

Manipal Health Enterprises IPO

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- The company is a Pan India operator of multispecialty hospitals.
- As of March 31, 2026, it operates 49 hospitals with 13037 licensed beds across 14 states and union territories.
- The company marked growth in its top lines for reported periods, but witnessed margin pressure for FY26 following higher provisions for employee cost, finance cost, depreciation and amortizations.
- Based on its recent financial data, the issue appears aggressively priced.
- Well-informed/cash surplus investors may park funds for medium to long term.

About the Company

Manipal Health Enterprises Ltd. (MHEL) operates a pan-India network of multispecialty hospitals delivering a comprehensive range of care services—from outpatient services to complex tertiary and quaternary interventions. As of March 31, 2026, the company operated 49 hospitals with 13,037 licensed beds across 14 states and union territories. It has the widest footprint in terms of presence of hospitals among private hospital chains in India as of March 31, 2026 (Source: CRISIL Report). It is the largest pan-India multispecialty hospital network by bed capacity and the second largest hospital chain by number of hospitals as of March 31, 2026 (Source: CRISIL Report).

For Fiscal 2026, it reported the second-highest revenue from operations of Rs. 10335.75 cr. among private hospital chains in India (Source: CRISIL Report). In its three key regions of (i) Karnataka, (ii) Maharashtra and Goa and (iii) West Bengal, Odisha, Jharkhand, and Sikkim (in eastern India), it had 6,404, 2,188 and 2,887 licensed beds, respectively, as of March 31, 2026. Among private hospital chains in India, as of March 31, 2026, MHEL is the largest player in (i) Karnataka, (ii) Maharashtra and Goa region, and (iii) in select states of West Bengal, Odisha, Jharkhand, and Sikkim (in eastern India) (Source: CRISIL Report). “Licensed beds” represent the total number of hospital beds approved by regulatory authorities in a facility.

MHEL is the only private hospital chain network in India to lead in three metro markets of Bengaluru (Karnataka), Kolkata (West Bengal) and Pune (Maharashtra) by bed capacity (5,376) as of March 31, 2026 (Source: CRISIL Report). As of March 31, 2026, it had 2,579, 1,513 and 1,284 licensed beds and 12, 5, and 9 hospitals in Bengaluru (Karnataka), Kolkata (West Bengal) and Pune (Maharashtra), respectively. Its multi-hospital presence in these metros allows it to deliver care closer to patients’ homes, reduce travel times for critical interventions, and serve broad referral areas within each city.

In line with its core philosophy to improve access to healthcare, the company maintains a balanced presence across metros and non-metros, with 46.78% of its licensed beds located in metros and 53.22% of its licensed beds located in non-metros as of March 31, 2026. It served 7.63 million patients across its network (including O&M hospitals) in Fiscal 2026. Further, the company had 11,064 doctors available to provide their services in its hospitals as of March 31, 2026. As of said date, it had 24240 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO of 157207054 equity shares (worth Rs. 9275.22 cr. at the upper cap). The IPO consists of fresh equity issue worth Rs. 8000 cr. (approx. 135593220 shares at the upper cap), and an Offer for Sale (OFS) of 21613834 equity shares (worth Rs. 1275.22 cr. at the upper cap). The company has announced a price band of Rs. 560 – Rs. 590 per equity shares of Rs. 2 each. The issue opens for subscription on July 29, 2026, and will close on July 31, 2026. The minimum application to be made is for 25 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 11.95% of the post-IPO paid-up equity capital. From the net proceeds of the fresh equity issue, the company will utilize Rs. 5552.76 cr. for repayment/prepayment of certain borrowings, Rs. 574.00 cr. for acquisition of minority stake in its stepdown subsidiary Sahyadri Hospitals Pvt. Ltd., and the rest for general corporate purposes.

