

IPO Note

Dr. Agarwal's Health Care Limited

Recommendation: **AVOID!**

Company Background -

- **Incorporation:** Dr. Agarwal's Health Care Limited was originally incorporated on April 19, 2010. The registered office is located at Chennai, Tamil Nadu, India.
- **Business Activity:** The company provide a comprehensive range of eye care services, including cataract, refractive and other surgeries; consultations, diagnoses and non-surgical treatments; and sell opticals, contact lens and accessories, and eye care related pharmaceutical products.
- **Revenue Stream:** The major revenue stream for the company is from eye Surgeries.
- **Human Resource:** The company 737 doctors and 4,858 employees (including paramedical staff) as of September 30, 2024.

Objects of the Issue -

- Repayment/prepayment, in part or full of certain of the borrowings.
- General corporate purposes and unidentified inorganic acquisition.

Promoters Name -

Dr. Amar Agarwal, Dr. Athiya Agarwal, Dr Adil Agarwal, Dr. Anosh Agarwal, Dr Ashvin Agarwal, Dr. Ashar Agarwal, Dr. Amar Agarwal Family Trust, Dr Adil Agarwal Family Trust, Dr. Anosh Agarwal Family Trust, Dr Ashvin Agarwal Family Trust, Dr. Ashar Agarwal Family Trust, Dr Agarwal's Eye Institute and Dr Agarwal's Eye Institute Private Limited

Rationale for recommendation -

- ✓ The IPO seems overpriced with a high P/E of 160.48x, primarily serving as an exit strategy for investors and promoters via significant OFS.
- ✓ The management is satisfactory with no dual chairmanship, but KMP role clarity is lacking.
- ✓ Revenue has grown consistently, though margins have recently declined due to rising costs.
- ✓ Dr. Agarwal's holds a 25% market share in India's organized eyecare service chain market.
- ✓ The fragmented eyecare sector poses competition from public, private, and international players.

IPO Details

Opening Date	Jan 29, 2025
Closing Date	Jan 31, 2025
Allotment Date	Feb 03, 2025
Listing Date	Feb 05, 2025
Stock Exchange	BSE, NSE
Lot Size	35 Shares
Issue Price Per Share	₹382 to ₹402
Issue Size	3,027.26 Cr.
Fresh Issue	300.00 Cr.
Offer for Sale	2,727.26 Cr.
	₹ 14,070 -
Application Amt.	₹ 1,96,980(35 to 490 shares)

INDUSTRY - Eye Care

Avg. PE ratio as per RHP - 82.44

KPI's	KPIs (In Crores)			
	FY 22	FY 23	FY 24	Sep-24
Revenue	696.08	1,017.98	1,332.15	820.06
EBITDA	182.12	270.35	362.26	210.60
Net Profit	43.16	103.23	95.05	39.56
RoCE	10.30%	9.32%	8.16%	3.32%
ROE	20.32%	16.40%	7.10%	2.63%
P/E	219.67	100.50	128.43	160.48*

*Annualized

Promoter Share Holding Pattern

Pre-Issue	Post-Issue
37.73%	32.53%

Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	3.13	2.51
BVPS	14.32	0.58
P/E	128.43	160.48
P/BV	28.08	688.65
Mkt Cap (In Cr)	12,398.37	12,698.37

*Annualized

Lead Managers -

- Kotak Mahindra Capital Company Limited
- Morgan Stanley India Company Pvt Ltd
- Jefferies India Private Limited
- Motilal Oswal Investment Advisors Limited

Registrar -

Kfin Technologies Limited

Business Overview -

Dr. Agarwal's Health Care Limited operates as a leading eye care service provider, encompassing a comprehensive range of services such as cataract, refractive, and specialty surgeries; non-surgical treatments; and the sale of opticals, contact lenses, and pharmaceutical products. It operates with a strong network under a hub-and-spoke model in India and Africa, making eye care services accessible across 209 facilities globally as of September 2024.

