

IPO Note

19th December 2025

Company Overview

Gujarat Kidney and Super Speciality Limited is a regional healthcare services provider headquartered in Vadodara, Gujarat, operating a chain of mid-sized, multi-speciality and super-speciality hospitals focused on secondary and tertiary care. The company has a strong presence across central, north and south Gujarat and, on a consolidated basis, operates seven hospitals and four in-hospital pharmacies, with a total bed capacity of ~490 beds, approved beds of ~445, and operational beds of ~340 as of June 30, 2025. The company offers a comprehensive range of medical services spanning general medicine, general and laparoscopic surgery, orthopaedics, obstetrics and gynaecology, pulmonology, diabetology and critical care, as well as super-specialities such as nephrology, urology, cardiology, neurology, oncology, gastroenterology, and renal transplant services. Nephrology and urology are the group's core strengths, with Gujarat Kidney Hospital authorised to perform renal transplants and having successfully performed multiple transplants to date. The integrated care model, supported by in-house diagnostics, ICUs, HDUs and pharmacies, enables improved clinical outcomes, higher patient retention and operational efficiencies. The company has strategically focused on under-penetrated healthcare markets within Gujarat, leveraging its deep understanding of regional patient behaviour and the medical ecosystem. Growth has been driven by a combination of organic expansion and acquisitions, including majority or controlling stakes in multiple hospitals over the last few years, allowing the company to scale rapidly while maintaining capital efficiency. The company is also expanding its footprint through the development of a women's healthcare hospital in Vadodara and the acquisition of Parekh's Hospital Private Limited in Ahmedabad.

Objects of the issue

The net proceeds from the fresh issue will be used towards the following purposes:

- ⇒ Proposed acquisition of Parekhs Hospital at Ahmedabad;
- ⇒ Part-payment of purchase consideration for the already acquired "Ashwini Medical Centre;
- ⇒ Acquisition of additional shareholding in subsidiary namely "Harmony Medicare Private Limited at Bharuch;
- ⇒ Funding of capital expenditure requirements of Company towards setting up of a new hospital in Vadodara; and
- ⇒ General corporate purposes.

Investment Rationale

Strong leadership in renal sciences, aided by a comprehensive urology sub-superspeciality platform

The companies have a strong reputation and profound clinical expertise in renal sciences, positioning them well to capitalize on the rising demand for quality tertiary healthcare services in India. Over the years, it has built a robust chain of multispeciality hospitals offering advanced care, with particular strength in urology and nephrology. In the initial years of operations at its flagship Gujarat Kidney Hospital, the company successfully established multiple urology sub-specialties, including endourology, urologic oncology, pediatric and reconstructive urology, renal transplant, laparoscopic and female urology, creating a strong foundation in high-acuity renal care. This clinical depth has been added by a strong focus on minimally invasive and laparoscopic surgeries, with the laparoscopic department at the Gujarat Multispeciality Hospital in Godhra established in 2023 and the successful execution of complex procedures such as nephrectomies, radical prostatectomies, hysterectomies, and other advanced laparoscopic interventions across hospitals. The company has further diversified into other complex specialties, including oncology, gynecology, orthopedics and joint replacement, neurosurgery, and plastic and reconstructive surgery, supported by laparoscopic capabilities across all its hospitals. Recognizing favorable demographic trends, rising affordability, higher health awareness, and the growing burden of lifestyle-related diseases, the company has also expanded into cardiology, with in-house interventional cardiology units at its Vadodara and Godhra hospitals offering a comprehensive range of invasive cardiac procedures. Backed by robust infrastructure and the extensive experience of its promoters and medical team, the company has demonstrated the ability to scale specialized, complex procedures across multiple disciplines.

Issue Details

Offer Period	22 nd Dec, 2025 - 24 th Dec, 2025
Price Band	Rs. 108 to Rs. 114
Bid Lot	128
Listing	BSE, NSE
Issue Size (no. of shares in mn)	22.0
Issue Size (Rs. in bn)	2.5
Face Value (Rs.)	2

Issue Structure

QIB	75%
NIB	15%
Retail	10%

BRLM	Nirbhay Capital Services Private Ltd.
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Registrar	MUFG Intime India Private Ltd.
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Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	99.10	71.45
Public	0.90	28.55
Total	100.00	100.00

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

Gujarat Kidney and Super Speciality Ltd.

Asset-light regional hospital platform focused on Central Gujarat

The company follows an asset-light hospital expansion strategy, primarily operating through leased facilities and acquiring controlling stakes in existing hospitals, which allows it to scale operations without significant capital investment in land, buildings, or core infrastructure. By acquiring majority or controlling interests in hospitals across Bharuch, Borsad, Vadodara, and Anand, the company has rapidly expanded its footprint while maintaining capital efficiency and improving return ratios. This approach is being further reinforced through the proposed acquisition of Parekh's Hospital Private Limited in Ahmedabad, funded from IPO proceeds, which is expected to add operational capacity under the same asset-light framework. Strategically, the company remains focused on the central Gujarat healthcare market, where its presence across multiple cities has enabled a deep understanding of local patient behavior, referral patterns, and medical talent, in a region that remains underserved in terms of quality and affordable healthcare. Favorable hospital locations in densely populated catchments improve accessibility and brand recall, while operational right-sizing and procurement synergies have supported EBITDA-positive operations, underscoring the scalability and profitability of the business model.

