

| IPO Details | |
|-------------------------------------|--|
| Opening Date | Feb 09, 2024 |
| Closing Date | Feb 13, 2024 |
| Stock Exchange | NSE, BSE |
| Lot Size | 11 Shares |
| Issue Price | ₹1,195 to ₹1,258 per share |
| Issue Size | Aggregating up to 1,600.00 Cr. |
| Fresh Issue | Aggregating up to 1,000.00 Cr. |
| Offer for Sale | Aggregating up to 600.00 Cr |
| Application | Min. Inv. - ₹ 13,838 (11 |
| Amount (Price at Upper Band) | shares) Max. Inv. - ₹ 193,732 (154 shares) |

| IPO Objective | |
|---------------|---|
| 1. | Repayment/prepayment, in full or part, of certain borrowings availed of by the Company. |
| 2. | Funding of long-term working capital requirements of the Company and its Subsidiaries during Fiscals 2025 and 2026. |
| 3. | Pursuing inorganic growth initiatives through acquisitions. |
| 4. | General corporate purposes. |

| Pre-Issue Shareholding | | |
|---------------------------|---------------|-------------------|
| Category | No. of Shares | % of Total Shares |
| Promoter & Promoter Group | 2,74,06,428 | 77.11 % |
| Public | 81,36,770 | 22.89 % |

| Promoter of the Company | |
|-------------------------|------------------------------------|
| 1. | Prabhat Agrawal |
| 2. | Prem Sethi |
| 3. | Orbimed Asia III Mauritius Limited |

| Competitive Strengths | |
|-----------------------|---|
| 1. | Company operates in the large and highly fragmented Indian healthcare products distribution market and expect to benefit from market consolidation. |
| 2. | Company is one of India's largest and fastest growing healthcare products distribution platforms. |
| 3. | Track record of inorganic expansion and integration to grow. |
| 4. | Differentiated business model offering comprehensive and integrated commercial and supply chain solutions. |
| 5. | Proprietary tech platform with integrated business intelligence tools and solutions. |
| 6. | Experienced, committed and qualified founding and professional management team. |

| Company Background | |
|--------------------|--|
| ○ | Entero Healthcare Solutions Limited was originally incorporated in the year 2018 and has its registered office in Faridabad, Haryana, India. |
| ○ | The company primary line of business is in the distribution of healthcare products to retail pharmacies, hospitals and healthcare clinics in India. |
| ○ | The company adds value to the healthcare product manufacturers that work with them by providing them reach and accessibility to pharmacies, hospitals and clinics through integrated and technology driven, pan-India healthcare products distribution platform. |
| ○ | As of 30 th September 2023, the Company had 3,181 employees, and 131 contract employees on its payroll. |

| Market Capitalization (In Cr.) | |
|--------------------------------|------------|
| Pre-Issue | Post-Issue |
| ₹ 4,471 | ₹ 5,471 |

| Financial Summary (In Cr.) | | | | |
|----------------------------|----------|----------|----------|----------|
| For the Period Ended | Mar-21 | Mar-22 | Mar-23 | Sept-23 |
| Total Assets | 833.79 | 1,125.98 | 1,308.73 | 1,505.95 |
| Net Assets | 487.06 | 563.22 | 597.66 | 660.54 |
| Total Borrowings | 141.70 | 285.03 | 373.52 | 488.68 |
| Total Revenue | 1,783.67 | 2,526.55 | 3,305.72 | 1,898.98 |
| Profit After Tax | -15.35 | -29.44 | -11.10 | 11.64 |

| Tentative Timeline | |
|----------------------------------|--------------|
| Opening Date | Feb 09, 2024 |
| Closing Date | Feb 13, 2024 |
| Basis of Allotment | Feb 14, 2024 |
| Initiation of Refunds | Feb 15, 2024 |
| Credit of Shares to Demat | Feb 15, 2024 |
| Listing Date | Feb 16, 2024 |

Company Background and Analysis

Entero Healthcare Solutions Limited was incorporated on January 10, 2018. Company's primary line of business is in the distribution of healthcare products to retail pharmacies, hospitals and healthcare clinics in India. Company adds value to the healthcare product manufacturers that works with it by providing them reach and accessibility to pharmacies, hospitals and clinics through integrated and technology driven, pan-India healthcare products distribution platform. As of September 30, 2023, company had 77 warehouses located across the country, last-mile delivery infrastructure and relationships with pharmacies, hospitals and clinics enables healthcare product manufacturers to make their products available to a wide range of customers.

Similarly, the pharmacies, hospitals and clinics that company services get access to a wide range of healthcare products through company's distribution infrastructure and healthcare product manufacturer relationships. During the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2023, company had catered to over 39,500, 64,200, 81,400 and 73,700 retail customers, respectively, and over 1,600, 2,500, 3,400 and 2,800 hospital customers, respectively. Further, as of September 30, 2023, company has supply relationships with over 1,900 healthcare product manufacturers that gives it access to over 63,900 product stock-keeping units ("SKUs").