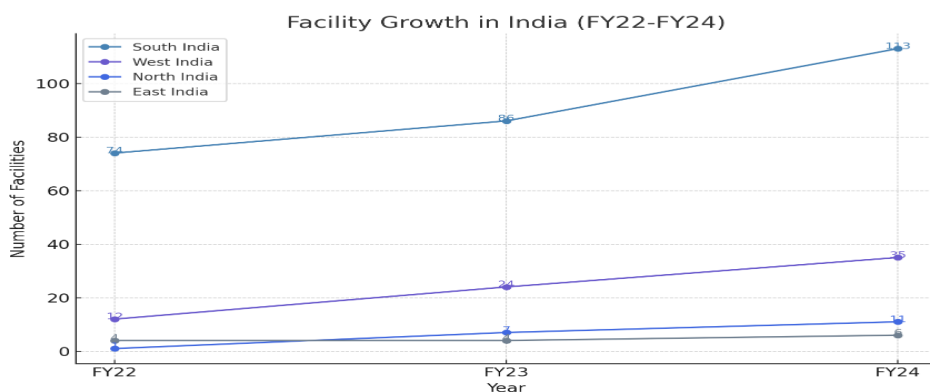
Key Performance Highlights

1. Market Leadership:

- The organization holds a 25% market share in the organized eye care service chain market in India (FY24).
- It operates the highest number of facilities in India among peers, with 193 facilities across 14 states and four union territories.

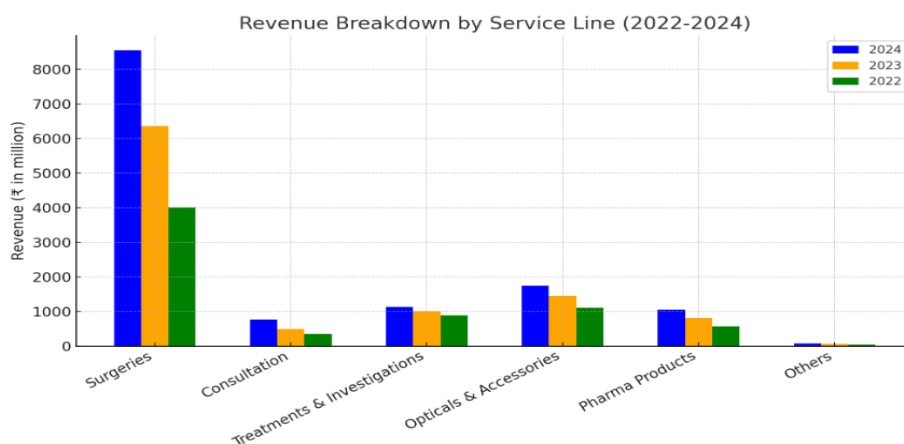
2. Growth and Scale:

- Between FY22 and FY24, the total number of facilities in India grew by 112% (from 91 to 193).
- It served 2.13 million patients and performed 220,523 surgeries in FY24.



3. Revenue Distribution:

- The primary revenue driver is surgical services (64%-65% of revenues across periods).
- Non-surgical treatments, consultations, and product sales contributed to the remaining share.



4. Geographic Revenue Contribution:

- India accounts for 87%-89% of revenue, while operations in Africa contribute the rest.
- South India leads with the highest number of facilities, followed by West and North India.

Hub-and-Spoke Model

The organization’s 28 hubs (Tertiary Facilities) cater to advanced surgeries and training, while 165 spokes (Primary and Secondary Facilities) provide accessible diagnosis and basic treatments. The model drives referrals and enables resource efficiency.