Valuation

Gujarat Kidney and Super Speciality Limited operates in the structurally strong Indian hospital sector, which has grown rapidly, driven by rising prevalence of lifestyle diseases, an ageing population, increasing insurance penetration, and higher healthcare spending, with Gujarat remaining an under-penetrated market offering significant long-term opportunity. The company follows a regional cluster-based strategy, operating mid-sized multi-speciality hospitals focused on secondary and tertiary care, with a strong presence in high-margin super-specialities such as nephrology, urology, renal transplants and cardiology, supported by in-house diagnostics and pharmacies. The company's strategy focuses on scaling its asset-light hospital model through selective acquisitions and operational control of existing hospitals, enabling faster expansion with lower capital intensity and superior return ratios. It aims to deepen its presence in high-margin super-specialities such as renal sciences, urology, cardiology and minimally invasive surgeries, while improving bed utilization and operational efficiencies across its network. On a pro forma consolidated basis, the company reports healthy profitability and return ratios, with EBITDA margins of ~24% and low leverage, and compares favourably with listed peers despite its smaller scale. Overall, the company's outlook remains positive, braced by strong demand for chronic and specialty healthcare, expansion of bed capacity and specialties, increasing insurance coverage and government healthcare support in Gujarat. **At the upper end of the price band at Rs. 114, the company is valued at a P/E multiple of 61.6x FY25 earnings. We, thus, recommend a "SUBSCRIBE" rating for this issue.**

Key Risks

- ⇒ The company intends to deploy a portion of the IPO proceeds to acquire a stake in Parekh's Hospital Private Limited and subsequently assume its management and operations. Any delays, inability to complete the acquisition on the agreed terms, or challenges in post-acquisition integration could adversely impact the company's expansion plans, operational performance, and future growth prospects.
- ⇒ The company's expansion plans, including the construction of a new hospital, are subject to risks of delays in regulatory approvals, execution, and capital expenditure procurement. As orders for such capex are yet to be placed, there is no assurance that equipment and infrastructure can be sourced promptly or at commercially viable prices, which could delay project commissioning and impact returns.
- ⇒ Given the company's limited operating history at its current scale and structure, its ability to compete effectively with established healthcare players remains uncertain.

Gujarat Kidney and Super Speciality Ltd.

Income Statement (Rs. in Crores)

Particulars	FY24	FY25	Q1FY26
Revenue			
Revenue from operations	5	40	15
Total revenue	5	40	15
Expenses:			
Cost of medical consumables, drugs and surgical items	0	4	1
Employee Benefits	1	8	2
Other Expenses	1	11	3
Total expenses	3	24	7
EBITDA	2	17	9
Depreciation & amortization	0	3	1
EBIT	2	13	8
Finance costs	0	1	0
Other Income	1	0	0
PBT	2	13	7
Current Tax	1	4	2
Deferred tax	0	-1	-0
Prior period tax	-	0	-
Total tax	1	3	2
PAT	2	9	5
Diluted EPS	0.5	1.9	0.9

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in Crores)

Particulars	FY24	FY25	Q1FY26
Cash Flow from operating activities	1	14	0
Cash flow from investing activities	0	-18	-0
Cash flow from financing activities	-0	6	-0
Net increase/(decrease) in cash and cash equivalents	1	2	0
Cash and cash equivalents at the beginning of the period	0	1	3
Cash and cash equivalents at the end of the period	1	3	3

Source: RHP, BP Equities Research

Gujarat Kidney and Super Speciality Ltd.

Balance Sheet (Rs. in Crores)

Particulars	FY24	FY25	Q1FY26
Assets			
Non-Current Assets			
Property, plant and equipment	10	20	19
Right-of-use of assets	4	4	4
Goodwill	-	7	7
Financial Assets			
(i) Other financial assets	0	2	2
Deferred tax assets	0	1	1
Other non current assets	0	0	0
Total Non Current assets	14	34	33
Current Assets			
Inventories	0	1	1
Financial Assets			
(i) Trade Receivables	4	15	21
(ii) Cash and Cash equivalents	1	3	3
(iii) Bank balances other than cash	0	0	0
(iv) Other financial assets	0	0	0
Other current assets	1	3	4
Total Current Assets	7	22	29
Total Assets	21	55	62
Equity and Liabilities			
Equity Share Capital	0	11	11
Other Equity	11	15	19
Non controlling interest	-	1	2
Total Equity	11	27	32
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	2	2	2
(ii) Lease Liabilities	4	4	4
(iii) Other financial liabilities	-	0	0
Provisions	0	0	1
Total Non-Current Liabilities	5	7	7
Current Liabilities			
Financial Liabilities			
(i) Borrowings	0	2	2
(ii) Lease Liabilities	0	1	1
(iii) Trade payables for expenses	2	3	3
(iv) Other financial liabilities	0	13	13
Other current liabilities	1	1	1
Provisions	0	0	0
Current tax liabilities (net)	0	2	3
Total Current Liabilities	4	22	23
Total Liabilities	10	28	29
Total Equity and Liabilities	21	55	62

Source: RHP, BP Equities Research

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

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