The company seeks to provide service and value in the following ways: –

1. Benefits to healthcare product manufacturers:

- a) Access to large number of pharmacies, hospitals and clinics throughout the country through a single distributor platform.
- b) Availability of a nationwide healthcare products distribution platform in compliance with relevant regulations for setting up warehouses, and logistics services.
- c) Integrated systems and technologies to offer data intelligence and analytics.
- d) Comprehensive end-to-end healthcare products distribution solutions combined with marketing and promotion capabilities.

2. Benefits to pharmacies, hospitals and clinics:

- a) One stop solution for procurement needs.
- b) Better retail experience through technology-based solutions such as direct B2B applications and web Platforms.

Company has grown its business through both organic and inorganic means (i.e. through acquisition of distributors). As part of inorganic growth strategy, company has endeavoured to take advantage of the market consolidation opportunities available in the Indian healthcare products distribution market. Accordingly, it has adopted a pan India approach towards acquiring and integrating smaller distributors to expand its geographic reach and increase the wallet share from customers. Since inception in the Financial Year 2018, company has acquired 34 entities in the healthcare products distribution industry.

To conclude, Since Entero Healthcare Solutions Limited has decent experience in the industry in which the company operates. The company has shown extraordinary grown with the help of its strategies and is amongst the top three healthcare products distributors in India in terms of revenue in Financial Year 2022 and reported an operating income of ₹2,522.07 Cr. in Financial Year 2022.

Business Strategies

- 1. Benefit from healthcare products distribution market consolidation with strategic acquisitions –**
The company intend to further supplement organic growth with strategic acquisitions of regional and local distributors with strong branding, market position and growth potential in markets where company either do not have a presence or intend to consolidate market share.
- 2. Strengthen market position through increases in customer base, wallet share and geographic penetration –**
The Company intends to grow sales through existing distribution network, taking advantage of the low penetration of scaled up and efficient healthcare products distribution platforms and strengthen market position by (i) increasing customer base through the addition of new pharmacies, hospitals and clinics in both existing and new territories, (ii) expanding geographic reach through a “hub and spoke” model which connects company’s warehouses and supply points across districts, (iii) increasing wallet share from existing pharmacies and hospitals by offering larger product portfolios, deeper customer engagement through technology and digital solutions, and (iv) offering procurement efficiencies and economies of scale advantages.
- 3. Pursue comprehensive marketing and distribution collaborations with healthcare product manufacturers –**
The Company intends to pursue more opportunities in the future for offering integrated commercial solutions including sales, marketing, promotion and supply chain to pharmaceutical and healthcare brands that intends to expand their reach and footprint in the Indian market.
- 4. Expand product adjacencies, private label and service offerings –**
The company intends to expand its portfolio of pharmaceuticals, nutraceuticals, generic medicines, medical devices, surgical consumables, diagnostic consumables, hospital capital equipments and OTC that are sold in pharmacies and hospitals, in order to provide it with better sales synergies.
- 5. Continue to invest in and leverage technology, scale and synergistic adjacencies to drive efficiencies and profitability –**
The company intends to increase its customer reach, customer retention and customer wallet share though continued investment in technology infrastructure, including investing in and enhancing Entero Direct application, ERP systems, CRM application, Teqtic data warehouse and other technological developments to support customers and operations.

Competitive Scenario and Peer Mapping

Competition

The Indian pharmaceutical distribution market remains very fragmented with traditional local distributors dominating the market with a market share of 90% to 92%. Company operates in a highly fragmented industry, the development of the industry could present a highly competitive global environment with strong competition from other distributors, service merchandisers, self-warehousing chain drug stores, manufacturers engaged in direct distribution, third-party logistics companies. The industry has medium barriers to entry. The bargaining power with the customers is low in the sector in which the company operates.

Peer Analysis

The comparison of the key performance indicators of the listed peers as of Mar-21 is given below –

| Particulars | Entero Healthcare Solutions Limited | MedPlus Health Services Limited |
|----------------------------|-------------------------------------|---------------------------------|
| | 31st Mar 2021 | 31st Mar 2021 |
| Net Profit Margin | -0.86% | 2.05% |
| EBITDA Margin | 1.21% | 7.07% |
| Return on Capital Employed | 0.28% | 11.21% |
| Return on Equity | -3.37% | 8.63% |
| EPS (INR) | -5.29 | 1,393.11 |

