



TM

SYSTEMATIX INSTITUTIONAL EQUITIES

### Rainbow Children's Medicare Ltd

09 October 2025

#### Transforming into a pan India maternity and child care brand

We initiate coverage on Rainbow Children's Medicare Ltd. (RAINBOW IN) with a BUY rating and target price of Rs 1,670, based on a P/E of 40x Sep 2027E. RAINBOW is India's only listed pediatric and maternity care chain, operating 22 hospitals and 5 clinics with ~2,235 beds across nine cities. Over the next three years, we expect RAINBOW to evolve into a pan India brand in pediatric and maternity care, as they start building their presence beyond South. Key initiatives include a large hub hospital in Gurugram (North India) and recent acquisition of a hospital in Guwahati (presence in Northeast). During FY20–25, the company consolidated its southern footprint, delivering robust 16%/ 20%/ 37% revenue/ EBITDA/ net earnings CAGR, with volumes compounding at 8–9% (in line with bed capacity) and ARPOB (average revenue per occupied bed) nearly doubling, lifting RoCE from 17% to 20%. RAINBOW is aptly placed to benefit from the structural transition of paediatric care from general hospital wards to specialty hospitals. JAMA data underscores this trend in the US, where pediatric hospitals expanded bed capacity over the past decade while general hospitals reduced pediatric beds. We expect RAINBOW to sustain its industry-leading 34% EBITDA, albeit capped, and forecast 13%/14%/20% revenue/EBITDA/EPS CAGR over FY25–28E.

**Transforming into a pan India brand:** RAINBOW's ~56% capacity expansion from 1,935 beds in FY25 to 3,015 in FY28E is supported by new hub-and-spoke centres at Warangal, Coimbatore, Gurugram, Guwahati and Rajahmundry. While it is adding 400–450 beds in the north (Gurugram), it has also acquired 100 beds and spread its reach to the northeast (Guwahati), transitioning into a pan-India platform.

**Pediatric focus improves competitive positioning:** Trends in the US indicate Pediatric hospitals are gaining preference over pediatric wards in general hospitals. RAINBOW's pediatric-only positioning offers unique advantages such as a) a child-centric environment, b) specialized multidisciplinary care, c) superior outcomes in complex cases, d) a family-centered model of care, and e) emphasis on research and innovation in pediatric care. These drivers cumulatively strengthen its competitive moat in a niche but fast-expanding segment.

**Asset-light model:** RAINBOW has deployed a capital-efficient model, wherein it leases hospital facilities on long-term contracts. This keeps upfront capex low and also facilitates quicker scale-up and faster break even.

**Hub-and-spoke model aids efficiency:** RAINBOW's hub hospitals cater to specialized tertiary and quaternary care, while its spoke model provides outpatient, maternal and emergency services in pediatric care. Such unique hub-and-spoke model allows it to optimally use its infrastructure.

**Initiating a BUY:** With ~56% expansion in bed capacity expected over FY25–28, the growth momentum should accelerate meaningfully. Recent foray into IVF, premium baby/mother care products, acquisitions and ongoing expansion of quaternary care are additional growth levers. We value RAINBOW at a P/E of 40x Sep FY27E to arrive at our target price of Rs 1,670. RAINBOW median historical TTM PE is 55x.

**Key risks:** Intense regional competition in southern markets could threaten market share and profitability, while inability to renew a key lease could disrupt operations, likely impacting its long-term stability and operational continuity.

#### INITIATING COVERAGE

Sector: Healthcare Rating: BUY

CMP: Rs 1,312 Target Price: 1,670

#### Stock Info

Sensex/ Nifty	81,706/25,033
Bloomberg	RAINBOW IN
Equity shares (mn)	102 mn
52-wk High/Low	Rs 1,710/1,206
Face value	Rs 10
M-Cap	Rs 133bn/USD 1.5bn

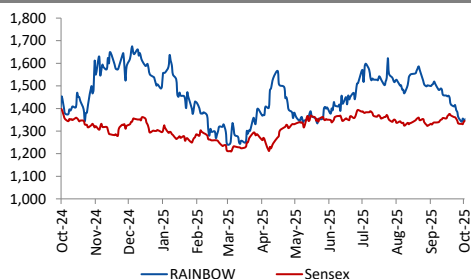
#### Financial Snapshot (Rs mn)

