

Nephrocare Health Services Ltd.

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Nifty: 25,864 | Sensex: 84,666

IPO Note | 10th December, 2025

Sector: Healthcare

Price Range: ₹438 - ₹460

Provider of Comprehensive Dialysis Care with a Global Footprint

Nephrocare Health Services Ltd. (NHSL), founded on December 18, 2009, provides end-to-end dialysis care through its extensive clinic network. Its offerings include diagnosis, treatment, and wellness programs, covering hemodialysis, home and mobile dialysis, and pharmacy support. As the largest provider in its segment, NHSL operates 519 clinics worldwide, including 51 international locations across the Philippines (41), Uzbekistan (4), and Nepal (6).

- In 2024, the global dialysis services market was estimated at ~USD 75.2 billion and is expected to grow to around USD 106.2 billion by 2029, indicating a compound annual growth rate (CAGR) of 7.1% over FY24-FY29 (Source: F&S Report).
- NHSL’s revenue and EBITDA grew at CAGRs of 31.5% and 85.2% between FY23-FY25, reaching ₹756cr and ₹167cr, driven by global expansion, a diversified model, and strategic hospital partnerships.
- Nephrocare has broadened its revenue mix, with international contributions increasing from 12% in FY23 to 32% in FY25, driven by new clinic openings and product launches in Uzbekistan and the Philippines.
- The total debt stood at ₹258cr in FY25 (D/E at 0.4x), and upon utilisation of net proceeds from the IPO for debt repayment (~₹136cr), the debt-to-equity ratio will trim down to 0.1x which will strengthen balance sheet flexibility and enhance its ability to fund growth.
- At the upper price band of ₹460, NHSL is valued at FY25 EV/EBITDA ratio of 29x, which appears reasonably priced compared to peers. NHSL is focusing on expanding its dialysis network across India, particularly in tier-II and tier -III cities, through a mix of greenfield and brownfield projects. The company aims to strengthen its presence by launching new clinics, partnering with hospitals for asset-light growth, and improving accessibility in under-served regions. Therefore, we recommend a SUBSCRIBE rating for investors with a long-term horizon.

Purpose of IPO

The IPO consists of a fresh issue of ₹353.40cr and an OFS (offer for sale) of ₹517.64cr, totalling ₹871.05cr. The net proceeds from the IPO will be utilised for i) capital expenditure by the company for opening new dialysis clinics in India (₹129.11cr), ii) prepayment, or scheduled repayment, in full or part, of certain borrowings availed by the company (₹136cr) and iii) general corporate purposes.

Key Risks

- NHSL earns 37% of H1FY26 revenue from dialysis centers in private hospitals under a revenue-sharing model. Loss of these contracts could affect performance.
- The company operates 180 clinics (35% of total) under the PPP model, causing longer receivable cycles due to delayed government payments.

Peer Valuation

Company	CMP(₹)	MCap(₹ cr)	Sales (₹ cr)	EBITDA(%)	PAT (%)	EPS(₹)	RoE (%)	P/E(x)	EV/EBITDA	P/BV	Mcap/sales
Nephrocare Health services Ltd.	460	4,615	756	22.05	8.9	6.7	13.4	68.79	29.2	7.9	6.1
Jupiter Life Line	1,436	9,415	1,262	23.5	15.3	29.1	15.3	49.3	35	6.9	7.5
Healthcare Global	714	10,056	2218	17.5	2.0	3.1	5.1	227.7	23.5	10.8	4.5
Rainbow Children Hospital	1,349	13,704	1,495	32.8	16.3	21.5	17.9	62.8	29.4	9.3	9.2
Dr. Agarwal’s Healthcare	502	15,862	1,711	26.7	4.9	2.8	5.2	181.2	32	8.5	9.3
Narayana Health	1,946	39,744	5,483	23.3	14.4	38.5	24.3	50.6	27.4	10.9	7.2

Source: Geojit Research, Bloomberg; Valuations of NHSL are based on upper end of the price band (post issue), Financials as per FY25 consolidated.