The comparison of the key performance indicators of the listed peers as of Mar-22 is given below –

| Particulars | Entero Healthcare Solutions Limited | MedPlus Health Services Limited |
|----------------------------|-------------------------------------|---------------------------------|
| | 31st Mar 2022 | 31st Mar 2022 |
| Net Profit Margin | -1.17% | 2.51% |
| EBITDA Margin | 0.97% | 7.22% |
| Return on Capital Employed | -0.68% | 7.57% |
| Return on Equity | -5.87% | 6.70% |
| EPS (INR) | -9.22 | 8.02 |

The comparison of the key performance indicators of the listed peers as of Mar-23 is given below –

| Particulars | Entero Healthcare Solutions Limited | MedPlus Health Services Limited |
|----------------------------|-------------------------------------|---------------------------------|
| | 31st Mar 2023 | 31st Mar 2023 |
| Net Profit Margin | -0.34% | 1.10% |
| EBITDA Margin | 1.94% | 5.84% |
| Return on Capital Employed | 2.20% | 3.62% |
| Return on Equity | -2.12% | 3.35% |
| EPS (INR) | -3.10 | 4.17 |

Industry Overview

Exhibit 1: Healthcare Sector Growth Trend (US\$ Billion).

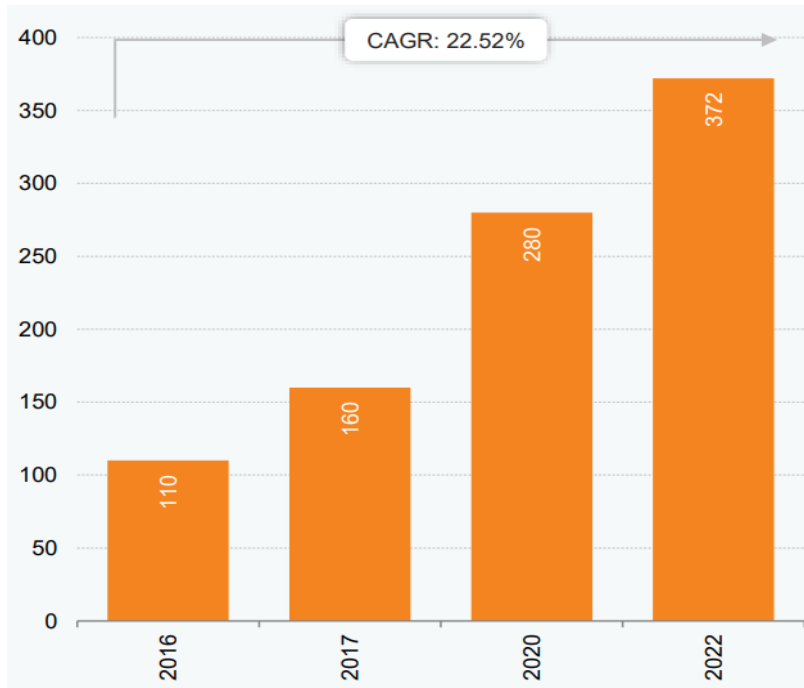
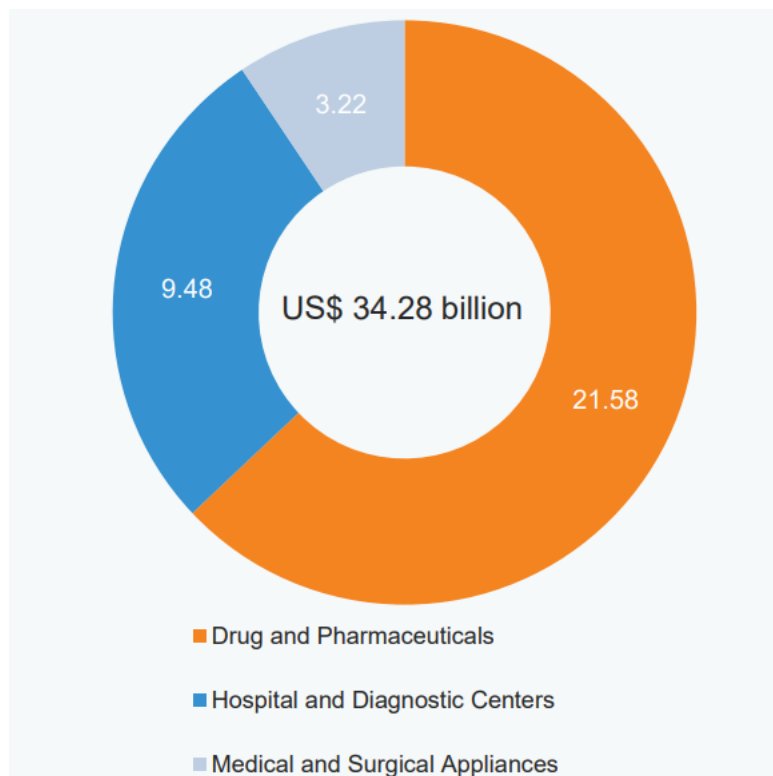


