

KRM Ayurveda IPO

By **Dilip Davda** · SEBI Registered Research Analyst · Reg. No. INH000003127

Reviewed on 15 January 2026

- The company is engaged in providing health care services/ ayurvedic products with PAN India presence.
- The company marked inconsistency in its top and bottom lines from FY23 to FY25.
- Boosted profits from FY25 onwards (i.e., pre-IPO periods) raises eyebrows and concern over its sustainability.
- Based on its recent financial data, the issue appears aggressively priced.
- There is no harm in skipping this pricey and dicey bet.

About the Company

KRM Ayurveda Ltd. (KAL) is operating a network of hospitals and clinics across multiple cities in India as well as marked its presence in abroad through telemedicine's consulting and sales. Presently, Company runs 6 (Six) Hospitals and 5 (Five) Clinics at different locations in the country. Though KRM Ayurveda started off as a kidney hospital and it continues to provide specialized treatment for kidney disorders, the Company has widened its horizons in the past few years and has now evolved for various health disorders such as kidney disorder, Liver Cirrhosis, Diabetes, Fatty Liver, Arthritis etc., the Company has marked its reach globally as well through Tele-Consultancy Services. Further, it focuses on specialized segments within the medical and healthcare domain that address specific health issues and challenges, such as addiction, personal care, wellness, and related areas and for that it is engaged

into trading of Ayurvedic medicine, oils and supplements.

Its hospitals and clinics offer a comprehensive range of services, including:

- In-Patient & Out-Patient Care: Treatment for chronic diseases, lifestyle disorders, and post-operative rehabilitation.
- Panchakarma Therapies: Detoxification and rejuvenation programs.
- Specialized Clinics: Orthopedic care, skin and hair care, women's wellness, geriatric care.
- Wellness Packages: Stress management, weight management, preventive health plans.
- Medicinal Sales: Dispensary of in-house and certified Ayurvedic medicines.
- Diet & Lifestyle Counseling: Personalized nutrition and yoga consultation.

Its Hospitals and Clinics are equipped with the following infrastructure & facilities: Beds, including general wards and premium rooms. • Panchakarma treatment units. • Herbal pharmacy and medicine preparation unit. • Ayurvedic diet kitchen. • Consultation chambers for Vaidyas (Ayurvedic physicians). • In-house yoga and meditation hall.

The Company also is engaged in the processing, formulation, and marketing of portfolio of Ayurvedic therapeutic and wellness products. Its products portfolio is primarily focused on addressing chronic lifestyle and metabolic disorders. The Company markets its products through its network of hospitals and clinics and also provides patient access through an integrated telemedicine service, enabling remote consultations and product delivery. Its products are based on classical Ayurvedic formulations, standardized herbal extracts, controlled processing methods, and quality-assurance protocols.

Over the last three financial years, its product portfolio has been concentrated around therapeutic categories such as chronic kidney disorders, diabetes and metabolic management, immunity enhancement, liver health, hypertension, urinary tract conditions, and general wellness. Each of its products is formulated using a combination of botanicals traditionally used in Ayurveda, including Gudmar, Triphala, Trikatu, Shilajit, Gokshura, Punarnava, Giloy, Kutki, Sarpagandha, and Ashwagandha, among others. The selection and proportion of herbs are aimed at achieving therapeutic benefits. As of December 31, 2025, it had 443 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 5740000 equity shares of Rs. 10 each to mobilize Rs. 77.49 cr. at the upper cap. The company has announced a price band of Rs. 128 - Rs. 135 per share. The minimum application to be made is for 2000 shares and in multiples of 1000 shares thereon, thereafter. The issue opens for subscription on January 21, 2026 and will close on January 23, 2026. The IPO constitute 27.00% 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 IPO, it will utilize Rs. 13.67 cr. for Capex on telemedicine operational facility, Rs. 1.42 cr. for purchase of CRM software, Rs. 5.44 cr. for human resources, Rs. 12.50 cr. for repayment/prepayment of loan, Rs. 22.90 cr. for working capital, and the rest for general corporate purposes. (NOTE: The company revised its IPO time line and notified it in Financial Express dated 17.01.2026))

The company did a pre-IPO placement at a price of Rs. 77 per share in September 2025, and now asking Rs. 135 per share (at the upper cap) for IPO.

The IPO is solely lead managed by Nexgen Financial Solutions Pvt. Ltd., and Skyline Financial Services Pvt. Ltd. is the registrar to the issue. Mansi Share & Stock Broking Pvt. Ltd. is the market maker.

The company has issued initial equity capital at par value, and has issued further equity shares at a fixed price of Rs. 77 per share in September 2025. It has also issued bonus shares in the ratio of 99 for 1 in July 2025. The average cost of acquisition of shares by the promoters is Rs. 0.03, and Rs. 5.26 per share.

Post-IPO, company's current paid-up equity capital of Rs. 15.52 cr. will stand enhanced to Rs. 21.26 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 287.02 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total revenue/ net profit, of Rs. 89.38 cr. / Rs. 7.60 cr. (FY23), Rs. 67.57 cr. / Rs. 3.41 cr. (FY24), Rs. 76.95 cr. / Rs. 12.10 cr. (FY25). For H1 of FY26 ended on September 30, 2025, it posted a net profit of Rs. 8.14 cr. on a total revenue of Rs. 48.65 cr. While it marked inconsistency in its top and bottom lines from FY23 to FY25, the boosted bottom line for H1-FY26 raises eyebrows and concern over its sustainability. Bumper margins in pre-IPO period appears to be window dressed to pave the fancy valuations for IPO.

For the last three fiscals, the company has reported an average EPS of Rs. 5.63, and an average RoNW of 72.74%. The issue is priced at a P/BV of 5.27 based on its NAV of Rs. 25.64 per share as of March 31, 2025, and at a P/BV of 2.53 based on its post-IPO NAV of Rs. 53.44 per share (at the upper cap).

If we attribute FY26 annualized earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 17.62, and based on FY25 earnings, the P/E stands at 23.73. The issue appears aggressively priced.

For the reported periods, the company has posted RoCE margins of 40.34% (FY23), 20.80% (FY24), 43.33% (FY25), 21.84% (H1-FY26), and PAT margins of 8.51%, 5.08%, 15.80%, 16.83% respectively for referred periods.

Dividend Policy

The company has not paid any dividends for any financial year. 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 shown Jeena Sikho, and Vaidya Sane, as its listed peers. They are currently trading at a P/E of 58.9 and 29.2 (as of January 14, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears to be an eyewash.

Merchant Banker's Track Record

This is the 2nd mandate from Nexgen Financial in the ongoing fiscal. So far, it has no track records for the past mandates.

Conclusion / Investment Strategy

KAL is engaged in providing health care services/ ayurvedic products with PAN India presence. The company marked inconsistency in its top and bottom lines from FY23 to FY25. Boosted profits from FY25 onwards (i.e., pre-IPO periods) raises eyebrows and concern over its sustainability. Based on its recent financial data, the issue appears aggressively priced. There is no harm in skipping this pricey and dicey bet.

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.

SEBI Registered Research Analyst – Mumbai · Registration No.: INH000003127 (Perpetual)

Disclaimer: The information provided herein is solely for educational and informational purposes and does not constitute an offer, solicitation, or recommendation to buy or sell any securities. Readers are advised to consult a qualified financial advisor before making any investment decisions. Investments in the securities market are subject to market risks. The author does not intend to invest in the securities discussed.