IPO REVIEW

Credent Connect N Care IPO

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- The company is engaged in providing healthcare services delivering integrated logistics, workforce solutions etc based on technology.
- After static top and bottom lines for FY24 and FY25, it posted bumper top and bottom lines for FY26.
- FY26 profit margins raise eyebrows and concern over its sustainability.
- Based on its recent financial data, the issue appears aggressively priced.
- Only well-informed/cash surplus/risk seekers may park moderate funds for long term, others may stay away.

About the Company

Credent Connect n Care Ltd. (CCCL) is a healthcare services provider engaged in delivering integrated logistics, workforce solutions, and technology-enabled support to healthcare institutions across India. The company provides comprehensive operational and logistics services to diagnostic laboratories, In Vitro Diagnostics (IVD) companies, pharmaceutical companies, clinics, and other healthcare enterprises through end-to-end solutions. Its offerings majorly include home sample collection through trained phlebotomists; Operations & Supply Chain Services through stationed phlebotomy teams at laboratories and hospitals; deployment of skilled laboratory technicians and paramedical staff for internal operations; and specialized inter-state and intra-state logistics services.

Its logistics solutions ensure temperature-controlled and Turnaround time (TAT) sensitive movement of blood samples and other healthcare products. CCCL commenced operations in 2015 with small team of field executives and have since expanded into multiple healthcare service verticals, employing 2589 riders as of June 30, 2026. It holds ISO 9001:2015 certification for services covering financial management, strategic management, human resources, marketing, operations and supply chain management. In addition, it is certified under ISO 15189:2022 for medical laboratory and diagnostic imaging services. As on June 30, 2026, CCCL owns and operates a fleet of 97 commercial vehicles used for sample transportation and related logistic operations.

Its operations are headquartered in Ashok Vihar, Delhi, and it operates through 2 warehouses and 4 branch offices across India, including in Mumbai, Pune, Chennai, and Varanasi. The company provides Business to Business (B2B) Healthcare logistics services that involve the transportation of diagnostic samples from collection points to laboratories and between healthcare facilities & it also provides services to IVD companies for reagent movement from their C&F to labs. Its services cover scheduled

pickups and on-demand pickups, with the movement of samples monitored through tracking systems that record transportation timelines and temperature handling conditions.

The company also provides phlebotomy services through trained personnel, which include home sample collection where phlebotomists visit patients at their residences to collect diagnostic samples.

In addition to its core healthcare support services, the Company provides end-to-end phlebotomy services to diagnostic laboratories, doctors' clinics, hospitals, and other healthcare institutions by deploying trained and qualified personnel at client locations. These services enable continuous, accurate, and compliant sample collection operations and are designed to support both routine and high-volume diagnostic requirements, ensuring operational efficiency and adherence to applicable healthcare standards.

It established a dedicated Corporate & Wellness vertical under the brand name C3 Wellness. Through this vertical, the Company undertakes and manages large-scale health camps and corporate wellness programs for corporates and institutions. The scope of services under C3 Wellness includes corporate vaccination programs and basic radiology and diagnostic services, such as ECG, PFT, digital X-ray, eye check-ups, dental check-ups, ENT assessments, doctor-on-arrival (DOA) services, and doctor consultations. In addition, it provides deployment of requisite healthcare manpower, operational coordination, logistics management, and on-ground execution of diagnostic and sample collection activities at designated locations. These programs are customized to meet the specific requirements of healthcare providers and corporate clients, enabling seamless end-to-end execution of preventive healthcare initiatives, employee wellness programs, and diagnostic screening services. As of March 31, 2026, it had a total 6338 employees (including 2286 contract workers) on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 4968000 equity shares of Rs. 10 each to mobilize Rs 93.90 cr. at the upper cap. The company has announced a price band of Rs. 179 - Rs. 189 per share. The minimum application to be made is for 2400 shares and in multiples of 1200 shares thereon, thereafter. The IPO opens for subscription on August 13, 2026, and will close on August 17, 2026. The IPO constitute 27.26% of the post-IPO paid-up capital of the company. The shares will be listed on NSE SME Emerge. From the net proceeds of the issue, it will utilize Rs. 29.80 cr. for investment in subsidiary for working capital needs, Rs. 37.00 cr. for own working capital, Rs. 6.00 cr. for repayment/prepayment of certain borrowings, and the rest for general corporate purposes.

The IPO is solely lead managed by Hem Securities Ltd., while KFIn Technologies Ltd., is the registrar to the issue. HEM group's Hem Finlease Pvt. Ltd., is the market maker and also a syndicate member.

After issuing initial equity capital at par value, the company issued/converted further shares in the price range of Rs. 15.60 – Rs. 1576.00 per share (based on Rs. 10 FV), between July 2022, and October 2025. It has also issued bonus shares in the ratio of 50 for 1 in February 2026. The average

cost of acquisition of shares by the promoters is Rs. NA, and Rs. 0.31 per share. Offer document has halfhearted info on this data.

Post-IPO, company's current paid-up equity capital of Rs. 13.25 cr. will stand enhanced to Rs. 18.22 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 344.41 cr.

The RHP has erred on its post-IPO paid-up equity capital and the gross equity dilution ratios. It has shown the post-IPO equity capital of 18786900 equity shares (Rs. 18.79 cr.) and dilution ratio of 26.44%, this info needs clarifications from the Lead Manager/promoters. Such mishap happens in a last minute hush-hush filing and 11th hour rush for the IPO.

Financial Performance

On the financial performance front, for the last three fiscals, the company has reported a total income/net profit of Rs. 76.02 cr. / Rs. 2.66 cr. (FY24 - standalone), Rs. 78.23 cr. / Rs. 2.25 cr. (FY25 - standalone), and Rs. 214.43 cr. / Rs. 18.45 cr. (FY26 - consolidated). While it posted almost static top and bottom lines on a standalone basis, the boosted top and bottom lines for FY26 (post consolidation) raise eyebrows and concern over its profitability margins going forward. Bumper performance in a pre-IPO year appears window dressing to fetch fancy valuations. Its contingent liabilities stood at Rs. 6.21 cr. as of March 31, 2026.

For the last three fiscals, the company has reported an average EPS of Rs. 8.14, and an average RoNW of 29.03%. The issue is priced at a P/BV of 5.71 based on its NAV of Rs. 33.12 per share as of March 31, 2026, but its post-IPO NAV data is missing from the offer documents.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 18.68, and based on FY25 earnings, the P/E stands at 153.66. The issue appears aggressively priced, based on its average earnings.

For the reported periods, the company has posted PAT margins of 3.52% (FY24), 2.88% (FY25), 8.61% (FY26), and RoCE margins of 20.00%, 16.96%, 40.00%, respectively, for referred periods. Boosted margins in pre-IPO year (FY26) appears to be a window dressing for fancy valuation for the IPO.

Dividend Policy

The company has not paid any dividend for the reported periods of the offer document. It will adopt a prudent dividend policy, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has no listed peers to compare with.

Merchant Banker's Track Record

This is the 48th mandate from Hem Securities in the last three fiscals (including the ongoing one). Out of the last 10 listings, 1 listed at par, and the rest with premium ranging from 1.80% to 90% on the date of listing.

Conclusion / Investment Strategy

CCCL is engaged in providing healthcare services delivering integrated logistics, workforce solutions etc based on technology. After static top and bottom lines for FY24 and FY25, it posted bumper top and bottom lines for FY26. FY26 profit margins raise eyebrows and concern over its sustainability. Based on its recent financial data, the issue appears aggressively priced. Only well-informed/cash surplus/risk seekers may park moderate funds for long term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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