Competition -

- 1. Market Competition:** The eyecare industry in India is highly competitive, with Dr. Agarwal's Health Care Limited facing competition from prominent players like ASG Hospitals, Disha Eye Hospitals, Eye 7 Hospitals, Eye-Q Vision, and others. The company also competes with large healthcare providers such as Apollo Hospitals, Fortis Healthcare, and Max Healthcare Institute. Pricing pressures and service differentiation challenges are prominent due to the presence of both organized and unorganized players.
- 2. Geographic Competition:** Competition exists across multiple regions in India where Dr. Agarwal operates, as well as in international markets. The entry of new competitors and the expansion of incumbent players pose ongoing challenges. Tailoring services to regional demographics and market-specific needs is essential for competitive success.
- 3. Barriers to entry:** Barriers to entry are moderate, as establishing a presence in the eyecare industry requires investments in technology, facilities, medical expertise, and branding.
- 4. Threat of Substitutes:** Moderate, as patients can choose from public facilities, private hospitals, clinics, or standalone practitioners.
- 5. Bargaining Power of Buyers:** High, as patients have access to a wide range of healthcare providers, including those in the unorganized sector, which may offer competitive pricing. Brand loyalty and patient satisfaction are critical to retaining clientele.
- 6. Bargaining Power of Supplier:** Moderate, as the eyecare industry relies on medical equipment, technology, and pharmaceuticals.

Business Strategies -

1. Company intends to continue building presence in target micro-markets to target the large, underserved communities in these regions which lack adequate eye care facilities.
2. Leveraging its experienced doctor and paramedical team, Dr. Agarwal's Health Care aim to boost brand recognition and reputation to attract more patients. It intends to continue patient education and awareness programs to educate patients regarding eye care treatment options.
3. Company focuses on improving profitability and Facility-level growth and enhancing operational efficiencies by exploring avenues to reduce the cost of eye care services delivery and make it affordable for patients and contribute to the growth in profitability.

Risk Factors -

1. There are outstanding litigations involving Company, its Promoters and Directors (mostly relating to Tax Proceedings and 2 material civil litigations) amounting to ₹ 22.81 Cr.
2. As on September 30, 2024, Company has contingent liability of ₹ 29.46 Cr.

PEER ANALYSIS –

Particulars	Dr. Agarwal's Health Care Limited			Apollo Hospitals Enterprise Limited			Max Healthcare Institute Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	6.20%	10.14%	7.14%	3.03%	4.25%	6.74%	14.10%	22.20%	17.98%
EBITDA Margin	26.16%	26.56%	27.19%	12.87%	13.79%	17.80%	24.72%	27.76%	28.39%
RoCE	10.30%	9.32%	8.16%	6.93%	10.26%	15.47%	9.96%	12.67%	13.26%
ROE	20.32%	16.40%	7.10%	5.43%	8.31%	12.39%	9.63%	14.89%	12.58%
EPS (INR)	1.83	4.00	3.13	10.06	16.47	27.11	6.25	11.37	10.89
P/E	219.67	100.50	128.43	19.45	19.42	17.28	56.12	38.80	73.91

Particulars	Dr. Agarwal's Health Care Limited			Fortis Healthcare Limited			Global Health Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	6.20%	10.14%	7.14%	8.81%	8.79%	8.27%	12.16%	13.02%	15.15%
EBITDA Margin	26.16%	26.56%	27.19%	22.79%	18.79%	18.39%	23.10%	23.24%	25.44%
RoCE	10.30%	9.32%	8.16%	11.07%	8.84%	10.09%	15.96%	13.79%	16.73%
ROE	20.32%	16.40%	7.10%	7.92%	7.27%	7.00%	12.58%	10.58%	12.67%
EPS (INR)	1.83	4.00	3.13	7.35	7.80	7.93	8.73	10.10	13.45
P/E	219.67	100.50	128.43	38.65	33.32	55.09	-	52.17	101.56

Particulars	Dr. Agarwal's Health Care Limited			Narayana Hrudayalaya Limited			Krishna Institute of Medical Sciences Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	6.20%	10.14%	7.14%	9.15%	13.21%	15.50%	19.80%	15.03%	12.35%
EBITDA Margin	26.16%	26.56%	27.19%	18.45%	22.78%	24.39%	32.81%	29.10%	26.31%
RoCE	10.30%	9.32%	8.16%	21.54%	26.37%	22.19%	28.34%	20.05%	15.27%
ROE	20.32%	16.40%	7.10%	22.96%	28.43%	27.36%	23.58%	17.35%	14.82%
EPS (INR)	1.83	4.00	3.13	16.73	29.67	38.62	2.84	8.41	7.75
P/E	219.67	100.50	128.43	44.84	26.09	33.31	97.70	33.33	52.78

