



IPO Note

Chandan Healthcare Limited

Recommendation: **Neutral!**

Company Background -

- **Incorporation:** Incorporated in 2003, the company's registered office is in Lucknow, Uttar Pradesh.
- **Business Activity:** Chandan Healthcare Limited runs diagnostic centres in North India with pathology and radiology testing services.
- **Revenue Stream:**
 - The company generates revenue through the sale of products, contributing ₹7,871.64 lakhs (**47.00%**) of total revenue in the latest period with Pharmaceuticals contributing the most (₹5,720.25 lakhs, 34.16%).
 - They also generate revenue through the sale of services, amounting to ₹8,875.83 lakhs (**53.00%**), primarily from Pathology (₹5,731.40 lakhs, 34.22%) and Radiology (₹3,143.72 lakhs, 18.77%).
- **Human Resource:** As of December 31, 2024, the company employed 15 radiologists, 23 pathologists, and over 161 other qualified professionals.

Objects of the Issue -

- Setting up a new Flagship Diagnostic Centre in Jankipuram, Lucknow, Uttar Pradesh.
- Setting up a new Central Reference laboratory at Ayodhya, Uttar Pradesh.
- Setting up a new Central Reference laboratory at Ashiyana, Lucknow, Uttar Pradesh.
- General Corporate Purposes

Promoters Name -

Amaranita Holdings (India) Private Limited, Amar Singh, Asmita Singh, Alok Singh, Shaleen Solanki, Vijay Singh and Vinay Lamba.

Rationale for recommendation -

- ✓ Knowledgeable investors should apply with caution and after checking post-listing performance for the following reasons:
- ✓ In FY 24 two customers collectively contributed to **57.48%** of total revenue.
- ✓ 70% Revenue concentration from U.P.
- ✓ Company had a net loss in FY 24; profitability & return margins have been volatile ever since.
- ✓ Fairly priced.
- ✓ Diversity of services and good reviews of the clinic.
- ✓ Company has focused on growth as visible in their strategies.
- ✓ Promoter stake has fallen below the majority threshold, reducing control over the company.

IPO Details

Opening Date	Feb 10, 2025
Closing Date	Feb 12, 2025
Allotment Date	Feb 13, 2024
Listing Date	Feb 17, 2024
Stock Exchange	NSE SME
Lot Size	800 Shares
Issue Price Per Share	₹151 to ₹159 per share
Issue Size	₹107.36 Cr.
Fresh Issue	₹70.79 Cr.
Offer for Sale	₹36.57
Application Amt	₹1,23,000 (1,000 shares)

Industry - Healthcare Industry
Average P/E of Peers - **75.05**

KPI's	KPIs (In Lakhs)			
	FY 22	FY 23	FY 24	Dec-24
Revenue	11,956.35	13,688.94	17,659.01	16,747.47
EBITDA	225.42	938.00	2,624.74	3,022.05
Net Profit	-109.26	358.63	1,635.50	1,741.99
RoCE	0.81%	17.68%	37.91%	30.00%*
ROE	-4.93%	16.02%	72.82%	24.04%*
P/E	-	89.88	18.55	15.87*

*Annualised

Promoter Share Holding Pattern

Pre-Issue	Post-Issue
69.93%	49.20%

Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	8.14	9.52
BVPS	21.81	39.59
P/E	18.55	15.87
P/BV	6.92	3.81
Mkt Cap (In Cr)	302.00	369.23

Lead Managers -

Unistone Capital Pvt Ltd

Registrar -

Kfin Technologies Limited

Business Overview

Company Profile

The company operates a leading diagnostic network in North India, offering pathology and radiology testing services. As of December 31, 2024, the company’s infrastructure includes:

- **One flagship laboratory**
- **Nine central laboratories**
- **Twenty-seven satellite centres**
- **More than 300 collection centres**
- **Presence in over 23 cities and towns in Uttar Pradesh and 19 cities and towns in Uttarakhand**

Among these, **eight laboratories hold NABL accreditation**, while **three diagnostic centres are NABH accredited**. The company’s extensive network enables efficient sample collection and testing across multiple locations.

