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CM RATING 40 / 100

# Gujarat Kidney & Super Speciality

## Regional healthcare provider

### Expanding through acquisitions and alliances

Gujarat Kidney & Super Speciality specializes in providing multispeciality healthcare services, including secondary and tertiary care, across multiple locations in Gujarat, India. The company operates seven multispeciality hospitals and four pharmacies with a total bed capacity of 490 beds, an approved capacity of 455 beds, and an operational capacity of 340 beds.

The hospitals include Gujarat Kidney and Superspeciality Hospital (Vadodara), Gujarat Multispeciality Hospital (Godhra), Raj Palmland Hospital (Bharuch), M/s. Surya Hospital and ICU (Borsad), Gujarat Surgical Hospital (Vadodara), and Ashwini Medical Centre (Anand). The company also operates Ashwini Medical Store (Anand) and Apex Multispeciality & Trauma Center (Bharuch).

Comprehensive medical care is provided across a range of specialty and super-specialty services. Treatment is offered across areas such as internal medicine, general surgery, nephrology, urology, cardiology, and orthopedics, while also focusing on advanced super-specialty care including renal transplantation, vascular surgery, and hematology among others. Healthcare services are categorized as secondary services, which are surgical services, and tertiary Services, which are super specialty surgical services.

Central, state and local government bodies contributed 5.46% to its revenue, Insurers through third party administrators 13.9%, and Self-payers and others 80.64% in Q1 FY2026.

94.54% and 90% of its revenue in the three months ended June 30, 2025, and the financial year ended March 31, 2025, respectively, came from individually insured or walk-in patients.

The inpatient department (IPD) volume stood at 3,240 patients, generating IPD revenue of Rs 21.85 crore, translating into an average revenue per inpatient of Rs 67,458 in Q1 FY 2026. The outpatient department (OPD) volume was 20,918, with OPD revenue amounting to Rs 3.98 crore.

The average bed occupancy rate stood at 54.77%, while the average revenue per occupied bed was Rs 11,243 in Q1FY2026. The average length of stay in hospitals (ALOS) was six days.

The company relies on acquisitions for growth to a certain extent. In Fiscal 2024, Gujarat Kidney Hospital in Vadodara and Gujarat Multispeciality Hospital in Godhra were acquired through a business transfer agreement. Controlling interests in Surya Hospital and ICU and Gujarat Surgical Hospital were acquired in September 2024. Ashwini Healthcare was acquired in March 2025. The shareholding in Raj Palmland Hospital, Bharuch, was raised to 51%, and a 51% stake in Harmony Medicare was acquired in October 2025.

Going forward, the company intends to continue pursuing selective acquisitions and strategic alliances focused on micro-markets that provide access to better infrastructure, high-value technological and operational capabilities, and enable it to expand its patient base and service offerings.

The company is in the process acquiring Parekhs Hospital in Ahmedabad using a portion of the net proceeds. The hospital, commissioned in 2006, has 49 beds, including 8 ICU beds, as of February 28, 2025.

The company aims to enhance operational efficiency across its hospitals through greater integration and continues to invest in the latest medical technologies and equipment.

The company intends to strengthen its existing hospitals by further balancing speciality mix, deepening expertise in select specialties and adding new specialties and services.

On a pro forma consolidated basis, the company has 670 employees, 89 full-time consultants, and 238 visiting consultants as of November 12, 2025.

### **Offer and its objects**

The IPO comprises fresh issue of equity shares, aggregating up to Rs 250.8 crore.

The price band of the IPO is Rs 108 to Rs 114 per equity share of face value Rs 2 each.

The objectives of the fresh issue are to utilize Rs 77 crore towards the acquisition of Parekh's Hospital in Ahmedabad; Rs 12.4 crore will be used for part-payment of the purchase consideration for the already acquired Ashwini Medical Centre; Rs 10.78 crore is earmarked for the acquisition of additional shareholding in the subsidiary, Harmony Medicare, located in Bharuch; Rs 30.09 crore towards funding its capital expenditure requirements; Rs 6.82 crore will be utilized for the purchase of robotics equipment for Gujarat Kidney & Super Specialty Hospital in Vadodara; Rs 1.2 crore will be used for the repayment and/or prepayment of certain outstanding borrowings; and the remaining proceeds will be used for general corporate purposes.

The promoters are Dr. Pragnesh Yashwantsinh Bharpoda, Dr. Bhartiben Pragnesh Bharpoda, Dr. Yashwantsingh Motisinh Bharpoda and Anitaben Yashwantsinh Bharpoda. The promoters and promoter group hold an aggregate of 5,63,33,900 equity shares, aggregating to 99.1% of the pre-offer issued and paid-up equity share capital. Their post IPO shareholding is expected to be around 71.45%.

The issue, through the book-building process, will open on 22 December 2025 and will close on 24 December 2025.

### **Strengths**

Renowned in renal sciences and urology, with advanced laparoscopic capabilities across multiple specialties.

Operates an asset-light model, running hospitals through leased properties and strategic acquisitions without heavy investment in land or equipment.

Well-positioned to benefit from the expected growth of the healthcare sector in Gujarat, driven by lifestyle changes, rising prevalence of non-communicable diseases, an increasing elderly population, and expanding health insurance coverage.

Strong ability to attract and retain skilled medical professionals, with low attrition rates of 2.40–2.99% for full-time doctors, 0–2.10% for visiting doctors, and 0–0.85% for nurses for FY2025 and Q1 FY2026.

Successfully acquired and operated multiple hospitals, expanding regional presence.

Provides quality healthcare backed by NABH accreditation.

Extensive experience of promoters and senior management personnel.