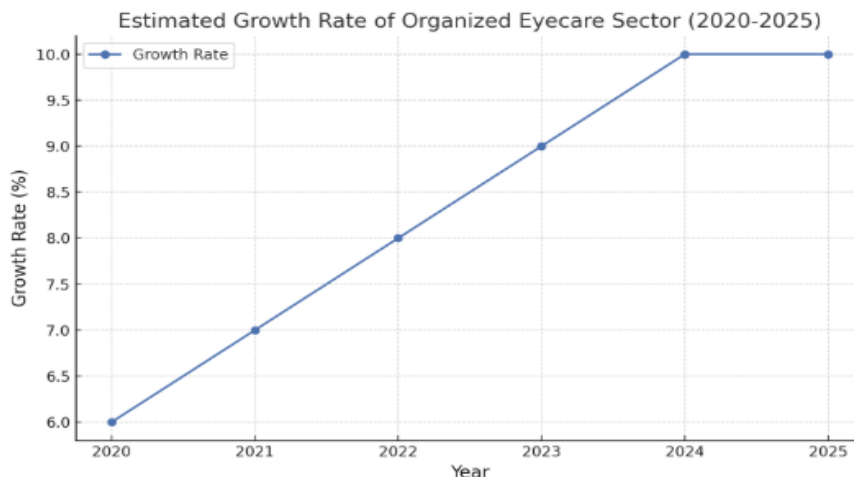
Particulars	Dr. Agarwal's Health Care Limited			Aster DM Healthcare Limited			Rainbow Children's Medicare Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	6.20%	10.14%	7.14%	5.10%	12.70%	3.47%	13.93%	17.50%	16.27%
EBITDA Margin	26.16%	26.56%	27.19%	15.37%	23.88%	16.27%	32.92%	35.74%	35.19%
RoCE	10.30%	9.32%	8.16%	10.53%	5.97%	5.78%	20.80%	20.85%	17.68%
ROE	20.32%	16.40%	7.10%	11.73%	8.74%	2.57%	22.81%	19.80%	17.15%
EPS (INR)	1.83	4.00	3.13	10.56	8.51	2.59	15.20	21.56	21.38
P/E	219.67	100.50	128.43	18.38	28.28	176.35	-	33.88	63.12

- The post-issue market cap of the company is lower than its peers.
- The PE ratio of the company is higher compared to its peer.
- The RoCE and RoE of Dr. Agarwal's Health Care is lower compared to its peers except Aster DM Healthcare Limited.
- The NP margin and EBITDA margin of the company is almost at par with its peers and whereas the company has seen decline in its NP margin, we can see similar trend in Aster DM Healthcare Limited.

INDUSTRY OVERVIEW -

Eyecare Industry in India -

The Indian eyecare industry is experiencing significant growth, driven by factors such as an aging population, increasing prevalence of lifestyle diseases like diabetes (a major cause of eye conditions), and rising awareness of vision health. This sector also benefits from improved access to healthcare services and advancements in medical technology.



The industry is characterized by:

- **High Fragmentation:** Comprising a mix of organized players and a large number of unorganized clinics and practitioners.
- **Increasing Demand:** Estimated annual growth rate of 8%-10% in the organized eyecare market.
- **Rising Medical Tourism:** India’s affordability and high-quality care attract international patients.

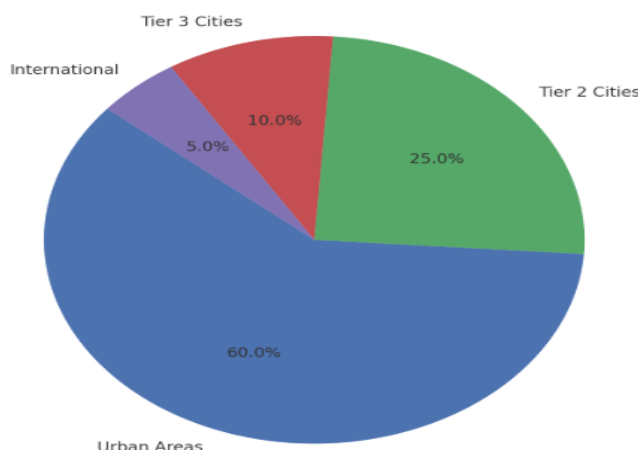
Key Challenges

- **Intense Competition:** Both organized and unorganized players create pricing pressures.
- **Regional Saturation:** Heavy competition in urban areas necessitates differentiation through quality and service.
- **International Expansion Risks:** Entering new geographies requires understanding local demographics and regulatory landscapes.
- **Substitution Threats:** Patients may opt for general healthcare providers over specialized eyecare services.