Operational Performance

For the period ending December 2024:

- **Total tests conducted:** 55.79 lakh
- **Total patients served:** 17.11 lakh
- **Revenue contribution from Uttar Pradesh operations:** 70.04%
- **Total tests offered:** 1,496, categorized as:
 - **Pathology tests:** 1,496 (481 routine and 1,015 specialized tests)
 - **Radiology tests:** 545 (including X-rays, USG, CT, MRI, and specialized CT scans)
- **Radiology infrastructure:** 11 CT scanners and 4 MRI machines

Revenue Breakdown

The company generates revenue from multiple business segments:

- **Sale of Products:** 47.00%
- **Pathology Services:** 34.22%
- **Radiology Services:** 18.77%

Operational Model

The company follows a **cluster and collection point model**, streamlining operations by:

1. Grouping nearby patients, laboratories, and clinics into clusters.
 2. Collecting samples at designated points and transporting them in bulk to central laboratories.
 3. Enhancing economies of scale and maintaining consistency in testing procedures.
 4. Expanding brand presence by reaching remote areas.
- Each diagnostic centre offers integrated pathology and radiology services:
- **Small & medium centres:** Pathology and basic/intermediate radiology tests.
 - **Large centres:** Pathology, basic, and advanced radiology tests.

**Subsidiary – Chandan Pharmacy Limited (CPL)
CPL Overview:**

- Established on August 14, 2017
- Operates **31 pharmacy shops** across **Uttar Pradesh (23 shops)** and **Uttarakhand (8 shops)**
- Contributed **45.00% of the consolidated revenue in FY 2025 (till Dec 2024)**

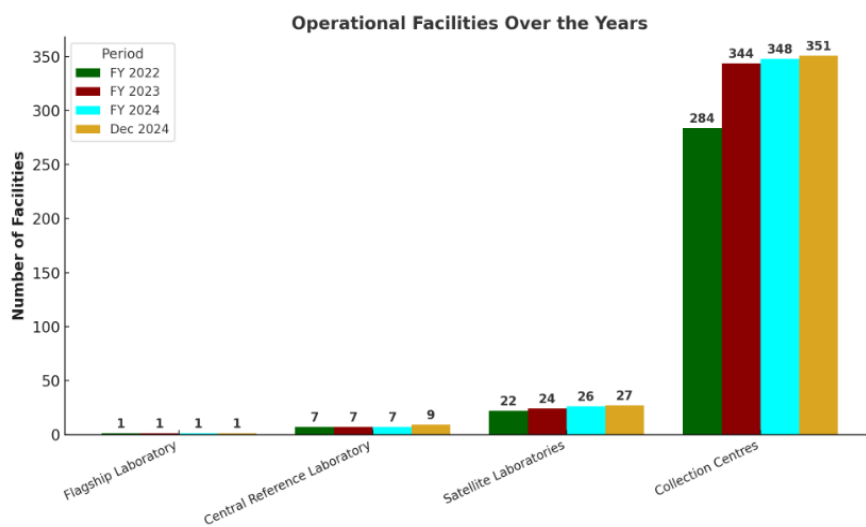
Product Segments:

1. **Pharmaceuticals** – Tablets, capsules, syrups, ointments, and injectables.
2. **FMCG** – Thermometers, face masks, wrist restraints, gloves, air fresheners.
3. **Surgical Supplies** – Gauze, syringes, shaver blades, and needles.

Operational Network

The company follows a **hub-and-spoke model**, ensuring efficient sample collection and processing:

Laboratory Network (As of December 31, 2024)



- **1 Flagship Laboratory** – 7,576 sq. ft., housing various departments like clinical biochemistry, histopathology, microbiology, and molecular pathology.
- **9 Central Laboratories** – Process routine and specialized testing; samples requiring advanced analysis are sent to the flagship lab.
- **27 Satellite Laboratories** – Conduct routine tests such as Glucose, Kidney Profile, and Lipid Profile.
- **300+ Sample Collection Centres** – Located near hospitals, clinics, and pathology labs, covering a **50-70 km radius**.