Exhibit 2: Cumulative FDI inflows from April 2000-September 2023 (US\$ billion)



(Source: ibef.org)

Healthcare Industry in India

India's fast-growing healthcare industry has become one of the leading contributors to the economy. A confluence of economic and demographic factors is driving healthcare demand in the country. Factors such as an ageing population, a growing middle class, an increasing number of lifestyle diseases, and adoption of technology are the key drivers of the healthcare industry in India. The domestic healthcare industry comprises the following segments: healthcare delivery (hospital), pharmaceuticals, health insurance, medical devices, diagnostic services, medical equipment, and other support services to healthcare players. The overall healthcare market is the ecosystem of all the mentioned sub-segments wherein the service provider interacts with the end-consumer through connected means.

Indian healthcare market to clock 11-12% CAGR between fiscals 2023 and 2028 on strong healthcare services penetration and favourable macroeconomic factors.

The Indian healthcare industry, consisting of the pharmaceuticals, hospitals, medical devices, diagnostics and health insurance segments, grew exponentially, logging a 10-11% CAGR, between fiscals 2018 and 2023. Last fiscal, the industry was valued at ~₹10.0 trillion. With an ageing population, an increased incidence of lifestyle diseases, greater healthcare awareness, technology adoption, and a growing affluent middle class serving as some of the key drivers, the market is expected to clock an 11-12% CAGR between fiscals 2023 and 2028, reaching ₹16.5-17.5 trillion in fiscal 2028.

The industry has significant potential for further expansion, as a considerable portion of India's healthcare services remain underpenetrated. Government initiatives such as increased expenditure, Pradhan Mantri Jan Arogya Yojana (PMJAY), National Digital Health Mission, and Production Linked Incentive (PLI) scheme for pharmaceuticals are expected to support growth of the domestic healthcare industry.

The Pharmaceutical Supply Chain in India

The Indian pharmaceutical distribution space has ~65,000 distributors and more than 900,000 retailers. The supply chain is still dominated by traditional small players in the distribution and retail segments. However, the pharmaceutical distribution industry is consolidating, with larger players acquiring smaller traditional local distributors to increase market reach and achieve better operational performance. The share of large/national distributors in India is 8-10%; the remaining is accounted for by traditional local distributors. The retail segment is also dominated by local and standalone pharmacies. With the entry of large retail chains and e-pharmacies, this retail channel is also poised for consolidation.

India has lower penetration of large/national distributors compared with developed markets, thus presenting growth potential for large/national distributors.

When compared with other global developed pharmaceutical markets, India's market is highly fragmented. The distribution of pharmaceutical products in India is extremely fragmented, with ~65,000 distributors as of March 31, 2023. These generally only service limited local areas, unlike developed markets where large nationwide distributors occupy a dominant market position. As a result, in India, healthcare brands and product manufacturers need to work with a large number of small wholesalers and distributors to make products available to end consumers.

(Source: Prospectus)

Key Managerial Personnel

Sujesh Vasudevan, aged 58, is the Chairperson and Non-Executive Independent Director of the Company. He obtained his bachelor's degree of pharmacy from the University of Bombay, a master's in management studies from University of Bombay and an advanced management program from Harvard Business School. He has more than 18 years of experience. He is currently an independent director in Eris Lifesciences Limited. Previously, he was associated with Glenmark Pharmaceuticals Limited, Abbott India Limited and Torrent Pharmaceuticals Limited.

Prabhat Agrawal, aged 47, is the Promoter, Managing Director and Chief Executive Officer of the Company and he is currently responsible for the overall business strategy, operations, financial performance and management of the Company. He obtained his bachelor's degree in commerce from Mumbai University and a master's degree in management from The Indian School of Business, Hyderabad. He is also a qualified Chartered Accountant with the Institute of Chartered Accountants of India and a Chartered Financial Analyst with the Institute of Chartered Financial Analysts, USA. He has more than 20 years of experience. Prior to joining the Company, he was associated as Chief Executive Officer with Alkem Laboratories Limited, as Group CFO with Metalfrío Solutions SA, Brazil, as Deputy Operations Director with Frigoglass Industries Nigeria Limited, as member of Corporate Strategy and Business Development Cell with Aditya Birla Management Corporation Limited and other organizations in various managerial roles.

Prem Sethi, aged 46, is the Promoter, Whole-time Director and Chief Operating Officer of the Company. He obtained his bachelor's degree in pharmacy from Rajiv Gandhi University of Health Sciences, Karnataka and a master's diploma in Clinical Research and Pharmacovigilance from James Lind Institute, Karnataka. He has more than 16 years of experience.