Opportunities

- **Growing Demand in Tier 2 and Tier 3 Cities:** Expanding to underserved areas.
- **Technological Advancements:** Adoption of AI and advanced surgical techniques.
- **Medical Tourism:** Leveraging India's cost advantage to attract international patients.
- **Preventive Care:** Capitalizing on increasing awareness of regular eye check-ups and screenings.

Geographic Breakdown: Contribution of Key Regions to Revenue



Key Management -



Key Management Persons Name -	Dr. Amar Agarwal
Age	64 years
Designation	Promoter, Chairperson and Non-Executive Director.
Qualification	Master's degree in surgery from Gujarat University
Other Directorships	Aditya Jyot Eye Hospital Private Limited, Dr. Agarwal's Eye Hospital Limited and Dr. Agarwal's Eye Institute Private Limited
Key Management Persons Name -	Dr. Adil Agarwal
Age	41 years
Designation and No. of years of experience	Promoter, Whole-time Director and Chief Executive Officer, he has 12 years of experience in the healthcare industry.
Qualification	Bachelor's degree in medicine and surgery from Sri Ramachandra Medical College and Research Institute, Chennai. Master's in surgery in Ophthalmology from Sri Ramachandra University and Master's in business administration from the Leland Stanford Junior University, Stanford University, California.
Other Directorships	Aditya Jyot Eye Hospital Private Limited, Dr. Agarwal's Eye Hospital Limited, Dr. Third Eye Care Private Limited, Maatrum Technologies and Legal Ventures Private Limited and Orbit Health Care Services (Kenya) Limited
Key Management Persons Name -	Dr. Anosh Agarwal
Age	40 years
Designation and No. of years of experience	Promoter, Whole Time Director and Chief Operating officer, he has 12 years of experience in the healthcare industry.
Qualification	Bachelor's degree in medicine and surgery from the Sri Ramachandra University, Master's in surgery in ophthalmology from Annamalai University and Master's in business administration from Harvard Business School.
Other Directorships	Aditya Jyot Eye Hospital Private Limited, Elisar Life Sciences Private Limited, IdeaRx Services Private Limited, Maatrum Technologies and Legal Ventures Private Limited, Uber9 Business Process Services Private Limited, Orbit Health Care Services Limited, Rwanda Orbit Health Care Services Mozambique Limited, Orbit Health Care Services (Zambia) Limited, Orbit Health Care Services (Uganda) Limited and Orbit Health Care Services (Tanzania) Limited

- The overall management of the company is satisfactory.
- Sanjay Dharambir Anand, Venkatraman Balakrishnan, Dr Ranjan Ramdas Pai, Archana Bhaskar and Nachiket Madhusudan Mor are the Non-Executive Independent Directors of the Company, along with Ankur Nand Thadani and Ved Prakash Kalanoria as Non-Executive Nominee Director of the Company. All are well qualified and experienced in their respective fields.
- There is no evidence of dual chairmanship which is favourable for the company.
- The promoters and management have vast experience in the industry, whereas they have not provided responsibilities Key Managerial Personnel.
- Yashwanth Venkat is the Chief Financial Officer of the Company. He joined in Subsidiary, Dr. Agarwal's Eye Hospital Limited on May 18, 2018. He holds a bachelor's degree in chemical engineering from Anna University. He holds a post graduate diploma in management from Indian Institute of Management, Bangalore. Prior to joining Dr. Agarwal's Health Care, he has worked for IBM India Private Limited, Murugappa Management Services Limited, Intellect Design Arena Limited, Scope International Pvt. Ltd., Cognizant Technology Solutions India Private Ltd. and VA Tech Wabag Ltd. He has over 14 years of experience in the field of finance, strategy and mergers and acquisitions

FINANCIAL SNAPSHOT

Statement of Profit and Loss Amt in Cr.