Sample Transportation & Processing

- Samples are collected at diagnostic centres or via home collection services.
- Transported to **satellite laboratories** for routine testing.
- Complex tests are sent to **central reference laboratories or the flagship laboratory** for processing

Service-wise Revenue-Bifurcation

Product/Segment	March 31, 2022		March 31, 2023		March 31, 2024		September 30, 2024	
	Revenue earned	%	Revenue earned	%	Revenue earned	%	Revenue earned	%
Sale of product-A	5,807.16	48.57%	6,143.10	44.88%	7,908.32	44.78%	7871.64	47.00%
Chandan Pharmacy Limited*								
Pharmaceuticals	3,345.83	27.98%	4,392.07	32.08%	5,612.27	31.78%	5720.25	34.16
FMCG	777.83	6.51%	905.48	6.62%	1,578.16	8.94%	1658.24	9.90
Surgical	323.13	2.70%	610.14	4.46%	421.17	2.38%	493.15	2.94
Total	4446.79	37.19%	5907.69	43.16%	7,611.60	43.10%	7871.64	47.00%
CHL	1,360.37	11.38%	235.41	1.72%	296.72	1.68%	-	-
Chandan Healthcare Limited (CHL)								
Sale of Services-B	6,149.19	51.43%	7,545.84	55.12%	9,750.69	55.22%	8875.83	53.00%
Pathology	4,156.98	34.77%	4,678.71	34.18%	6,357.94	36.00%	5,731.40	34.22%
Radiology	1,992.21	16.66%	2,866.72	20.94%	3,391.24	19.20%	3,143.72	18.77%
Other Operating Income	-	-	0.41	-	1.51	0.01%	0.71	0.01%
Total Sales (A+B)	11,956.35	100.00%	13,688.94	100.00%	17,659.01	100.00%	16,747.47	100.00%

*Chandan Pharmacy Limited, their subsidiary, is engaged in the sale of pharmaceutical products.

Business Strategy

Strengthen Position in Core Geography: Uttar Pradesh

The company aims to solidify its market presence in Uttar Pradesh by expanding into suburban regions such as Ayodhya, Ashiyana, and Jankipuram. Leveraging its established brand equity, the company plans to replicate its urban success in these areas. Additionally, it seeks to optimize capacity utilization at existing centers in Uttar Pradesh and Uttarakhand, recognizing significant growth potential in these states. Expansion efforts are expected to drive higher revenue and increase accessibility to diagnostic services.

Focus on Customer-Centric Services and Offerings

To enhance its service portfolio, the company intends to introduce preventive and wellness packages, advanced diagnostics, and chronic disease management programs. Personalized pathology and radiology packages tailored to age, sex, and medical history will increase revenue per customer visit. Targeted marketing efforts will further strengthen corporate partnerships, positioning the company as a leader in comprehensive healthcare diagnostics.

Boost Revenue through B2B and Corporate Partnerships

Recognizing the potential in institutional collaborations, the company aims to expand its B2B segment, serving public sector undertakings and corporate employees. By strengthening referrals and targeting institutional clients, the company expects to diversify its revenue streams and enhance brand recognition.

Leverage Technology for Enhanced Customer Experience

With a strong commitment to technological innovation, the company utilizes ERP and cloud-based solutions to streamline operations. Future initiatives include integrating artificial intelligence and machine learning to enhance diagnostics. The company will continue improving its digital platforms, offering seamless appointment scheduling and report access, ensuring a superior customer experience.

Risk Factors –

A significant portion of the company's revenue is derived from a limited number of customers, posing a concentration risk. As of the period ended December 31, 24, two major customers contributed approximately **50.51%** of total revenue, with **Customer 1 accounting for 29.07%** and **Customer 2 contributing 21.44%**. This dependence has been consistent over the years: In **FY 22, FY 23** and **FY 24** these two customers collectively contributed **35.40%, 56.74%** and **57.48%** of total revenue respectively.

Such high customer dependency exposes the company to risks associated with **contract renewal, payment delays, pricing pressure, and potential business loss** if any of these customers reduce or discontinue their engagement.