The company has reserved equity shares worth Rs. 15.00 cr. (approx. 254237 equity shares at the upper cap) and offering them a discount of Rs. 56 per share. From the rest, it has allocated not less than 75% for QIBs, not more than 15% for HNI investors and not more than 10% for Retail investors.

The joint Book Running Lead Managers (BRLMs) to this issue are Kotak Mahindra Capital Co. Ltd., Axis Capital Ltd., Goldman Sachs (India) Securities Pvt. Ltd., Jefferies India Pvt. Ltd., J. P. Morgan India Pvt. Ltd., UBS Securities India Pvt. Ltd., DBS Bank India Ltd., and KFin Technologies Ltd. is the registrar to the issue. Kotak Securities Ltd. is a syndicate member.

The company has issued initial equity shares at par value, and issued further equity shares in the price range of Rs. 4.70 – Rs. 1047.20 (on the basis of Rs. 2 FV), between September 2010, and March 2026. It has also issued bonus shares in the ratio of 2 for 1 in April 2025. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. 44.53, Rs. 68.73, Rs. 102.56, Rs. 174.05, Rs. 265.23, Rs. 349.07, Rs. 351.81, Rs. 355.53, Rs. 355.66, and Rs. 563.22 per share.

Post-IPO, its current paid-up equity capital of Rs. 235.95 cr. will stand enhanced to Rs. 263.07 cr. Based on the upper cap of the price band, the company is looking for a market cap of Rs. 77605.68 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has (on a consolidated basis) posted a total income/net profit, of Rs. 6265.17 cr. / Rs. 533.20 cr. (FY24), Rs. 8362.79 / Rs. 1081.67 cr. (FY25), and Rs. 10520.51 cr. / Rs. 916.52 cr. (FY26). The company posted growth in its top and bottom lines for FY24 and FY25, but for FY26 it posted lower net profit on higher top line. This is attributed to higher employee benefits expense, Finance Costs, and Depreciation/amortization expense, other expenses. Some provisioning for exception items and tax expenses as company continued its expansion plans.

For the last three fiscals, the company has posted an average EPS of Rs. 7.82 (basic) and an average RoNW of 13.80 %. The issue is priced at a P/BV of 8.13 based on its NAV of Rs. 72.55 as of March 31, 2026, and at a P/BV of 4.66 based on its post-IPO NAV of Rs. 126.56 per share at the upper cap.

If we attribute FY26 earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at P/E of 84.65. Based on FY25 earnings, the P/E stands at 71.78. The issue appears aggressively priced based on its recent financials.

For the reported periods, the company has posted PAT margins of 8.64% (FY24), 13.12% (FY25), 8.87% (FY26), and RoCE margins of 27.74%, 26.98%, 21.88%, respectively for the referred periods.

According to the management, its repayment/prepayment plans will make it debt free company which will result in finance cost savings and improved margins. It has up the sleeve expansion plans to continue its leadership as highest licensed beds multispecialty Pan India chain of hospitals.

Dividend Policy

The company has not declared any dividends for the reported periods of the offer document. It has already adopted a dividend policy in November 2025, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Apollo Hospitals, Fortis Healthcare, Max Healthcare, as its listed peers. They are currently trading at a P/E of 64.6, 67.8, and 70.9 (as of July 24, 2026). However, they are not truly comparable on an apple-to-apple basis.

Merchant Banker's Track Record

The seven BRLMs associated with this issue have handled 76 IPOs in the last three fiscals out of which 18 issues closed below the issue price on the listing date.

Conclusion / Investment Strategy

MHEL is a Pan India operator of multi-specialty hospitals. As of March 31, 2026, it operates 49 hospitals with 13037 licensed beds across 14 states and union territories. The company marked growth in its top lines for reported periods, but witnessed margin pressure for FY26 following higher provisions for employee cost, finance cost, depreciation and amortizations. Based on its recent financial data, the issue appears aggressively priced. Post listing, it may catch fancy as the maiden offering from Manipal group. Well-informed/cash surplus investors may park funds for medium to 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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