Particulars	FY 2022	FY 2023	FY 2024	Sep-24
Revenue from Operations	696.08	1,017.98	1,332.15	820.06
Other Income	17.71	13.51	44.30	17.88
Total Income	713.78	1,031.49	1,376.45	837.94
Expenses				
Cost of Material Consumed	1.09	1.76	1.08	0.50
Purchases of stock-in-trade	85.28	114.76	140.97	88.88
Changes in inventories of finished goods, stock-in-trade and work-in-progress	-2.70	-3.06	-5.21	-6.94
Consumption of surgical lens	76.30	120.45	164.15	102.57
Consultancy charges for doctors	92.77	147.12	203.85	124.46
Employee Benefit Expenses	139.82	190.40	242.83	155.86
Finance Cost	45.40	71.97	95.62	55.43
Depreciation and Amortization Expense	97.66	128.30	170.37	112.69
Other expenses	121.40	176.20	222.23	144.13
Total Expenses	657.02	947.90	1,235.88	777.59
EBITDA	182.12	270.35	362.26	210.60
EBITDA Margin	26.16%	26.56%	27.19%	25.68%
Profit/(Loss) before tax	56.76	83.59	140.57	60.35
Tax Expense				
Current tax	14.68	20.22	27.76	18.78
Deferred Tax	-1.08	-39.86	17.76	2.01
Total Tax	13.60	-19.64	45.52	20.79
Profit/(Loss) for the year	43.16	103.23	95.05	39.56
Net Profit Margin	6.20%	10.14%	7.14%	4.82%

Statement of Assets and Liabilities Amt in Cr.

Particulars	FY 2022	FY 2023	FY 2024	Sep-24
EQUITY AND LIABILITIES				
Share Capital	6.86	7.93	9.33	30.76
Reserves and surplus	205.52	621.63	1,330.05	1,473.64
Total Shareholder's Fund	212.38	629.56	1,339.41	1,504.39
Non-controlling interest	21.44	29.51	40.10	53.74
Total Equity	233.82	659.07	1,379.51	1,558.13
NON-CURRENT LIABILITIES				
Financial Liabilities				
(i) Borrowings	253.88	305.60	309.62	301.05
(ii) Lease Liabilities	316.38	456.10	525.77	602.85
(iii) Other financial liabilities	8.02	90.17	122.66	468.36
Long-Term Provisions	6.75	10.47	13.95	16.98
Deferred tax liabilities (net)	1.28	2.45	1.51	2.95
Total Non-current liabilities	586.31	864.79	973.51	1,392.20
CURRENT LIABILITIES				
Financial Liabilities				
(i) Borrowings	36.30	50.58	78.17	72.63
(ii) Lease Liabilities	26.76	45.07	52.88	57.93
(iii) Trade Payables				
(a) Outstanding Dues to MSME	8.74	16.76	18.61	38.72
(b) Outstanding Dues to other than MSME	80.34	84.54	114.36	134.97