The company's operations are concentrated in Uttar Pradesh and Uttarakhand, posing a regional risk. As of December 31, 2024, it operated in over 23 cities in Uttar Pradesh and 19 in Uttarakhand. Revenue from Uttar Pradesh was ₹11,730.32 lakhs (70.04%) for the period ended December 31, 2024, and ₹11,961.73 lakhs (67.74%) in fiscal 2024. Uttarakhand contributed ₹4,977.42 lakhs (29.72%) and ₹5,697.28 lakhs (32.26%) in the same periods. Economic or regulatory changes in these states could significantly impact business stability and future growth.

The company's revenue is significantly dependent on Chandan Hospital Limited, contributing **29.07%–36.08%** over recent years. The absence of long-term agreements exposes it to risks from reduced transactions, financial instability, or strategic shifts, potentially impacting revenue, operations, and financial stability.

As of the Red Herring Prospectus filing date, the company faces **10 outstanding cases** totaling **₹261.52 lakh**, including **₹194.67 lakh in tax proceedings** and **₹66.85 lakh in civil litigation**. Additionally, the company has initiated **4 cases** worth **₹10.45 lakh**. No legal cases exist against promoters, directors, or group/subsidiary companies. However, **group companies and subsidiaries have filed 12 cases**, with financial implications of **₹39.18 lakh**. Any adverse rulings may impact the company's financial condition.

Company has loans worth 51.92 Cr. Repayable on demand.

Competition Analysis

The Indian diagnostic services market, valued at approximately \$13 billion in 2023, is projected to double by 2028, driven by technological advancements, rising health awareness, and increased government insurance adoption.

Porter's Five Forces Analysis:

- **Competitive Rivalry:** The market is highly fragmented, with both organized and unorganized players, including standalone centres and hospital laboratories, leading to intense competition.
- **Threat of New Entrants:** Low entry barriers, such as minimal capital requirements and limited regulations, make it easy for new players to enter, increasing competition.
- **Bargaining Power of Suppliers:** With numerous suppliers of diagnostic equipment and reagents, their bargaining power remains moderate.
- **Bargaining Power of Customers:** Customers have moderate bargaining power due to the availability of multiple diagnostic service providers.
- **Threat of Substitutes:** Alternative diagnostic methods and home-based testing kits present a moderate threat.

Industry Life Cycle and Experience Curve:

The industry is in a growth phase, characterized by rapid technological adoption and market expansion. As firms gain experience, operational efficiencies and cost reductions are anticipated.

Macroeconomic and Social Influences:

Factors such as an aging population, increasing prevalence of chronic diseases, and higher disposable incomes are boosting demand for diagnostic services.

In summary, while the Indian diagnostic services market offers significant growth opportunities, companies must navigate challenges like intense competition and evolving technological landscapes.

(Careerratings.com & Statista)

Peer Analysis

Particulars	Amwill Healthcare Limited			Vaishali Pharma Ltd.			Trident Lifeline Limited			Metropolis Healthcare Ltd		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	-0.91%	2.62%	9.26%	15.37%	17.88%	20.90%	71.83%	11.60%	15.58%	17.0%	12.3%	10.5%
EBITDA Margin	1.89%	6.85%	14.86%	30.35%	41.44%	42.15%	28.66%	25.82%	29.55%	30.2%	26.5%	24.4%
RoCE	0.81%	17.68%	37.91%	25.31%	17.08%	20.08%	27.41%	19.94%	26.90%	26.1%	17.8%	15.6%
ROE	-4.93%	16.02%	72.82%	23.36%	15.48%	18.01%	22.43%	14.05%	18.97%	24.1%	14.4%	11.6%
EPS (INR)	-0.55	1.68	8.14	10.76	8.30	11.63	41.38	28.65	42.88	41.88	27.91	24.96
P/E	-	89.88	18.55	41.20	47.14	54.74	62.78	63.81	52.77	49.93	44.73	69.05

*Peers are not comparable on apple-to-apple basis

Industry Overview- Indian Healthcare Industry

Indian Economic Overview

In the fiscal year 2023-24 (FY24), India's economy demonstrated remarkable resilience, achieving an 8.2% growth rate, surpassing market expectations despite external challenges. This robust performance was driven by significant contributions from the industrial sector, which expanded by 9.5%, and the services sector, which now accounts for 55.3% of the Gross Value Added (GVA).

