

Rating: Neutral

Issue Offer

Total issue size: INR 8,710.5 Mn (18.93 Mn shares) - OFS of INR 5,176.4 Mn (11.25 Mn shares) and a Fresh Issue of INR 3,534 Mn (7.68 Mn shares).

Issue Summary

Price Band (INR)	438-460
Face Value (INR)	2
Implied Market Cap (INR mn)	46,153.4
Market Lot	32
Issue Opens on	10 December, 2025
Issue Close on	12 December, 2025
No. of share pre-issue	9,26,50,799
No. of share post issue	10,03,33,516
Listing	NSE / BSE

Issue Break-up (%)

QIB Portion	≤ 50
NIB Portion	≥ 35
Retail Portion	≥ 15

Book Running Lead Managers

ICICI Securities Ltd

Registrar

Kfin Technologies Ltd

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	78.90%	61.65%
Public & Others	21.10%	38.35%

Objects of the issue

Exp. Amt (INR Mn.)

Capital Expenditure by the company for opening new dialysis clinics in India.	1,291.1
Pre-payment or scheduled repayment, in full or part, of certain borrowings availed by the company.	1,360
General Corporate Purposes.	

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Nephro Care Health (NephroPlus) is India's largest and Asia's leading dialysis services provider, offering haemodialysis, home dialysis, and wellness programs through 519 clinics across India and select international markets. Its strong presence in Tier-II/III cities, asset-light expansion model, and hospital/PPP partnerships ensure wide accessibility and efficient scale-up. The company differentiates itself through protocol-driven care, its BONENT-accredited Enpidia training academy, and patented Renova technology, enabling consistent clinical outcomes.

Investment Rationale:

Market Position with a Broad Pan-India and Emerging International Network: Nephro Care holds a significant presence in the Indian dialysis market, supported by a network of 519 clinics across multiple states and cities, along with early international exposure in regions such as the Philippines, Uzbekistan, and Nepal. This breadth provides scale benefits and diversified operations, although the company continues to operate in a competitive and evolving healthcare landscape. While its leadership position offers the potential to capture growth in the organized dialysis segment, long-term performance will depend on sustaining patient engagement, maintaining service quality, and navigating regulatory and market dynamics across geographies.

Consistent Acquisition Activity Offering Growth Optionality: The company has executed several acquisitions domestically and internationally, including DaVita India and multiple entities in the Philippines, alongside its Uzbekistan PPP engagement. These integrations have contributed meaningfully to its expanded network and patient base. While the track record indicates operational capability in managing inorganic expansion, the strategy also brings ongoing integration, execution, and regional operating risks. Future growth visibility will depend on how effectively Nephro Care continues balancing acquisition-led scaling with consistent operational performance.

Asset-Light Operating Framework Enhancing Scalability, with Margin Gains Already Reflected: Nephro Care's predominantly asset-light clinic model, supported by revenue-sharing partnerships and standardized operations, allows for relatively lower capital intensity and quicker breakeven timelines. This structure has aided a notable improvement in EBITDA margins in recent years. However, further margin expansion may be more moderate as the company scales into newer geographies and navigates cost pressures and competitive pricing. The model remains operationally efficient, but sustained profitability will hinge on disciplined expansion, clinic-level utilization, and effective cost control.

Valuation & Outlook: Nephro Care is expected to witness gradual, multi-year growth driven by ongoing clinic additions, rising awareness of organized dialysis services, and a measured increase in contributions from international operations. The company's asset-light framework and centralized cost structure provide operational efficiency, though future margin progression may moderate as it scales into newer markets. Its experience in acquisitions and PPP engagements contributes to execution visibility, but sustained performance will depend on consistent integration outcomes and stable patient volumes. Overall, Nephro Care remains positioned to participate in industry growth while navigating the operational and competitive factors inherent to the sector. **At the upper band of INR 460, the issue is valued at a P/E ratio of 69x, based on annualized PAT of FY25 EPS of INR 6.7. Total issue size: INR 8,710.5 Mn (18.93 Mn shares) - OFS of INR 5,176.4 Mn (11.25 Mn shares) and a Fresh Issue of INR 3,534 Mn (7.68 Mn shares). We are recommending a "Neutral" rating for this issue.**

Financial Information:

Particulars (INR Mn)	FY23	FY24	FY25	H1FY26
Revenue	4,433	5,747	7,699	4,840
<i>Growth (% YoY)</i>		<i>30%</i>	<i>34%</i>	
EBITDA	486	997	1,666	1,103
<i>Margins</i>	<i>11%</i>	<i>17%</i>	<i>22%</i>	<i>23%</i>
PAT	-118	351	671	142
<i>Margins</i>	<i>-3%</i>	<i>6%</i>	<i>9%</i>	<i>3%</i>
Debt	1,962	2,434	2,258	2,070

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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