.01	6.75	31.45	10.51
Tax Expense				
Current tax	9.23	3.54	9.47	3.09
Tax for Earlier Years	-	0.37	-	-
Deferred Tax (net)	-2.04	-3.23	-1.14	-0.25
Total Tax Expense	7.19	0.68	8.33	2.85
Profit/(Loss) for the year	20.82	6.06	23.13	7.67
Net Profit Margin	9.22%	3.13%	10.41%	12.40%

Statement of Assets and Liabilities

Amt in Crores

Particulars	FY 22	FY 23	FY 24	Jun-24
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	6.90	6.90	6.90	8.63
Instruments entirely equity in nature	1.63	1.63	1.63	1.63
Other Equity	137.31	147.40	170.88	176.80
Total Shareholder's Fund	145.84	155.93	179.41	187.05
Non-Controlling Interest	-0.01	-0.47	-0.26	-0.43
Total Equity	145.83	155.46	179.15	186.62
2. Non-current liabilities				
Financial Liabilities				
(i) Borrowings	12.29	8.44	5.18	4.46
(ii) Lease Liabilities	70.85	71.93	70.31	70.57
Provisions	0.31	0.45	0.77	1.34
Deferred tax liabilities	8.34	6.58	5.39	5.04
Total Non-current liabilities	91.78	87.39	81.65	81.40
3. Current liabilities				
Financial Liabilities				
(i) Borrowings	6.74	5.57	3.45	3.11
(ii) Lease Liabilities	9.92	10.94	11.53	10.39
(iii) Trade Payables				
(a) Outstanding Dues to MSME	2.23	3.45	3.23	1.43
(b) Outstanding Dues to other than MSME	11.49	10.59	11.17	14.49
(iv) Other Financial Liabilities	4.44	6.47	7.77	12.97
Provisions	0.06	0.08	-	0.12
Current Tax Liabilities (net)	1.46	0.00	0.52	1.62
Other current liabilities	2.00	1.24	1.75	2.05
Total Current liabilities	38.35	38.34	39.41	46.18
Total Liabilities	130.13	125.73	121.06	127.58
Total Equity and Liabilities	275.96	281.20	300.21	314.20

Particulars	FY 22	FY 23	FY 24	Jun-24
ASSETS				
1. Non-current assets				
Property, Plant and Equipment	117.55	112.79	135.05	136.53
Capital work-in-progress	1.24	2.39	1.31	7.18
Right-to-use assets	79.32	80.97	75.41	73.92
Other Intangible Assets	1.75	1.45	1.08	1.43
Intangible assets under development	-	-	-	0.24
Financial Assets				
(i) Other financial assets	12.37	13.16	8.45	8.46
Non-Current Tax Assets	0.32	2.14	1.83	0.51
Other non-current assets	0.41	0.25	4.63	4.38
Total Non-Current assets	212.95	213.14	227.76	232.65
2. Current assets				
Inventories	6.23	6.16	6.68	6.32
Financial Assets				
(i) Trade receivables	6.73	4.68	8.88	9.33
(ii) Cash and cash equivalents	3.19	2.16	2.52	4.42
(iii) Bank balances other than (ii)	41.95	52.88	52.50	54.89
(iv) Other financial assets	-	-	-	2.45
Other Current Assets	4.91	2.17	1.87	4.15
Total Current assets	63.01	68.05	72.45	81.55
Total Assets	275.96	281.20	300.21	314.20

Cash Flow Statement	Amt in Crores			
Particulars	FY 22	FY 23	FY 24	Jun-24
Net Cash Flow from Operating Activities	57.82	44.10	60.48	18.35
Net Cash Flow from Investing Activities	-43.28	-20.80	-35.00	-10.07
Net Cash Flow from Financing Activities	-14.29	-24.33	-25.13	-6.39

Key Ratios

Per Share Data	FY 22	FY 23	FY 24	Valuation Ratios (x)	FY 22	FY 23	FY 24
Diluted EPS	3.91	1.22	4.43	EV/EBITDA	1.91	2.61	1.89
BV per share	2,113.45	2,253.06	2,596.33	Market Cap / Sales	10.29	12.08	10.50
Operating Ratios				P/E	112.79	361.48	99.55
EBITDA Margins	28.08%	23.10%	32.04%	Price to Book Value	0.21	0.20	0.17
PAT Margins	9.22%	3.13%	10.41%	Solvency Ratios			
Inventory days	10.18	11.83	11.14	Debt / Equity	0.13	0.09	0.05
Debtor days	11.01	8.98	14.81	Current Ratio	1.64	1.77	1.84
Creditor days	80.51	187.42	189.20	Quick Ratio	1.48	1.61	1.67
Return Ratios				Asset Turnover	0.81	0.68	0.73
RoCE	14.43%	5.05%	14.37%	Interest Coverage Ratio	3.88	1.29	4.24
RoE	14.28%	3.90%	12.91%				

FINANCIAL ANALYSIS –

1. The top line has remained inconsistent over the years. For FY2023 it decreased by 14.81% which was due to decrease in revenue from customer on account of reduction in the number of Covid-19 tests and Covid-19 vaccinations. For FY2024 it increased by 15.03% which was due to increase in revenue from customers on account of increase in the number of customer touch points from 174 to 194 and increase in the number of tests performed from 5.27 mn in Financial Year 2023 to 6.19 mn as of March 31, 2024.
2. The net profit decreased by 70.87% in FY2023 and increased by 281.32% in FY2024.
3. The PAT and EBITDA margin have seen a dip in FY2023.
4. The RoCE and RoE had also slightly decreased in FY2023.
5. The PE ratio has improved over the years.