Issue Details	
Date of opening	December 10, 2025
Date of closing	December 12, 2025
Total No. of shares offered (cr.)	1.89
Post Issue No. of shares (cr)	10.0
Face Value	₹2
Bid Lot	32 Shares
Minimum application for retail (upper price band for 1 lot)	₹ 14,720
Maximum application for retail (upper price band for 13 lot)	₹1,91,360
Listing	BSE,NSE
Employee Discount	41
Lead Managers	ICICI Securities Limited, Ambit Private Limited, IIFL Capital Services Limited, Nomura Financial Advisory and Securities (India) Private Limited

Registrar	KFin Technologies Limited
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Issue size (upper price)	Rs.cr
Fresh Issue	353.40
OFS	517.65
Total Issue	871.05

Shareholding (%)	Pre-Issue	Post Issue
Promoter & Promo. Group.	78.9	66.72
Public & others	21.1	33.28
Total	100.00	100.00

Issue structure	Allocation (%)	Size Rs.cr
Retail	35	303.63
Non-Institutional	15	130.17
QIB	50	433.75
Emp. Reservation	-	3.50
Total	100	871.05

Y.E March (Rs cr) Consol.	FY24	FY25	H1FY26
Sales	566.2	755.8	473.5
Growth YoY(%)	29%	33%	-
EBITDA	100.9	166.6	111.5
Margin(%)	17.8	22.0	23.5
PAT Adj.	35.1	67.1	14.2
Growth (%)	-398%	91%	0%
EPS	3.5	6.7	1.4
P/E (x)	131.4	68.8	324.4
EV/EBITDA (x)	48.4	29.2	43.7
P/BV (x)	11.2	7.9	6.4



Business Description:

Nephrocare Health Services offers comprehensive dialysis care through its network of clinics – from diagnosis to treatment and wellness programs including haemodialysis, home and mobile dialysis, supported by pharmacy. The company is India's largest dialysis service provider in terms of number of patients served, clinics, cities covered, treatments performed. In FY2025, the company served 29,281 patients and completed 2,885,450 treatments in India which represented ~10% of the total dialysis patients in India. Additionally, by September 30, 2025, the company served 31,046 patients and completed 1,591,377 treatments in India. The company is also the largest dialysis service provider in Asia in 2025 and the 5th largest globally based on the number of treatments performed in FY 2025.

The company is the only Indian dialysis services provider that has scaled internationally with a global network of 519 clinics, with 51 clinics internationally across the Philippines, Uzbekistan and Nepal, as of September 30, 2025. The company operates India's most widely distributed dialysis-clinic network, spanning 288 cities across 21 States and 4 Union Territories, with 77.35% of its clinics located in tier II and tier III cities and towns as of September 30, 2025.

Business Operation

- **Dialysis Services:** Dialysis is a procedure for removing waste products and excess fluids from a person's bloodstream when the kidneys become dysfunctional. The treatment helps in keeping the balance of electrolytes and fluid level in the body. There are two primary dialysis modalities:

- 1) **Haemodialysis:** A dialysis machine removes unfiltered blood from the body by passing it through a dialyzer (artificial kidney) and returns clean blood to the body.
- 11) **Peritoneal dialysis:** The patient's abdomen lining acts as a natural filter. Wastes are taken out by means of a cleansing fluid (called dialysate), which is washed in and out of the abdomen in cycles.

The company provides dialysis services and related pharmacy, wellness and diagnostic services for both therapy methods through its network of dialysis clinics, based on the following operating models:

- **In-Clinic Dialysis Services:** The company primarily operates its clinics under the Captive clinics, PPP clinics and Standalone clinics.
 - 1) **Captive Model through Arrangements with Hospitals:** The company enters into long-term arrangements ranging from 7 years to 15 years with private hospitals to establish and operate dialysis clinics within a hospital on a revenue share basis. As of September 30, 2025, the company had entered into arrangements for operating 272 clinics. In the 6-months period ended September 30, FY 2025, 2024 and 2023, the company had entered into 31, 38, 24 and 26 new arrangements with hospitals and hospital chains, respectively, across Haryana, Maharashtra, Gujarat, Himachal Pradesh, Karnataka, Uttarakhand, Chhattisgarh, West Bengal, Jharkhand, Jammu & Kashmir, Uttar Pradesh, Telangana, Delhi, Punjab, Chandigarh, Madhya Pradesh, Rajasthan, Bihar, Tamil Nadu, Puducherry, Kerala, Odisha and Assam.
 - 11) **PPP Clinics:** State governments and public health agencies issue tenders for the establishment and operation of dialysis clinics. Under such arrangements, dialysis services are provided free of charge or at subsidized rates to eligible patients, with reimbursement received from the concerned public health agency in accordance with the terms of the tender. The company's PPP agreements are typically for a tenure of 5 years. Under PPP models, state governments provide space and utilities, while the company manages dialysis services, including equipment, trained personnel, and operations. These arrangements involve no revenue share or rental payments. Reimbursement rates are contractually defined with annual escalations and agreements typically span 5 to 10 years, subject to renewal based on performance and mutual consent.
 - 111) **Standalone Clinics:** The company also operates dialysis clinics that are independent of hospital premises. This model allows the company to expand access to dialysis services in underserved or high-demand areas. Under this model the company typically lease the premises and develop the clinic infrastructure. The company operates standalone dialysis clinics in India and Philippines. As of September 30, 2025, March 31, 2025, 2024 and 2023, the company operated 67, 59, 46 and 27 standalone clinics, respectively.
- **Off-Clinic Dialysis Services:** The company offers off-clinic services according to the needs of its patients, including, home haemodialysis ("HHD"), dialysis on call ("DoC"), and dialysis on wheels ("DoW").
 - 1) **HHD:** The company offers HHD services, where its patients can undergo dialysis in the comfort of their homes without having to travel frequently to its clinics. The benefits include the ease and convenience for the patient and their attendants, and the increased frequency at which dialysis can be performed due to the inherent convenience.
 - 11) **DoC:** DoC is an initiative that the company launched in Hyderabad, Telangana, in March 2021, where the company takes the dialysis setup to a patient's home or even hospitals that do not have dialysis facilities but require dialysis for their patients, conduct the procedure and then move the equipment out. As of September 30, 2025, DoC is offered in India, in the cities, namely, Hyderabad in Telangana, Pune, Mumbai, Nashik and Nagpur in Maharashtra, Kolkata in West Bengal, Mohali in Chandigarh, Chennai and Coimbatore in Tamil Nadu, Vadodara in Gujarat, Ranchi in Jharkhand and Bhubaneswar in Odisha.
 - 111) **DoW:** The company is also providing its DoW services for dialysis patients, allowing patients to seek essential dialysis treatment right outside their homes or offices.

Key strengths:

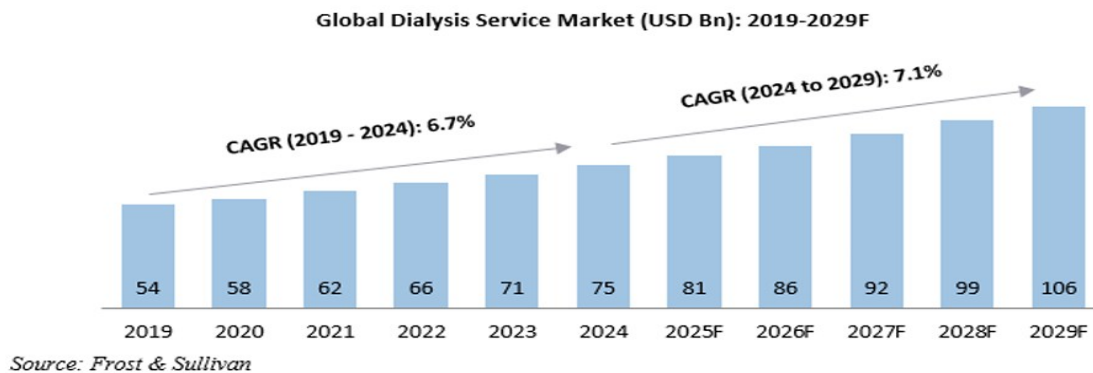
- ◆ India's and Asia's largest dialysis chain with leadership across the markets
- ◆ Scale coupled with asset-light model driving cost efficiencies and operational excellence
- ◆ Driving clinical excellence and quality through protocols and advanced technology
- ◆ Organic growth augmented by proven track record of acquisitions and integration in India and internationally
- ◆ Patient-centric leadership and seasoned management team backed by marquee investors
- ◆ Driving sustainable dialysis leadership with environmental, social and governance measures
- ◆ Track record of sustainable growth, profitability and return