Sumona Chakraborty, aged 36, is a Non-Executive Non-Independent (Nominee) Director of the Company and a nominee of OrbiMed Asia III Mauritius Limited. She obtained her bachelor's degree of technology from National Institute of Technology, Warangal and a post graduate diploma in management from S.P. Jain Institute of Management & Research, Mumbai. She has more than 10 years of experience.

Vipul Indravadan Desai, aged 45, is a Non-Executive Non-Independent (Nominee) Director of the Company and a nominee of Prasad Uno Family Trust. He obtained his bachelor's degree of commerce from University of Mumbai and a master's program in business administration in finance management from Indian School of Business Management & Administration.

Arun Sadhanandham, aged 39, is a Non-Executive Non-Independent (Nominee) Director of the Company and a nominee of OrbiMed Asia III Mauritius Limited. He obtained his bachelor's degree of engineering from the Anna University, Chennai and a post graduate diploma in management from Indian Institute of Management of Bengaluru. He has more than 13 years of experience.

Rajesh Shashikant Dalal, aged 70, is a Non-Executive Independent Director of the Company. He obtained his bachelor's degree of Technology from the Indian Institute of Technology, Madras. He has more than 34 years of experience.

Sandhya Gadkari Sharma, aged 63, is a Non-Executive Independent Director of the Company. She obtained her bachelor's degree of commerce from the University of Bombay and a master's in management studies from University of Bombay. She has 38 years of experience.

To conclude, the company has 3 promoters out of which two are individual promoters who has vast knowledge, and experience in the industry in which the company operates. The Remaining Directors of the company also have good knowledge and experience in their respective fields which helps in the overall growth of the company.

Financial Snapshot

| Profit and Loss Statement | | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| (In Cr.) | | | | |
| Particulars | FY 21 | FY 22 | FY 23 | Sep-23 |
| Revenue from Operations | 1,779.74 | 2,522.07 | 3,300.21 | 1,895.50 |
| Other Income | 3.93 | 4.48 | 5.51 | 3.48 |
| Total Income | 1,783.67 | 2,526.55 | 3,305.72 | 1,898.98 |
| Expenses | | | | |
| Purchase of Stock-in-trade | 1,685.19 | 2,342.47 | 3,051.26 | 1,760.03 |
| Changes in inventories of finished goods, work-in-process and Stock-in-Trade | -47.05 | -30.03 | -19.40 | -33.69 |
| Employee benefits expense | 75.94 | 114.81 | 128.14 | 73.33 |
| Finance Costs | 20.04 | 28.98 | 48.97 | 32.29 |
| Depreciation and Amortization expense | 16.28 | 19.75 | 24.24 | 11.88 |
| Other expenses | 44.11 | 70.38 | 76.20 | 41.47 |
| Total Expenses | 1,794.51 | 2,546.36 | 3,309.41 | 1,885.31 |
| Earnings Before Interest, Taxes, Depreciation & Amortization | 21.54 | 24.44 | 64.01 | 54.37 |
| EBITDA Margin | 1.21% | 0.97% | 1.94% | 2.87% |
| Profit before exceptional and extraordinary items and tax | -10.84 | -19.81 | -3.69 | 13.67 |
| Exceptional items | - | - | - | - |
| Profit/(Loss) before tax | -10.84 | -19.81 | -3.69 | 13.67 |
| Tax Expense | | | | |
| Current Tax | 4.68 | 9.86 | 9.97 | 6.69 |
| Deferred Tax Expense / (credit) | -0.17 | -0.24 | -2.55 | -4.66 |
| Total Tax Expense | 4.52 | 9.63 | 7.42 | 2.03 |
| Profit/(Loss) for the year | -15.35 | -29.44 | -11.10 | 11.64 |
| Net Profit Margin | -0.86% | -1.17% | -0.34% | 0.61% |

| Balance Sheet | | | | |
|-------------------------------------|---------------|---------------|---------------|---------------|
| (In Cr.) | | | | |
| Particulars | FY 21 | FY 22 | FY 23 | Sep-23 |
| ASSETS | | | | |
| Non-Current Assets | | | | |
| Property, Plant and Equipment | 40.85 | 45.66 | 43.18 | 41.99 |
| Right of Use Asset | 55.88 | 61.66 | 53.69 | 48.38 |
| Capital work-in-progress | - | 0.59 | - | - |
| Goodwill | 89.49 | 150.24 | 167.03 | 168.31 |
| Other Intangible assets | 2.36 | 4.40 | 3.84 | 3.57 |
| Intangible assets under development | 2.24 | 0.05 | - | - |
| Financial Assets | | | | |
| Other financial assets | 6.39 | 6.75 | 7.95 | 12.31 |
| Deferred tax assets (net) | 0.33 | 0.68 | 2.01 | 7.07 |
| Non current tax assets (net) | 3.33 | 4.86 | 7.87 | 8.25 |
| Other non-current assets | - | 0.21 | - | - |
| Total Non-Current assets | 200.86 | 275.10 | 285.56 | 289.86 |
| Current Assets | | | | |
| Inventories | 243.93 | 310.16 | 341.63 | 387.46 |
| Financial Assets | | | | |
| (i)Investments | - | - | - | - |
| (ii)Trade Receivables | 242.15 | 374.60 | 514.88 | 630.49 |
| (iii)Cash and Cash Equivalents | 32.31 | 46.51 | 25.36 | 51.93 |