High-frequency indicators such as Goods and Services Tax (GST) collections and e-way bill generations reflected double-digit growth, indicating strong wholesale and retail trade activities. The manufacturing sector also showed promise, with a notable increase in capacity utilization, rising from 74% in Q2 to 74.7% in Q3 of FY24.

Investment activities remained stable, with the Gross Fixed Capital Formation (GFCF) contributing 44.9% to GDP growth in FY24. Private non-financial corporations played a pivotal role, exhibiting a compound annual growth rate (CAGR) of 10.6% from FY12 to FY23, underscoring a resurgence in private capital expenditure.

Consumer confidence reached new heights, with the Current Situation Index (CSI) climbing to 98.5 in March 2024, the highest since mid-2019. The Future Expectations Index (FEI) also rose to 125.2, reflecting optimism about the economic outlook.

(Source: pib.gov.in)

Indian Healthcare Industry

The Indian healthcare sector has experienced substantial growth, reaching a value of US\$ 372 billion in 2023. Projections indicate that the market will expand to US\$ 638 billion by 2025, driven by both private sector initiatives and government interventions.

financialexpress.com

Hospitals constitute a significant segment, accounting for 80% of the total healthcare market. The hospital market was valued at US\$ 98.98 billion in 2023 and is expected to grow at a CAGR of 8.0%, reaching an estimated US\$ 193.59 billion by 2032.

Medical tourism has also seen a notable uptick, with India ranking 10th in the Medical Tourism Index for 2020-2021. The number of foreign tourists arriving for medical purposes increased from 1.83 lakh in 2020 to 5.04 lakh in 2023.

The diagnostics industry is currently valued at US\$ 4 billion, with the organized sector comprising approximately 25% of this segment. The telemedicine market is poised for significant growth, expected to reach US\$ 5.4 billion by 2025, reflecting a CAGR of 31%.

Government Initiatives and Investments

The Indian government has demonstrated a strong commitment to enhancing healthcare infrastructure and accessibility. In the Interim Union Budget 2024-25, the Ministry of Health and Family Welfare (MoHFW) was allocated ₹90,659 crore (US\$ 10.93 billion), underscoring the prioritization of healthcare.

ibef.org

The Ayushman Bharat Digital Mission aims to create an integrated digital health ecosystem, facilitating seamless data flow and empowering individuals with accessible health information. Additionally, the Pradhan Mantri-Ayushman Bharat Health Infrastructure Mission (PM-ABHIM) seeks to strengthen healthcare infrastructure across both rural and urban areas, with an outlay of ₹64,180 crore planned until 2025-26.

ibef.org

These initiatives, coupled with substantial investments in medical education and the establishment of health and wellness centers, are poised to transform India's healthcare landscape, making quality healthcare more accessible to its citizens.

(Source: ibef.org)**Key Management -**

Key Management Persons Name -	Amar Singh
Age	66
Designation	Promoter, Chairman and Managing Director.
Qualification	Bachelor of Medicine and Bachelor of Surgery
Roles & Responsibility	Oversees the entire company's operations and strategic direction, Sets business objectives and growth strategies, Ensures delivery of high-quality services to clients and Aligns operational practices with company goals.
Other Directorships	Amaranita Holdings (India) Private Limited, Chandan Institute of Medical Sciences Limited, Chandan Cancer Institute Limited, Healthrely Private Limited, Chandan Super Speciality Hospital Limited, Chandan Diagnostic Limited, Chandan Pharmacy Limited, Cendana Pharmaceuticals Private Limited, Chandan Hospital Limited and Chandan Singh Foundation.

Key Management Persons Name -	Asmita Singh
Age	39
Designation and No. of years of experience	Promoter and Managing Director
Qualification	Bachelor of Business Administration, Master of Business
Roles & Responsibility	Leads operational excellence and enhances marketing strategies., Responsible for business development and brand positioning and Awarded India's Most Prominent Women Development Award in 2019.
Other Directorships	Amaranita Holdings (India) Private Limited, Chandan Cancer Institute Limited, Healthrely Private Limited, Chandan Super Speciality Hospital Limited, Chandan Institute of Medical Sciences Limited, Chandan Hospital Limited, Chandan Diagnostic Limited, Indra Diagnostic Centre and Blood Bank Limited, Kunwars Wellness Foundation, Chandan Pharmacy Limited, Cendana Pharmaceuticals Private Limited and Chandan Singh Foundation.