Key strategies:

- ◆ Continue to consolidate its leadership position in India
- ◆ Expand further in South-East Asia, Commonwealth of Independent States and Middle East markets
- ◆ Continue to focus on innovation-led digital healthcare to enhance convenience, efficiency and reach

Industry Outlook

The global revenue from dialysis services was estimated to be around USD 75.20 billion in 2024 and it is estimated to grow at a CAGR of 7.1% during the forecast period (2024 to 2029) to reach around USD 106.2 billion by 2029 driven by factors such as increasing prevalence of CKD, improved diagnosis of ESRD and increasing access to dialysis service. The total number of dialysis patients is expected to increase from 0.28 million in 2024 to 0.52 million by 2029, growing at a CAGR of 12.7%. (Source: F&S Report).



Source: RHP, Geojit Research

Promoter and promoter group

The promoters of the company are Vikram Vuppala, Bessemer Venture Partners Trust, Edoras Investment Holdings PTE Ltd, Healthcare Parent Limited, Investcorp Private Ltd, Investcorp private equity fund II and Investcorp growth opportunity fund.

Brief Biographies of directors

- **Vikram Vuppala** is the Founder and Chairman and Managing Director of the Company. He has been associated with the Company since December 19, 2009. Previously he was associated with McKinsey & Company, Inc. ZS Associates Inc. and Abbott Laboratories Inc. He has over 21 years of experience in the field of consultancy and healthcare services.
- **Vishal Vijay Gupta** is a Non-Executive Nominee Director of the Company. He has been associated with the Company since October 10, 2014. He has over 20 years of experience in the field of investments and private equity.
- **Gaurav Sharma** is a Non-Executive Nominee Director of the Company. He has been associated with the Company since November 27, 2019. He has over 18 years of experience in the field of investments and private equity.
- **Sunil Kumar Thakur** is a Non-Executive Nominee Director of the Company. He has been associated with the Company since May 8, 2024. He has over 20 years of experience in the field of investments and private equity.
- **Om Prakash Manchanda** is an Independent Director of the Company. He has been associated with the Company since February 11, 2021. He has nearly 35 years of work experience in the field of medical science and management.
- **Hemant Sultania** is an Independent Director of the Company. He has been associated with the Company since June 18, 2022.
- **Annette Berit Ingrid Kumlien** is an Independent Director of the Company. She has been associated with the Company since May 12, 2025.
- **Dr. Ajay Bakshi** is an Independent Director of the Company. He has been associated with the Company since May 12, 2025.
- **Rohit Singh** is the Group Chief Executive Officer of the Company, responsible for global operations, strategic growth, and financial performance.
- **Prashant Vinodkumar Goenka** is the Chief Financial Officer of the Company. He has been associated with the Company since May 7, 2024.
- **Kishore Kathri** is the Company Secretary and Compliance Officer of the Company. He has been associated with the Company since June 2, 2025.