### **Weaknesses**

Revenue heavily dependent on Gujarat Kidney Hospital in Vadodara, which contributed 36.83% of the total revenue in Q1 FY2026. Moreover, all of its hospitals are located in Gujarat, making the business vulnerable to regional economic or political changes.

Growth relies on acquiring and integrating hospitals to a certain extent.

Exposed to heightened risks of legal claims and regulatory actions arising in case of negligence by healthcare professionals during medical treatment.

Trade receivables were 140.2% of revenue in Q1FY2026, indicating significant collection delays and exposing the company to liquidity constraints.

Planned hospital expansion may face delays or increased costs due to pending approvals, which could affect timely growth and business performance.

Subsidiary Raj Palmland Hospital has experienced negative cash flow in the past and may continue to do so in the future.

Pending registration of trademark may limit its ability to protect the brand and goodwill.

The company has, in the past, faced certain instances of non-compliance, including with respect to secretarial and regulatory filings for corporate actions.

### Valuation

Pro forma consolidated net sales increased 16% to Rs 119.97 crore in FY2025 as compared with FY2024. The OPM improved 393 bps to 24.09%, leading to 39% increase in OP to Rs 28.9 crore. OI fell 67% to Rs 0.39 crore. Interest cost fell 3% to Rs 2.27 crore. Depreciation cost went up 7% to Rs 6.53 crore. PBT surged 51% to Rs 20.49 crore. Tax expenses were Rs 5.36 crore as compared with Rs 3.6 crore. Minority interest was Rs 0.39 crore as compared with Rs 0.29 crore. Net profit soared 52% to Rs 14.74 crore.

The pro forma FY2025 EPS on post-issue equity works out to Rs 1.9. At the upper price band of Rs 114, P/E is 61.

Listed peers such as Yatharth Hospital & Trauma Care Services traded at TTM P/E of 44, GPT Healthcare at TTM P/E of 27, and KMC Speciality Hospitals (India) at TTM P/E of 40 as on 16 December 2025. The pro forma OPM and ROE stood at 24.09% and 48.4% respectively, in FY 2025. These were 25.01% and 10.53% for Yatharth Hospital & Trauma Care Services, 20.47% and 21.47% for GPT Healthcare, and 24.56% and 13.96% for KMC Specialty Hospitals (India).

<b>Gujarat Kidney &amp; Super Speciality: Issue highlights</b>	
For Fresh Issue Offer size (in Rs crore)	
- On lower price band	237.6
- On upper price band	250.8
Offer size (in no of shares )	2,20,00,000
Price band (Rs)	108-114
Minimum Bid Lot (in no. of shares )	128
Post issue capital (Rs crore)	15.77
Post-issue promoter & Group shareholding (%)	71.45
Issue open date	22-12-2025
Issue closed date	24-12-2025
Listing	BSE, NSE
<b>Rating</b>	<b>40/100</b>

<b>Gujarat Kidney &amp; Super Speciality: Pro forma Consolidated Financials</b>				
	2303 (12)	2403 (12)	2503 (12)	2506 (3)
Sales	85.79	103.44	119.97	31.09
OPM (%)	20.53%	20.16%	24.09%	43.74%
OP	17.62	20.85	28.90	13.60
Other inc.	0.32	1.18	0.39	0.06
PBIDT	17.93	22.03	29.30	13.66
Interest	2.08	2.35	2.27	0.51
PBDT	15.86	19.68	27.02	13.15
Dep.	6.02	6.11	6.53	1.64
PBT	9.84	13.57	20.49	11.51
Share of Profit/(Loss) from Associates/JV	-	-	-	-
PBT before EO	9.84	13.57	20.49	11.51
Exceptional items	-	-	-	-

PBT after EO	9.84	13.57	20.49	11.51
Taxation	3.48	3.60	5.36	3.16
PAT	6.35	9.97	15.13	8.35
Minority Interest	(0.28)	0.29	0.39	0.55
Net Profit	6.64	9.68	14.74	7.80
EPS (Rs)*	0.8	1.2	1.9	#
* EPS is annualized on post issue equity capital of Rs 15.77 crore of face value of Rs 2 each				
# EPS is not annualised due to seasonality of business				
EO: Extraordinary items. EPS is calculated after excluding EO and relevant tax				
Figures in Rs crore				
Source: Capitaline Corporate Database				

<b>Gujarat Kidney &amp; Super Speciality: Restated Consolidated Financials</b>				
	2303 (12)	2403 (12)	2503 (12)	2506 (3)
Sales	0.00	4.77	40.24	15.26
OPM (%)	-6200.00%	40.85%	41.11%	56.52%
OP	(0.01)	1.95	16.54	8.63
Other inc.	-	0.70	0.15	0.01
PBIDT	(0.01)	2.65	16.70	8.63
Interest	-	0.07	0.65	0.18
PBDT	(0.01)	2.59	16.05	8.45
Dep.	-	0.32	3.29	0.96
PBT	(0.01)	2.27	12.76	7.49
Share of Profit/(Loss) from Associates/JV	-	-	-	-
PBT before EO	(0.01)	2.27	12.76	7.49
Exceptional items	-	-	-	-
PBT after EO	(0.01)	2.27	12.76	7.49
Taxation	-	0.55	3.27	2.09
PAT	(0.01)	1.71	9.50	5.40
Minority Interest	-	-	0.09	0.56
Net Profit	(0.01)	1.71	9.41	4.84
EPS (Rs)*	-	0.2	1.2	#
* EPS is annualized on post issue equity capital of Rs 15.77 crore of face value of Rs 2 each				
# EPS is not annualised due to seasonality of business				
EO: Extraordinary items. EPS is calculated after excluding EO and relevant tax				
Figures in Rs crore				
Source: Capitaline Corporate Database				