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Generating Wealth

IPO Note
01st September 2026

Rays of Belief Ltd

Neutral

Rating: Neutral

Issue Offer

Total issue size: Fresh Issue – INR 1,250 Mn (5.23 Mn Shares)

Issue Summary	
Price Band (INR)	227-239
Face Value (INR)	10
Implied Market Cap (INR mn)	4,996
Market Lot	62
Issue Opens on	01 September, 2026
Issue Close on	03 September, 2026
No. of share pre-issue	1,56,71,682
No. of share post issue	2,09,01,682
Listing	NSE / BSE

Issue Break-up (%)	
QIB Portion	≥ 75
Retail Portion	≤ 10
NII Portion	≤ 15

Book Running Lead Managers

Mefcom Capital Markets Limited

Registrar

Kfin Technologies Limited

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	91.72%	68.77%
Public & Others	8.28%	31.23%

Objects of the Offer	Exp. Amt (INR Mn.)
Funding capital expenditure	413.61
Expenditure of lease payments	144.45
Investment in subsidiary	101.31
Expenditure for brand awareness	102.08
Unidentified acquisition and General corporate purposes	35% of gross proceeds of the fresh issue.

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Rays of Belief Limited, operating under the "Mom's Belief" brand, provides personalised therapy and intervention services for children with neurodevelopmental disorders such as autism, ADHD, Down Syndrome and learning disabilities. Its services include occupational, speech and behavioural therapy, special education and parent-support programs through physical centres and digital services. Started in 2018, the company has grown from 71 centres in FY23 to 136 centres across 57 cities in India as of March 31, 2026, with three additional centres in the US. It has served over 58,000 children since inception and follows an asset-light model through leased centres and partnerships with professionals and schools.

Investment Rationale:

Growing NDD Therapy Market Offers Long-Term Growth Opportunity: Rays of Belief operates in an underpenetrated healthcare segment, where rising awareness and early diagnosis are increasing the demand for professional therapy services. The Indian ASD therapy market grew from around INR 7,088 Mn in CY18 to INR 10,900 Mn in CY25 and is expected to reach INR 18,932 Mn by CY34, registering a 6.29% CAGR during CY26-34. The developmental delays and speech disorder therapy markets are expected to grow faster at 10.86% and 11.77% CAGR, respectively, during CY26-34. Rising awareness, better diagnosis and improving access to healthcare services should support the company's long-term growth opportunity

Strong centre network and an asset-light model support expansion: Rays of Belief has built a strong presence across India with 136 centres in 57 cities and 20 states/UTs as of March 31, 2026, up from 71 centres in FY23 and 111 centres in FY25. According to the CARE Report cited in the RHP, the company ranks first in India by the number of centres offering intervention plans for children with NDDs. Its asset-light model, with centres operating from leased premises and partnerships with licensed professionals, allows it to expand without taking on the full investment burden of setting up company-owned centres. This has also supported better capital efficiency, with RoCE improving to 29.74% in FY26 from 7.49% in FY25 and 4.58% in FY24. The growing presence in Tier 2 and Tier 3 cities, combined with lower upfront investment, provides scope for further expansion while improving returns as centre productivity increases.

IPO funds to support rapid expansion: Rays of Belief plans to use a significant portion of the IPO proceeds to expand its centre network, with INR 413.61 Mn allocated towards new centres and technology, INR 144.45 Mn for lease payments of existing Indian centres, INR 101.31 Mn for lease/licence payments for US centres and INR 102.08 Mn for brand awareness and outreach. The company plans to add 319 centres between FY27 and FY29, including 190 Company Learning/partnership centres, 121 School Collaboration Centres, 3 Centres of Excellence and Research and 5 Upskilling Academies. This expansion can increase its reach and revenue base, particularly in Tier 2 and Tier 3 cities where organised NDD care services remain limited and centre setup costs are generally lower than in Tier 1 cities.

Valuation & Outlook: Rays of Belief has good long-term growth potential as India's organised NDD therapy market is still underpenetrated, while awareness and demand for professional care are increasing. The company has grown its network from 71 centres in FY23 to 136 centres in FY26 and plans to add 319 centres during FY27-FY29. Its asset-light model, partnerships and focus on Tier 2 and Tier 3 cities can help expand the network with lower upfront investment. Growth in the US market and behavioural therapy services can provide an additional growth opportunity. However, the high 63.34% FY24-FY26 revenue CAGR may not continue at the same pace, and executing the large expansion will depend on hiring qualified therapists and maintaining service quality. **At the upper price band of INR 239, the issue is priced at a P/E of 100.74x based on the post-IPO FY26 EPS of INR 2.37 We recommend a "Neutral" rating for the issue.**

Particulars (INR Mn)	FY24	FY25	FY26
Revenue	306.08	364.19	816.62
Growth (%) YoY	-	*18.99%*	*124.23%*
EBITDA	14.91	30.17	119.11
Margins (%)	*4.87%*	*8.28%*	*14.59%*
PAT/(Loss)	8.53	58.81	49.59
Margins (%)	*2.79%*	*16.15%*	*6.07%*

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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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