Particulars	FY 2022	FY 2023	FY 2024	Sep-24
(iv) Other Financial Liabilities	28.08	83.44	94.21	101.42
Other Current Liabilities	14.21	14.04	22.48	27.26
Current tax liabilities (net)	10.07	4.33	15.86	6.80
Short-term provisions	1.50	2.56	3.24	3.36
Total Current liabilities	206.00	301.32	399.80	443.08
Total Liabilities	792.31	1,166.10	1,373.31	1,835.28
Total Equity and Liabilities	1,026.13	1,825.17	2,752.82	3,393.41
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	208.19	342.95	498.47	590.26
Right of use asset	306.47	460.47	522.29	592.50
Capital work-in-progress	28.43	97.61	113.95	122.16
Goodwill	148.05	273.24	461.95	732.13
Other intangible assets	38.76	216.37	263.52	460.75
Intangible assets under development	-	1.76	4.25	5.36
Financial assets	21.44	26.42	33.88	78.42
Non-current tax assets (net)	22.85	32.48	48.76	38.92
Deferred tax assets (net)	14.15	55.46	36.69	36.23
Other non-current assets	10.31	8.26	10.47	17.76
Total Non-Current assets	798.65	1,515.00	1,994.23	2,674.49
CURRENT ASSETS				
Inventories	32.92	36.04	51.90	68.71
Financial assets				
(i) Investments	-	33.66	470.53	324.17
(ii) Trade Receivables	56.72	76.33	96.83	110.98
(iii) Cash & Cash equivalents	99.62	126.98	111.75	166.76
(iv) Bank balances other than cash	17.06	21.55	13.12	12.67
(v) Other financial assets	4.06	4.00	4.41	6.78
Other Current Assets	17.11	11.62	10.06	28.85
Total Current assets	227.48	310.18	758.59	718.92
Total Assets	1,026.13	1,825.17	2,752.82	3,393.41

Cash Flow Statement

Amt in Cr.

Particulars	FY 2022	FY 2023	FY 2024	Sep-24
Net Cash Flow from Operating Activities	164.33	233.11	345.96	201.97
Net Cash Flow from Investing Activities	-155.35	-509.09	-913.86	-443.99
Net Cash Flow from Financing Activities	35.43	303.34	552.67	297.03

Key Ratios

Per Share Data	FY 22	FY 23	FY 24	FY 25*	Valuation Ratios (x)	FY 22	FY 23	FY 24	FY25*
Diluted EPS	1.83	4.00	3.13	2.51	EV/EBITDA	2.24	2.08	3.68	30.17
BV per share	0.34	8.32	14.32	0.58	Market Cap / Sales	396.18	31.30	29.08	774.23
Operating Ratios					P/E	219.67	100.50	128.43	160.48
EBITDA Margins	26.16%	26.56%	27.19%	25.68%	Price to Book Value	11,179	48.35	28.08	688.65
PAT Margins	6.20%	10.14%	7.14%	4.82%	Solvency Ratios				
Inventory days	17.31	12.96	14.26	14.96	Debt / Equity	1.37	0.57	0.29	0.25
Debtor days	29.82	27.44	26.60	27.16	Current Ratio	1.10	1.03	1.90	1.90
Creditor days	200.43	156.65	159.08	170.30	Quick Ratio	0.94	0.91	1.77	1.77
Return Ratios					Asset Turnover	0.68	0.56	0.48	0.60
RoCE	10.30%	9.32%	8.16%	9.17%	Interest coverage Ratio	1.86	1.97	2.01	1.77
RoE	20.32%	16.40%	7.10%	4.29%					

*Annualised

INTERPRETATION –

1. Revenue has demonstrated strong growth momentum, with an average annual increase of over 30%, supported by an expanding service network and higher client acquisition. However, growth deceleration in recent quarters suggests the company is transitioning from a high growth to a stable growth phase.
2. EBITDA margins have shown consistent improvement, reaching approximately 27%, driven by operational efficiencies and better cost management. However, net profit margins have fluctuated, with a notable dip in recent periods, potentially due to increased finance costs and tax expenses.
3. Operating cash flow has significantly improved over the years, demonstrating enhanced cash generation capacity. However, high capital expenditure on network expansion and acquisitions has exerted pressure on free cash flow.
4. Return on Equity (RoE) and Return on Capital Employed (RoCE) have improved over time, signalling effective utilization of shareholder and borrowed funds. However, growing inventory days and rising debtor levels indicate increased working capital requirements that could impact short-term liquidity.
5. The debt-to-equity ratio has improved, reflecting better financial discipline and reduced reliance on external borrowings. However, valuation multiples like P/E and EV/EBITDA are on the higher side, suggesting market optimism but potential challenges in sustaining growth at current levels.

