

**Suraksha**  
 DIAGNOSTICS

# IPO NOTE

## SURAKSHA DIAGNOSTIC LIMITED


 Rating:  
**AVOID**


### ISSUE OFFER

Issue Opens on	NOV 29, 2024
Issue Close on	DEC 03, 2024
Total IPO size (cr)	₹846.25
Fresh issue (cr)	NIL
Offer For Sale (cr)	₹846.25
Price Band (INR)	420-441
Market Lot	34
Face Value (INR)	₹2
Listing At	NSE, BSE
Market Capitalization (cr)	2,300

### ISSUE BREAK-UP (%)

QIB Portion	50%
NII Portion	15%
Retail Portion	35%

### PROMOTER HOLDING %

Pre Issue	Post Issue
61.07%	50%

### INDICATIVE TIMETABLE

Basis of Allotment	04-12-2024
Refunds/Unblocking ASBA Fund	05-12-2024
Credit of Share to Demat A/c	05-12-2024
Listing Date	06-12-2024

Suraksha Diagnostic Limited offer a one-stop integrated solution for pathology and radiology testing, and medical consultation services to its customers through its extensive operational network.

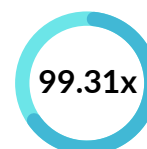
### OBJECTS OF THE ISSUE

- The issue is complete offer for sale.

### FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2024	FY 2023	FY 2022
Equity Share Capital	6.9	6.9	6.9
Net Worth	179.14	155.46	145.82
ROCE %	21.46	9.05	23.11
Revenue	218.70	190.13	223.19
Operating Profit Margin %	33.66	24.97	29.24
Net Profit of the year	23.12	6.06	20.8

### FINANCIAL RATIOS OF FY24


**D/E**

**P/E**

**Asset Turnover**

### OUTLOOK & VALUATION

- The company provides pathology and radiology testing services, with revenue largely concentrated in West Bengal.
- Financial performance has been inconsistent, with a setback in FY23 but showing signs of recovery recently.
- The IPO is a complete offer for sale.
- Valuation appears aggressively high.
- Investors exploring this sector may find better opportunities among other listed players, making it advisable to avoid this IPO for now.



## COMPANY PROFILE

- Its operational network consists a flagship central reference laboratory, 8 satellite laboratories and 215 customer touchpoints which include 49 diagnostic centres, and 166 sample collection centres, across the states of West Bengal, Bihar, Assam, and Meghalaya.
- Its radiology equipment consists of 24 CT and 13 MRI machines.
- It also offers omnichannel medical consultation services via online and offline modes.
- It also provides vaccination services, and a broad spectrum of customized test packages, aimed at prediction/early detection of diseases.



## COMPETITIVE STRATEGIES

- Strengthen its position in its core geography i.e. Kolkata and the rest of West Bengal.
- Expand beyond its core markets in adjacent geographies of eastern and north-eastern India.
- Supplement organic growth with selective acquisitions.
- Leverage technology to elevate customer experience.
- Augmenting medical consultation services are offered through polyclinic chambers.
- Enhance its revenue by inking business-to-business ("B2B") and corporate partnerships.



## KEY CONCERNS

- Geographical concentration of revenue.
- The diagnostics industry in India is highly competitive.
- Company will not receive any proceeds from the Offer for Sale.
- Derive majority of revenue from B2C segment.
- Rely on its information technology systems and third-party platform for the operation.
- Implementation of pricing policies by the Government or other authorities could adversely affect.



## KEY STRENGTHS

- Well-positioned to leverage growth opportunities for organized diagnostic chains.
- Track record of profitability and financial performance.
- Integrated diagnostics provider with a one-stop solution.
- Technologically advanced clinical infrastructure.
- Commitment to qualities driving high individual consumer business.
- Management team with relevant industry experience.

## COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (Basic)	NAV	P/E	TOTAL INCOME (In CR.)	RoCE%
<b>Suraksha Diagnostic Limited</b>	<b>4.43</b>	<b>33.66</b>	<b>99.31</b>	<b>222.26</b>	<b>24.46%</b>
<b>Peer Group</b>					
Dr Lal PathLabs	43.05	221.53	77.08	2,226.60	51.71%
Metropolis Healthcare	24.95	213.98	89.61	1,207.70	60.66%
Thyrocare	13.42	99.48	65.52	572.39	24.99%
Vijaya Diagnostic	11.62	64.21	86.40	547.80	32.98%



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