Key Management Persons Name -	Vinay Lamba
Age	58
Designation and No. of years of experience	Promoter and Non-Executive Director
Qualification	Training from Marine Engineering and Research Institute, Calcutta; Certificate of Competency as Marine Engineer Officer Class I of a Motorship
Roles & Responsibility	Works closely with external engineering teams to establish calibration standards, assesses equipment performance and aligns procurement strategies with company objectives and Analyses market trends and forecasts for asset acquisition.
Other Directorships	Lambros Engineering and Technical Services Private Limited

Key Management Persons Name -	Alok Singh
Age	33
Designation and No. of years of experience	Promoter and Managing Director
Qualification	Bachelor of Technology (Information Technology) – Amity University and Master of Business Administration – Indian Institute of Technology, Madras
Roles & Responsibility	Associated with Chandan Hospitals Limited since 2018.
Other Directorships	Prigal Agro And IT Solutions Private Limited and Chandan Hospital Limited Pharmacy Limited, Cendana Pharmaceuticals Private Limited and Chandan Singh Foundation and previously worked as Project Engineer at Wipro Technologies (2016-2018).

Key Management Persons Name -	Shaleen Solanki
Age	47
Designation and No. of years of experience	Promoter
Qualification	Bachelor of Science – Kumaun University and Post Graduate Diploma in Business Management – Institute of Productivity & Management
Roles & Responsibility	Key stakeholder in company growth and operational planning.
Other Directorships	Chandan Diagnostic Limited and Chandan Hospital Limited

Key Management Persons Name -	Vijay Singh
Age	57
Designation and No. of years of experience	Promoter and Information Technology Head with 20+ years of experience in IT
Qualification	Bachelor of Arts and Post Graduate Diploma in Computer Engineering
Roles & Responsibility	Developing and maintaining critical software solutions for company operations.
Other Directorships	Chandan Diagnostic Limited and Chandan Hospital Limited

Amit Gupta (48 years old) – Non-Executive Independent Director with **over two decades of experience** in compliance and secretarial matters. A fellow member of the Institute of Company Secretaries of India, he also holds a Diploma in Business Finance and a Certificate of Practice.

Brahma Nand Bhartiya (70 years old) – Non-Executive Independent Director with **extensive experience in labor administration**. Previously served as **Assistant Labour Commissioner** in the Department of Labour Commissioner, Uttar Pradesh, retiring in 2014.

Vinod Jain (66 years old) – Non-Executive Independent Director with a **distinguished career in surgery and medical academia**. A former **Professor at King George Medical University, Lucknow (1998-2022)**, he holds fellowships from the **American College of Surgeons and the International College of Surgeons**.

FINANCIAL SNAPSHOT

Statement of Profit and Loss				Amt in Lakhs.
Particulars	FY 22	FY 23	FY 24	Dec-24
Revenue from Operations	11,956.35	13,688.94	17,659.01	16,747.47
Other Income	35.23	13.98	136.85	51.35
Total Income	5,753.41	8,055.56	8,116.73	4,527.53
Expenses				
Cost of material consumed	967.89	1,388.00	1,112.68	980.88
Purchases of stock-in-trade	5,332.58	5,493.56	7,236.76	7,114.09
Change in Inventories of materials in hand	-74.28	-410.16	-264.47	-374.73
Employee Benefit Expenses	1,872.98	2,549.09	3,537.96	2,914.21
Finance Cost	170.62	241.91	275.19	327.99
Depreciation and Amortization Expense	196.06	208.95	340.4	404.92
Other expenses	3,631.76	3,730.45	3,411.34	3,090.97
Total Expenses	12,097.61	13,201.80	15,649.86	14,458.33
EBITDA	225.42	938.00	2,624.74	3,022.05
EBITDA Margin	1.89%	6.85%	14.86%	18.04%
Profit/(Loss) before tax	-106.03	501.12	2,146.00	2,340.49
Tax Expense				
Current tax	3.23	111.31	510.57	539.6
Deferred Tax	-	31.18	-0.07	58.9
Total Tax	3.23	142.49	510.50	598.50
Profit/(Loss) for the year	-109.26	358.63	1,635.50	1,741.99
Net Profit Margin	-0.91%	2.62%	9.26%	10.40%

