

Rays of Belief IPO

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

Reviewed on 29 August 2026

- The company is providing intervention plans for children with NDDs, ASD, ADHD, GDD etc plans as “For Profit – Social Enterprise”.
- The company is in a nascent stage, but planning to mobilize bigger amount than its top lines.
- It has posted growth in its top lines, but bottom lines marked inconsistency for the reported periods.
- Based on its recent average financial data, the issue appears aggressively priced.
- Though prima facie, the issue appears pricey, considering its future prospects, well-informed/cash surplus investors may park funds for long term.

About the Company

Rays of Belief Ltd. (RBL) is a “For-Profit Social Enterprise” providing intervention plans for children with Neurodevelopmental Disorders (“NDDs”). Such plans are personalized based on each child’s unique needs and condition severity. NDDs include autism spectrum disorder (“ASD”), Attention-Deficit/ Hyperactivity Disorder (“ADHD”), Down Syndrome (“DS”), Cerebral Palsy (“CP”), Intellectual Disability (“ID”), Learning Disabilities (“LD”), and Global Developmental Delays (“GDD”). The Company was founded, primarily to address key barriers related to NDDs in the behavioral health domain, including lack of awareness, limited access, inadequate quality of care and affordability. Accordingly, its intervention plans are prepared to empower parents and families to become co-therapists in their child’s developmental journey.

Based on number of centres, as of March 31, 2026, the Company ranks first (1st) in India in offering intervention plans for children with neurodevelopmental disorders (NDDs), and seventh (7th) globally among the listed players operating in a similar behavioral health domain. (Source: CARE Report). Its efforts have also been endorsed through recognitions such as being named among the most valued mother and child brands by the Times of India in 2020 and receiving the Innovative Practice Award from the Zero Project Selection Committee at the United Nations in Vienna in 2019. The company started with its first centre in Gurgaon in 2018 and subsequently scaled operations from 71 centres in Fiscal 2023 to 136 centres (excluding three centres recently acquired under its Step-Down Subsidiary in US) as of March 31, 2026. These 136 centres are spread across 57 cities spanning 20 states and union territories in India under its brand name, Mom’s Belief. With 42 centres in Tier-1, 77 centres in Tier-2 and 17 centres in Tier-3 cities in India, it has established a presence beyond major urban hubs to provide services in underrepresented and semi-urban geographies where access to developmental care has traditionally been limited.

Its presence is predominantly in Tier-2 cities. (Source: CARE Report). Based on number of centres, the Company is India's largest "For Profit Social Enterprise" offering intervention plans for children with NDDs. Till date, it has served upwards of 58,000 children since commencement of operations in 2018. In the Fiscals 2026, 2025, and 2024, RBL served 9,205, 8,585, and 9,344 children, respectively. (Source: CARE). Its services primarily cater to children from 18 months up to 12 years of age, with specialized programs for older children up to the age of 15 years focusing on vocational and life skills to facilitate a smooth transition to adulthood. Company's centres offer a comprehensive and multidisciplinary suite of services, spanning early intervention, parental guidance, occupational therapy, language therapy and family support programs. (Source: CARE Report).

Its centres are equipped with 150+ teaching tools, including sensory equipment, puzzles, and worksheets. Additionally, RBL provides home-based learning kits with 2,000+ teaching tools, supported by structured follow-ups and monitoring to track progress. (Source: CARE Report). On June 23, 2025, the Company acquired Mom's Belief US, Inc., as its wholly owned Subsidiary and Allergy and Immunology Virginia, LLC, as its Step-Down Subsidiary in the USA, pursuant to which, the company added 3 (three) centres, located in the state of Virginia in Salem, Lynchburg and Roanoke. This acquisition shall help the company expand its behavioral health services in the USA, including support for children with NDDs. As of March 31, 2026, it had 521 employees and 19 consultants on its roll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 5230000 equity shares (worth Rs. 125.00 cr. at the upper cap). The company has announced a price band of Rs. 227 – Rs. 239 per equity shares of Rs. 10 each. The issue opens for subscription on September 01, 2026, and will close on September 03, 2026. The minimum application to be made is for 62 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 25.02% of the post-IPO paid-up equity capital. From the net proceeds of the fresh equity issue, the company will utilize Rs. 41.36 cr. for capex on establishing new centers on leased premises and investing in hardware, Rs. 14.45 cr. for lease payments of its existing centres, Rs. 10.13 cr. for investment in its subsidiary Mom's Belief US Inc., Rs. 10.21 cr. for brand awareness and inclusive outreach programs, and the rest for general corporate purposes.

The issue is solely lead managed by Mefcom Capital Markets Ltd., while KFin Technologies Ltd., is the registrar to the issue. Mefcom Securities Ltd. is a syndicate member.

After issuing initial equity shares at par value, the company has issued further equity shares in the price range of Rs. 1000 – Rs. 5402 per share between May 2018, and May 2026. It has also issued bonus shares in the ratio of 45 for 1 in June 2025. The offer document is missing the data on average cost of acquisition of shares by the promoters.

Post-IPO, its current paid-up equity capital of Rs. 15.67 cr. (15671682 equity shares) will stand enhanced to Rs. 20.90 cr. (20901682 equity shares). Based on the upper cap of the price band, the company is looking for a market cap of Rs. 499.55 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted a total income/net profit, of Rs. 30.76 cr. / Rs. 0.85 cr. (FY24 - standalone), Rs. 73.26 cr. / Rs. 6.58 cr. (FY25 - Pro-forma - consolidated), and Rs. 82.06 cr. / Rs. 4.96 cr. (FY26 - consolidated). The company posted steady growth in its top lines for the reported periods, but bottom lines marked inconsistency. The company is asking for big chunk of funds compared to its current average top line.

According to the management, the company is in the nascent stage and is in expansion mode to widen its reach. The company is running social enterprise for profits, and the management is confident and bullish for its future prospects.

For the last three fiscals, the company has posted an average EPS of Rs. 2.98 and an average RoNW of 32.48 %. The issue is priced at a P/BV of 15.25 based on its NAV of Rs. 15.67 as of March 31, 2026, and at a P/BV of 3.29 based on its post-IPO NAV of Rs. 72.67 per share at the upper cap.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at P/E of 100.84. Based on FY25 earnings, the P/E stands at 85.05. The issue appears greedily priced based on its recent average performance.

For the reported periods, the company has reported PAT Margins of 2.79% (FY24), 16.15% (FY25), 6.07% (FY26), and RoE margins of 16.83%, 56.56%, 21.64%, respectively, for the referred periods.

Dividend Policy

The company has not paid any dividends since its incorporation. 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 players to compare with.

Merchant Banker's Track Record

The BRLM associated with this offer has handled 1 issue in the ongoing fiscal, and the only listing took place was closed above the offer price on listing date.

Conclusion / Investment Strategy

RBL is providing intervention plans for children with NDDs, ASD, ADHD, GDD etc plans as “For Profit – Social Enterprise”. The company is in a nascent stage, but planning to mobilize bigger amount than its top lines. It has posted growth in its top lines, but bottom lines marked inconsistency for the reported periods. As per management, this was due to differed tax adjustments. Based on its recent average financial data, the issue appears aggressively priced. Though prima facie, the issue appears pricey, considering its future prospects, well-informed/cash surplus investors may park 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.

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.