| Balance Sheet | | | | | (In Cr.) |
|--|---------------|-----------------|-----------------|-----------------|-----------------|
| (iv) Other Bank Balances | 50.51 | 58.89 | 81.48 | 78.43 | |
| (v) Loans | 0.75 | 1.02 | 0.59 | 0.11 | |
| (vi) Other financial assets | 0.63 | 1.54 | 1.41 | 2.94 | |
| Other current assets | 62.64 | 58.16 | 57.82 | 64.73 | |
| Total Current assets | 632.92 | 850.88 | 1,023.17 | 1,216.09 | |
| Total Assets | 833.79 | 1,125.98 | 1,308.73 | 1,505.95 | |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Share Capital | 0.10 | 3.85 | 4.11 | 16.07 | |
| Instruments entirely equity in nature | 517.11 | 618.99 | 663.61 | 702.64 | |
| Other Equity | -31.85 | -61.80 | -72.70 | -61.08 | |
| Total equity attributable to equity holders of the company | 485.37 | 561.04 | 595.03 | 657.63 | |
| Non-controlling interests (NCI) | 1.69 | 2.18 | 2.63 | 2.91 | |
| Total Equity | 487.06 | 563.22 | 597.66 | 660.54 | |
| Liabilities | | | | | |
| Non-current liabilities | | | | | |
| Financial Liabilities | | | | | |
| (i) Borrowings | - | 37.13 | 31.07 | 113.48 | |
| (ii) Lease liabilities | 53.23 | 57.69 | 49.97 | 46.29 | |
| Provisions | 2.75 | 4.43 | 5.40 | 6.31 | |
| Deferred tax liabilities (net) | 1.62 | 1.74 | 0.67 | 1.05 | |
| Total Non-current liabilities | 57.60 | 100.99 | 87.11 | 167.13 | |
| Current liabilities | | | | | |
| Financial Liabilities | | | | | |
| (i) Borrowings | 141.70 | 247.90 | 342.45 | 375.20 | |
| (ii) Trade Payables | | | | | |
| - total outstanding dues of micro enterprises and small enterprises | 1.07 | 2.34 | 4.40 | 3.03 | |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 95.67 | 137.44 | 206.10 | 221.83 | |
| (iii) Other Financial Liabilities | 10.82 | 41.06 | 30.95 | 39.70 | |
| (iv) Lease Liabilities | 7.99 | 11.92 | 13.48 | 12.53 | |
| Other current liabilities | 11.65 | 11.93 | 20.16 | 18.81 | |
| Provisions | 19.49 | 7.96 | 4.65 | 3.07 | |
| Current tax liabilities (Net) | 0.74 | 1.23 | 1.78 | 4.11 | |
| Total Current liabilities | 289.13 | 461.78 | 623.96 | 678.28 | |
| Total Liabilities | 346.73 | 562.77 | 711.07 | 845.41 | |
| Total Equity and Liabilities | 833.79 | 1,125.98 | 1,308.73 | 1,505.95 | |

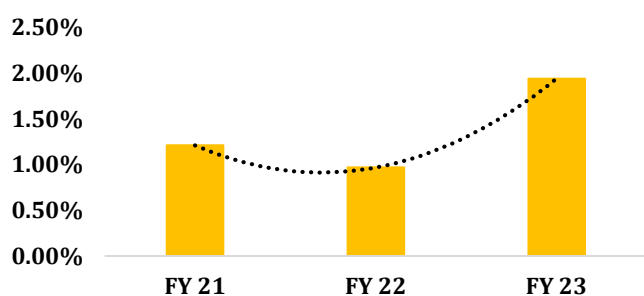
| Cash Flow Statement | | | | | (In Cr.) |
|---|--------------|--------------|--------------|---------------|-----------------|
| Particulars | FY 21 | FY 22 | FY 23 | Sep-23 | |
| Net Cash Flow from Operating Activities | -68.68 | -35.27 | -45.32 | -82.72 | |
| Net Cash Flow from Investing Activities | -30.87 | -161.73 | -48.60 | -18.88 | |
| Net Cash Flow from Financing Activities | 88.71 | 211.19 | 72.76 | 127.09 | |