LEAD MANAGER TRACK RECORD –

The lead manager to the issue is Kotak Mahindra Capital Company Limited, Morgan Stanley India Company Private Limited, Jefferies India Private Limited and Motilal Oswal Investment Advisors 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 –

Kotak Mahindra Capital Company Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Ventive Hospitality Limited	1,600.00	643.00	Dec 30, 2024	669.95
2.	International Gemmological Institute (India) Limited	4,225.00	417.00	Dec 20, 2024	523.10
3.	Vishal Mega Mart Limited	8,000.00	78.00	Dec 18, 2024	102.65
4.	Sai Life Sciences Limited	3,042.62	549.00	Oct 22, 2024	673.90
5.	Niva Bupa Health Insurance Company Limited	2,200.00	74.00	Nov 14, 2024	78.95

The company has handled 37 mandates in the past three years (including the current year).

Morgan Stanley India Company Private Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	International Gemmological Institute (India) Limited	4,225.00	417.00	Dec 20, 2024	523.10
2.	Sai Life Sciences Limited	3,042.62	549.00	Oct 22, 2024	673.90
3.	Vishal Mega Mart Limited	8,000.00	78.00	Dec 18, 2024	102.65
4.	Zinka Logistics Solution Limited	1,114.72	273.00	Nov 22, 2024	360.95
5.	Niva Bupa Health Insurance Company Limited	2,200.00	74.00	Nov 14, 2024	78.95

The company has handled 3 mandates in the past three years (including the current year).

Jefferies India Private Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Inventurus Knowledge Solutions Limited	2,497.92	1,329.00	Dec 19, 2024	1,782.00
2.	Sai Life Sciences Limited	3,042.62	549.00	Oct 22, 2024	673.90
3.	Vishal Mega Mart Limited	8,000.00	78.00	Dec 18, 2024	102.65
4.	Swiggy Limited	11,327.43	390.00	Nov 13, 2024	448.85
5.	Sagility India Limited	2,106.60	30.00	Nov 12, 2024	47.96

The company has handled 14 mandates in the past three years (including the current year).

Motilal Oswal Investment Advisors Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Laxmi Dental Limited	698.06	428.00	Jan 20, 2025	514.05
2.	Standard Glass Lining Technology Limited	410.05	140.00	Jan 13, 2025	164.45
3.	Concord Enviro Systems Limited	500.33	701.00	Dec 27, 2024	643.85
4.	Niva Bupa Health Insurance Company Limited	2,200.00	74.00	Nov 14, 2024	78.95
5.	ACME Solar Holdings Limited	2,900.00	289.00	Nov 13, 2024	199.80

The company has handled 16 mandates in the past three years (including the current year).

*CMP for the above-mentioned companies is taken as of 27th Jan 2025.

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

Recommendation -

Dr. Agarwal's Health Care Limited has been in the industry since 2010 and has good experience.

The P/E on a post-IPO annualized basis is around 160.48 times which makes it overly priced. The IPO appears to primarily serve as an exit strategy for investors and promoters, given that a significant portion of the funds raised is through an Offer for Sale (OFS) at high valuations.

The company's overall management is satisfactory, with no dual chairmanship, which is favourable for governance. The promoters and management bring extensive industry experience; however, clarity on the responsibilities of Key Managerial Personnel remains lacking.

Dr. Agarwal's Healthcare has demonstrated good revenue growth, with a consistent annual increase driven by service diversification and client acquisitions. Margins showed improvement initially but have recently declined slightly, reflecting the impact of rising costs and competitive pressures.

Dr. Agarwal's Healthcare operates in the highly competitive eyecare sector, offering specialized services with a strong focus on quality and affordability. The organization holds a 25% market share in the organized eye care service chain market in India (FY24). The Indian eyecare industry is fragmented, with competition from public hospitals, private players, and international entrants. To maintain its market position, the company leverages its brand reputation, service offerings, and network expansion, facing ongoing challenges from pricing pressures and market entrants.

Thus, investors may **AVOID** for this IPO.

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The analysis and recommendations are based on the current market and company-specific scenario, along with the data available in the prospectus. Market and company-specific conditions may change after the company's listing, potentially impacting its performance and outlook. We will not be providing any follow-up reports or updates on this analysis post-listing.

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