CONSOLIDATED FINANCIALS

PROFIT & LOSS

Y.E March (Rs cr)	FY24	FY25	H1FY26
Sales	566.2	755.8	473.5
% change	0.29	0.33	-
EBITDA	100.9	166.6	111.5
% change	1.08	0.65	-
Depreciation	56.1	72.5	43.0
EBIT	44.77	94.17	68.53
Interest	20.2	20.8	51.1
Other Income	8.57	14.10	10.47
Exceptional items	0.0	0.0	0.0
PBT	33.16	87.44	27.89
% change	-486.0%	163.7%	0.0%
Tax	-1.97	20.34	13.67
Tax Rate (%)	-6%	23%	0%
Reported PAT	35.13	67.10	14.23
Adj	0.0	0.0	0.0
Adj. PAT	35.13	67.10	14.23
% change	-398.0%	91.0%	0.0%
Post issue No. of shares (cr)	10.03	10.03	10.03
Adj EPS (Rs)	3.5	6.7	1.4
% change	-3.98	0.91	0.00

CASH FLOW

Y.E March (Rs cr)	FY24	FY25	H1FY26
PBT Adj.	33.2	87.4	27.9
<i>Non-operating & non cash</i>	<i>80.2</i>	<i>93.0</i>	<i>98.5</i>
Changes in W.C	-33.0	-44.2	-74.1
C.F. Operating	72.3	135.3	38.1
Capital expenditure	-108.1	-113.3	-84.2
Change in investment	50.0	-24.8	-36.1
Sale of investment	0.0	0.0	0.0
Other invest.CF	7.5	13.1	6.2
C.F - investing	-50.7	-125.1	-114.1
Issue of equity	0.6	98.0	53.7
Issue/repay debt	42.7	-24.8	-24.4
Dividends paid	0.0	0.0	0.0
Other finance.CF	-16.5	-18.8	-11.9
C.F - Financing	26.7	54.4	17.4
Change. in cash	48.4	64.6	-58.6
Opening Cash	14.1	61.2	125.8
Closing cash	61.2	125.8	83.0

BALANCE SHEET

Y.E March (Rs cr)	FY24	FY25	H1FY26
Cash	61.2	155.4	113.5
<i>Accounts Receivable</i>	<i>202.67</i>	<i>266.42</i>	<i>328.67</i>
Inventories	25.9	26.6	34.0
<i>Other Cur. Assets</i>	<i>100.28</i>	<i>46.18</i>	<i>52.41</i>
Investments	0.0	50.8	122.9
Deff. Tax Assets	23.63	20.57	34.16
Net Fixed Assets	303.9	324.0	373.6
CWIP	0.69	5.84	11.29
Intangible Assets	51.9	72.3	101.3
Other Assets	35.90	28.39	21.84
Total Assets	806.0	996.5	1,193.7
Current Liabilities	74.68	123.42	143.33
Provisions	8.4	7.1	8.0
Debt Funds	267.84	257.78	261.47
Other Fin. Liabilities	41.1	22.0	49.2
Deferred Tax liability	0.37	2.04	14.64
Equity Capital	5.1	5.4	12.9
Reserves & Surplus	408.57	578.68	704.14
Shareholder's Fund	413.7	584.1	717.0
Total Liabilities	806.0	996.5	1,193.7
BVPS (Rs)	41.2	58.2	71.5

RATIOS

Y.E March	FY24	FY25	H1FY26
Profitab. & Return			
<i>EBITDA margin (%)</i>	<i>17.82</i>	<i>22.05</i>	<i>24</i>
EBIT margin (%)	7.9	12.5	14.5
<i>Net profit mgn.(%)</i>	<i>6.2</i>	<i>8.9</i>	<i>3</i>
ROE (%)	8.8	13.4	4.0
ROCE (%)	8.8	10.9	8.2
W.C & Liquidity			
Receivables (days)	116.4	113.3	32
Inventory (days)	56.5	49.4	14.3
Payables (days)	45.5	54.5	25
Current ratio (x)	4.7	4.2	4.3
Quick ratio (x)	3.5	3.4	3
Turnover & Levq.			
Net asset T.O (x)	2.2	2.4	1.3
Total asset T.O (x)	0.8	0.8	0.8
Int. covge. ratio (x)	2.2	4.5	1.3
Adj. debt/equity (x)	0.6	0.4	0.4
Valuation ratios			
EV/Sales (x)	8.6	6.4	10.3
EV/EBITDA (x)	48.4	29.2	43.7
P/E (x)	131.4	68.8	324.4
P/BV (x)	11.2	7.9	6.4



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GRIEVANCES

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