| Ratio Sheet | | | | |
|-----------------------------|--------------|--------------|--------------|----------------|
| Particulars | FY 21 | FY 22 | FY 23 | Sep-23* |
| Per Share Data | | | | |
| Diluted EPS | -5.29 | -9.22 | -3.1 | 4.70 |
| BV per share | 111.60 | 129.00 | 136.81 | 221.61 |
| Operating Ratios | | | | |
| EBITDA Margins | 1.21% | 0.97% | 1.94% | 2.87% |
| PAT Margins | -0.86% | -1.17% | -0.34% | 0.54% |
| Inventory days | 50.03 | 44.89 | 37.78 | 37.41 |
| Debtor days | 49.66 | 54.21 | 56.95 | 60.87 |
| Creditor days | 209.53 | 217.80 | 251.81 | 233.80 |
| Return Ratios | | | | |
| RoCE | 1% | 1% | 6% | 9% |
| RoE | -3% | -5% | -2% | 2% |
| Valuation Ratios (x) | | | | |
| EV/EBITDA | 27.61 | 32.72 | 14.74 | 11.83 |
| Market Cap / Sales | 3.07 | 2.17 | 1.66 | 1.44 |
| P/E | - | - | - | 267.47 |
| Price to Book Value | 11.27 | 9.75 | 9.20 | 5.68 |
| Solvency Ratios | | | | |
| Debt / Equity | 0.30 | 0.45 | 0.58 | 0.39 |
| Current Ratio | 2.19 | 1.84 | 1.64 | 1.79 |
| Quick Ratio | 1.35 | 1.17 | 1.09 | 1.22 |
| Asset Turnover | 2.13 | 2.24 | 2.52 | 1.26 |
| Interest Coverage Ratio | 0.26 | 0.16 | 0.81 | 1.32 |

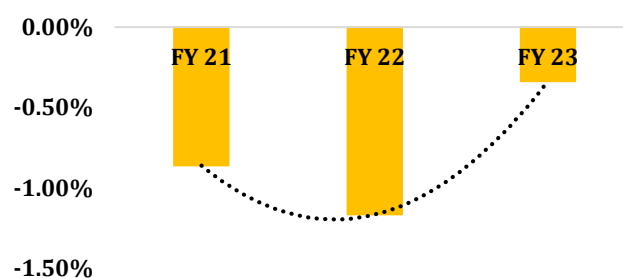
*Annualized Figures

Financial Charts

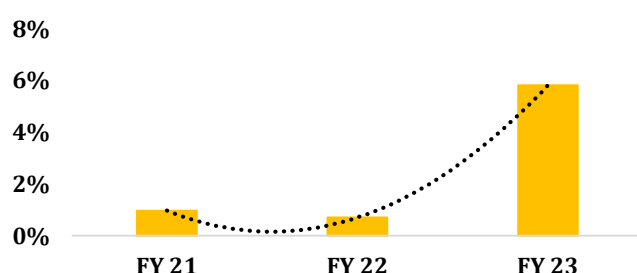
EBITDA Margin



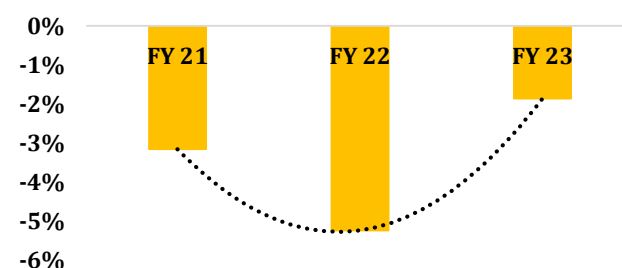
Net Profit Margin



Return On Capital Employed



Return on Equity



Key Risk Factors

1. The company has experienced losses in the Financial Years 2021, 2022 and 2023.
2. There are outstanding legal proceedings involving the Company, the Directors, the Promoters and the Subsidiaries amounting to Rs. 10.01 Cr.
3. The company has certain contingent liabilities amounting to Rs. 0.30 Cr that may adversely affect the financial condition and results of operations.
4. The company has had negative cash flows from operating for the all the three previous FY and for the period ended September 2023 and may continue to have negative cashflows in the future.