Statement of Assets and Liabilities				Amt in Lakhs.
Particulars	FY 22	FY 23	FY 24	Dec-24
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	2,000.00	2,000.00	2,000.00	2,000.00
Reserves and surplus	216.34	238.17	246.02	373.09
Minority Interest	400.07	736.87	2,116.07	3,430.99
Total Equity	2,616.41	2,975.04	4,362.09	5,804.08
2. Non-current liabilities				
Long-term borrowings	670.08	789.04	1,217.56	1,974.05
Deferred Tax liability	108.25	139.43	139.36	198.25
Other Long Term Liabilities	0.65	0.65	0.45	0.45
Long-Term Provisions	215.92	218.41	305.75	326.54
Total Non-current liabilities	994.90	1,147.53	1,663.12	2,499.29
3. Current liabilities				
Short-term Borrowings	988.09	1,346.46	2,983.71	3,218.27
Trade Payables				
(i) Total outstanding dues of MSME	144.13	337.45	626.71	531.57
(ii) Total outstanding dues of creditors other than MSME	2,515.54	3,156.74	1,517.35	3,817.66
Other Current Liabilities	819.21	768.02	1,558.91	880.2
Short-term provisions	44.47	51.26	174.49	255.19
Total Current liabilities	4,511.44	5,659.93	6,861.17	8,702.89
Total Liabilities	5,506.34	6,807.46	8,524.29	11,202.18
Total Equity and Liabilities	8,122.75	9,782.50	12,886.38	17,006.26
ASSETS				
1. Non-current assets				

Particulars	FY 22	FY 23	FY 24	Dec-24
Property, Plant and Equipment	2,493.35	2,812.34	4,406.12	6,461.11
Intangible Assets	443.27	443.27	443.27	443.27
Non-Current Investments	579.91	422.52	337.72	337.72
Long-Term Loans and Advances	131.99	393.91	121.6	603.31
Other Non- current Assets	159.15	355.11	362.16	189.44
Total Non-Current assets	3,807.67	4,427.15	5,670.87	8,034.85
2. Current assets				
Current Investments	-	286.17	-	-
Inventories	656.03	987.12	1,824.37	3,127.55
Trade Receivables	2,869.81	2,368.84	2,656.05	3,951.99
Cash & Cash equivalents	157.63	204.46	524.64	1,042.54
Short term loans and advances	621.13	1,490.82	2,149.29	781.98
Other Current Assets	10.48	17.94	61.16	67.35
Total Current assets	4,315.08	5,355.35	7,215.51	8,971.41
Total Assets	8,122.75	9,782.50	12,886.38	17,006.26

Cash Flow Statement				Amt in Lakhs.
Particulars	FY 22	FY 23	FY 24	Dec-24
Net Cash Flow from Operating Activities	609.98	449.78	246.31	2,559.41
Net Cash Flow from Investing Activities	-1,074.72	-648.96	-1,482.73	-2,417.50
Net Cash Flow from Financing Activities	-116.99	246.01	1,556.60	375.99

Key Ratios

Per Share Data	FY 22	FY 23	FY 24	FY 25*	Valuation Ratios (x)	FY 22	FY 23	FY 24	FY 25*
Diluted EPS	-0.55	1.68	8.14	28.54	EV/EBITDA	17.56	5.01	2.86	1.25
BV per share	13.08	14.88	21.81	50.54	Market Cap / Sales	2.53	2.21	1.71	1.65
Operating Ratios					P/E	-	89.88	18.55	15.87
EBITDA Margins	1.89%	6.85%	14.86%	18.04%	Price to Book Value	11.54	10.15	6.92	3.81
PAT Margins	-0.91%	2.62%	9.26%	10.40%	Solvency Ratios				
Inventory days	20.08	26.39	37.81	33.86	Debt / Equity	0.75	0.95	1.87	0.54
Debtor days	87.85	63.34	55.05	67.72	Current Ratio	0.96	0.95	1.05	1.05
Creditor days	154.50	185.84	93.99	145.39	Quick Ratio	0.81	0.77	0.79	0.79
Return Ratios					Asset Turnover	1.47	1.40	1.37	1.74
RoCE	0.81%	17.68%	37.91%	30.00%	Interest coverage Ratio	0.17	3.01	8.30	7.98
RoE	-4.93%	16.02%	72.82%	24.04%					