PEER ANALYSIS

Particulars	Suraksha Diagnostic Limited			Dr Lal Path Labs Limited			Metropolis Healthcare Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	9.3%	3.2%	10.6%	16.1%	11.6%	15.6%	17.0%	12.3%	10.5%
EBITDA Margin	28.1%	23.1%	32.0%	28.7%	25.8%	29.5%	30.2%	26.5%	24.4%
RoCE	22.6%	4.7%	14.4%	27.4%	19.9%	26.9%	26.1%	17.8%	15.6%
ROE	14.3%	3.9%	12.9%	23.0%	14.3%	19.3%	24.2%	14.5%	11.7%
EPS (INR)	3.91	1.22	4.43	41.38	28.65	42.88	41.88	27.91	24.96
P/E	112.79	361.48	99.55	62.78	63.81	52.77	49.93	44.73	69.05

Particulars	Suraksha Diagnostic Limited			Thyrocare Technologies Limited			Vijaya Diagnostic Centre Limited		
	FY 22	FY 22	FY 22	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	9.3%	3.2%	10.6%	28.5%	12.0%	12.2%	23.1%	17.9%	20.9%
EBITDA Margin	28.1%	23.1%	32.0%	42.8%	24.6%	25.5%	45.6%	41.4%	42.1%
RoCE	22.6%	4.7%	14.4%	42.6%	1.4%	18.3%	25.3%	17.1%	20.1%
ROE	14.3%	3.9%	12.9%	33.5%	12.1%	13.4%	23.4%	15.5%	18.1%
EPS (INR)	3.91	1.22	4.43	33.30	12.19	13.37	10.76	8.30	11.63
P/E	112.79	361.48	99.55	23.67	35.26	44.12	41.20	47.14	54.74

- The market cap of the company is less compared to its peers.
- The RoCE of the company is lowest among its peers.
- The PE ratio of the company is highest among its peers.
- The NP margin of all the companies have seen a dip in FY2023.

LEAD MANAGER TRACK RECORD -

The lead managers to the issue are ICICI Securities Limited, Nuvama Wealth Management Limited and SBI Capital Markets Limited. A table has been set below highlighting the details of the IPO of the last companies handled by the Lead Manager in recent times –

ICICI Securities Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Niva Bupa Health Insurance Company Limited	2,200.00	74.00	Nov 14, 2024	75.20
2.	ACME Solar Holdings Limited	2,900.00	289.00	Nov 13, 2024	260.05
3.	Swiggy Limited	11,327.43	390.00	Nov 13, 2024	498.80
4.	Sagility India Limited	2,106.60	30.00	Nov 12, 2024	34.54
5.	Afcons Infrastructure Limited	5,430.00	463.00	Nov 04, 2024	495.00

The company has handled 54 mandates in the past three years (including the current year).

Nuvama Wealth Management Limited

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	NTPC Green Energy Limited	10,000.00	108.00	Nov 27, 2024	122.10
2.	ACME Solar Holdings Limited	2,900.00	289.00	Nov 13, 2024	260.05
3.	Afcons Infrastructure Limited	5,430.00	463.00	Nov 04, 2024	495.00
4.	P N Gadgil Jewellers Limited	1,100.00	480.00	Sep 17, 2024	674.90
5.	Allied Blenders and Distillers Limited	1,500.00	281.00	Jul 02, 2024	321.85

The company has handled 17 mandates in the past three years (including the current year).

SBI Capital Markets Limited

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Afcons Infrastructure Limited	5,430.00	463.00	Nov 04, 2024	495.00
2.	Godavari Biorefineries Limited	554.75	352.00	Oct 30, 2024	343.80
3.	Waaree Energies Limited	4,321.44	1,503.00	Oct 28, 2024	2607.65
4.	Bajaj Housing Finance Limited	6,560.00	70.00	Sep 16, 2024	132.00
5.	Ola Electric Mobility Limited	6,145.56	76.00	Aug 09, 2024	88.16

*CMP for the above-mentioned companies is taken as of 28th Nov 2024.

As per the offer document, the above-mentioned mandates ACME Solar Holdings, Sagility India and Godavari Biorefineries have opened at a discount and remaining all have opened at a premium on the listing day.

Recommendation -

Enviro Infra Engineers Limited has been in the industry since 2005 and has vast experience in the industry. The management overview of the company is satisfactory.

The P/E on a post-IPO basis is 74.48 times which makes it aggressively priced.

The top line, bottom line and profitability margins have seen a dip in FY2023, but it should not be a major concern as peer companies have also seen a similar trend. But the RoCE of the company is lowest among the peers and the PE of the company is very high compared to peers.

The operations of the company are concentrated in West Bengal.

The subsidiary companies have incurred loss in FY2024.

The diagnostic industry in India is highly fragmented and competitive and there are many established players already.

The IPO is a complete offer for sale and not looking for any expansion or growth opportunity

Thus, investors can **AVOID** this IPO.

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