Track Record of Lead Manager

The lead managers to the issue are ICICI Securities Limited, DAM Capital Advisors Limited, Jefferies India Private Limited, JM Financial Limited and SBI Capital Markets Limited. A table has been set below highlighting the details of the IPO of the last 5 companies handled by the Lead Managers in recent times –

ICICI Securities Limited –

| Sr. No. | Company Name | Issue Size in Cr. | Issue Price/Share (In INR) | Listing Date | CMP* (INR) |
|---------|--------------------------------|-------------------|----------------------------|-------------------|------------|
| 1. | EPACK Durable Limited | 640.05 | 230.00 | January 30, 2024 | 178.90 |
| 2. | Jyoti CNC Automation Limited | 1,000.00 | 331.00 | January 16, 2024 | 580.65 |
| 3. | Innova Captab Limited | 570.00 | 448.00 | December 29, 2023 | 550.60 |
| 4. | Azad Engineering Limtied | 740.00 | 524.00 | December 28, 2023 | 980.55 |
| 5. | Credo Brands Marketing Limited | 549.78 | 280.00 | December 27, 2023 | 238.50 |

The company has had 57 mandates in the past three years (including the current year)

Dam Capital Advisors Limited –

| Sr. No. | Company Name | Issue Size in Cr. | Issue Price/Share (In INR) | Listing Date | CMP* (INR) |
|---------|---------------------------------|-------------------|----------------------------|--------------------|------------|
| 1. | Epack Durable Limited | 640.05 | 230.00 | January 30, 2024 | 178.90 |
| 2. | Credo Brands Marketing Limited | 549.77 | 280.00 | December 27, 2023 | 238.50 |
| 3. | ESAF Small Finance Bank Limited | 463.00 | 60.00 | November 10, 2023 | 64.28 |
| 4. | JSW Infrastructure Limited | 2,800.00 | 119.00 | October 03, 2023 | 216.65 |
| 5. | Yatra Online Limited | 775.00 | 142.00 | September 28, 2023 | 168.45 |

The company has had 19 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. | Concord Biotech Limited | 1,550.52 | 741.00 | August 18, 2023 | 1,390.50 |
| 2. | Mankind Pharma Limited | 4,326.36 | 1,080.00 | May 9, 2023 | 2,176.95 |
| 3. | KFin Technologies | 1,500.00 | 366.00 | December 29, 2022 | 620.70 |
| 4. | Global Health Limited | 2,205.57 | 336.00 | November 16, 2022 | 1,349.40 |
| 5. | CMS Info Systems Limited | 2,000.00 | 216.00 | December 31, 2021 | 366.10 |

The company has had 7 mandates in the past three years (including the current year)

JM Financial Limited -

| Sr. No. | Company Name | Issue Size in Cr. | Issue Price/Share (In INR) | Listing Date | CMP* (INR) |
|---------|---------------------------|-------------------|----------------------------|-------------------|------------|
| 1. | Innova Captab Limited | 570.00 | 448.00 | December 29, 2023 | 550.60 |
| 2. | Happy Forgings Limited | 1,008.59 | 850.00 | December 27, 2023 | 962.60 |
| 3. | Muthoot Microfin Limited | 960.00 | 291.00 | December 26, 2023 | 234.50 |
| 4. | DOMS Industries Limited | 1,200.00 | 790.00 | December 20, 2023 | 1,586.85 |
| 5. | Tata Technologies Limited | 3,042.51 | 500.00 | November 30, 2023 | 1,104.20 |

The company has had 46 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. | Medi Assist Healthcare Services Ltd | 1,171.58 | 418.00 | January 23, 2024 | 516.30 |
| 2. | Jyoti CNC Automation Limited | 1,000.00 | 331.00 | January 16, 2024 | 580.65 |
| 3. | Azad Engineering Limited | 740.00 | 524.00 | December 28, 2023 | 980.55 |
| 4. | Muthoot Microfin Limited | 960.00 | 291.00 | December 26, 2023 | 234.50 |
| 5. | Indian Renewable Energy Development Agency Limited | 2,150.21 | 32.00 | November 29, 2023 | 162.10 |

The company has had 22 mandates in the past three years (including the current year)

*CMP for the above-mentioned companies is taken as of 14th February 2024.

As per the offer document, from the above-mentioned mandates, Muthoot Microfin Limited and Epack Durable Limited has opened at a discount, and all the remaining mandates are opened at a premium on the listing date.

Recommendation

The company has been in the industry since 2018 and thus has decent experience in the industry. The company has had loss in all the 3 FY and was profitable only in the period ended Sep-23. The company faces high competition. The management outlook of the company is satisfactory.

The P/E on an annualized and post-IPO basis is around 267.47 times which makes it aggressively priced by looking at the performance of the company.

The company faces high competition in the industry in which the company operates. The company was only profitable in the period ended Sep-23. Whereas the company is one of India's largest and fastest growing healthcare products distribution platforms and was amongst the top three healthcare products distributors in India in terms of revenue in Financial Year 2022 and reported an operating income of ₹2,522.07 Cr. in Financial Year 2022. The company has shown a good track record of inorganic expansion and integration to grow its geographic reach, revenues and scale and also has good growth strategies planned ahead for the company, mentioned in the strategies mentioned in this report. Thus, keeping in mind the above-mentioned points and at the given P/E **Risk Averse - Should Wait Risk Seekers - Should Apply** to this IPO.



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