*Annualised

LEAD MANAGER TRACK RECORD –

The lead manager to the issue is Unistone Capital Private 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 –

Unistone Capital Private Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Usha Financial Services Limited	98.45	168.00	Oct 31, 2024	106.00
2.	OBSC Perfection Limited	66.02	100.00	Oct 29, 2024	178.30
3.	Diffusion Engineers Limited	158.00	168.00	Oct 04, 2024	312.45
4.	Deccan Transcon Leasing Limited	65.06	108.00	Sep 24, 2024	60.55
5.	Arkade Developers Limited	410.00	128.00	Sep 24, 2024	159.30
6.	Shree Tirupati Balajee Agro Trading Company Limited	169.65	83.00	Sep 12, 2024	66.96
7.	Saraswati Saree Depot Limited	160.01	160.00	Aug 20, 2024	116.70
8.	Manglam Infra and Engineering Limited	27.62	56.00	Jul 31, 2024	36.05
9.	Exicom Tele-Systems Limited	429.00	142.00	Mar 05, 2024	200.00
10.	Platinum Industries Limited	235.32	171.00	Mar 05, 2024	298.00

The company has handled 19 mandates in the past three years (including the current year).

*CMP for the above-mentioned companies is taken as of 10th February 2024.

As per the offer document, the above-mentioned mandates except for Usha Financial Services Limited all have opened at a premium on the listing day.

Recommendation -

Recommendation: Neutral

The company has been in existence since 2003, demonstrating significant experience in the industry. However, given its involvement in the healthcare sector, the management could benefit from adding more members with expertise in healthcare or medical backgrounds to strengthen strategic decision-making.

The company has received **positive customer feedback** on platforms like **Justdial** and maintains a well-established network of diagnostic labs, they are also very growth focused evident in their business strategies and reasons for raising funding.

However, several risks must be considered before investing:

1. **Revenue Concentration Risk:** A large portion of revenue depends on a limited number of customers. As of December 31, 2024, two customers accounted for **50.51% of total revenue**. Over the past three fiscal years, dependency on these two customers has been increasing, posing risks related to contract renewals, payment delays, and potential business loss.
2. **Regional Concentration Risk:** The company's operations are primarily based in **Uttar Pradesh and Uttarakhand**, with **more than 70% of revenue coming from Uttar Pradesh alone**. Any regulatory or economic changes in these states could significantly impact the business.
3. **Dependence on Chandan Hospital Limited:** The company generates a significant portion of revenue from **Chandan Hospital Limited (29.07%–36.08% in recent years)** without long-term agreements, exposing it to business uncertainty if transactions decline.
4. **Revenue Growth & Sustainability:** The company reported a **29.00% YoY revenue growth in FY 2023-24**, primarily due to an increase in B2B contracts, new customers (**2,97,592 added in FY24**), and expanded diagnostic centres (**satellite labs increased from 24 to 26 and collection centres from 344 to 348**). However, investors should assess whether this growth is sustainable in the long term. Company had losses in FY 22 and rapidly went from -0.91% net loss to 9.26% profit margin.
5. **Promoter Holding Decline:** The **promoter holding has decreased significantly from 69.93% to 49.20%**, raising concerns about reduced control over the company. Investors should evaluate if this affects decision-making and long-term strategy.
6. **Valuation:** The **P/E ratio appears fairly valued when compared to industry peers**, making it neither an overvalued nor undervalued proposition at this stage.

Final Verdict

Given the above factors, we recommend a **neutral stance on the company's IPO**. While the company has strong experience, a solid customer base, and positive industry presence, the risks associated with revenue concentration, geographic dependence, and legal proceedings warrant caution. **Investors can apply after evaluating the company's post-listing performance.**

Disclaimer

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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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