Y/E Mar	FY25	FY26E	FY27E
Sales	15,159	16,839	19,453
Gross profit	13,209	14,650	16,924
Gross Margin (%)	87%	87%	87%
EBITDA	4,899	5,495	6,419
Margin (%)	32%	33%	33%
PAT	2,683	2,851	3,876
EPS	26.43	28.08	38.18
RoE (%)	18.3%	16.5%	18.7%

#### Shareholding pattern (%)

	Dec'24	Mar'25	Jun'25
Promoter	49.85	49.85	49.85
FII	25.12	23.69	23.60
DII	13.87	15.31	15.44
Others	11.16	11.14	11.11

#### Stock Performance (1-year)



#### Vishal Manchanda

vishalmanchanda@systematixgroup.in  
+91 97374 37148

#### Virti Shah

virtishah@systematixgroup.in  
+91 22 6704 8099

#### Rushank Mody

rushankmody@systematixgroup.in  
+91 22 6704 8046

Contents

Story in Charts ..... 3

Investment Rationale ..... 4

Financial performance..... 11

Valuations ..... 14

Challenges for RAINBOW..... 16

A peek into India’s healthcare industry..... 17

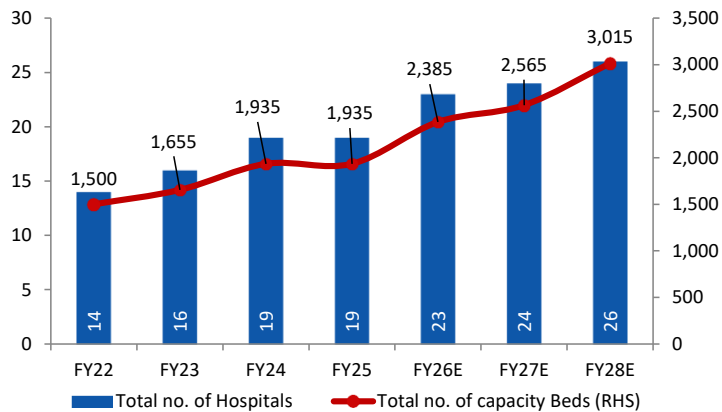
About the Company..... 19

Strong management profile ..... 22

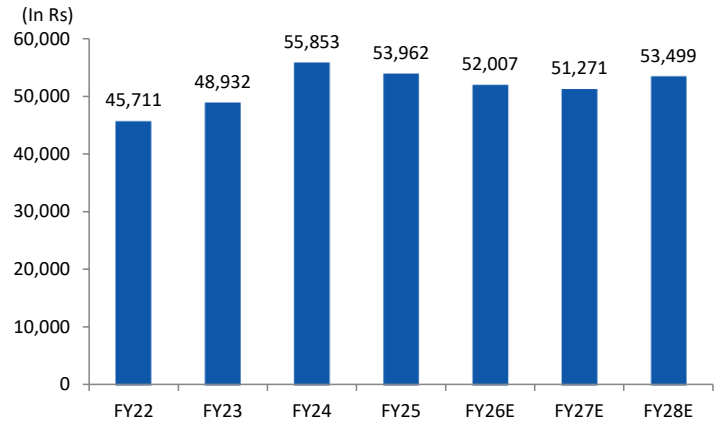
Milestones ..... 23

Financial..... 24

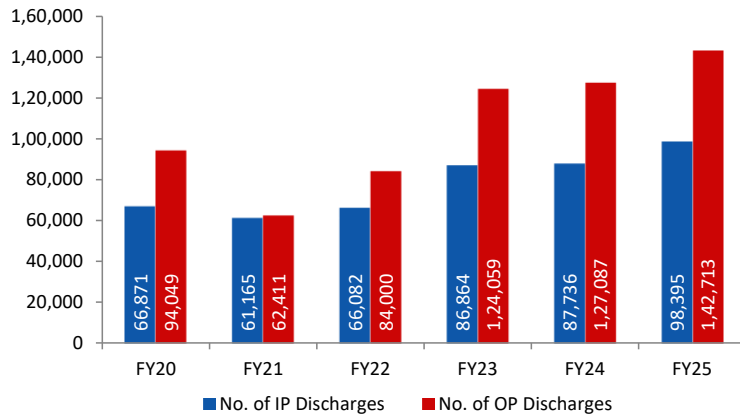
## Story in Charts

**Exhibit 1: 16% CAGR in bed additions (FY25-28E)**


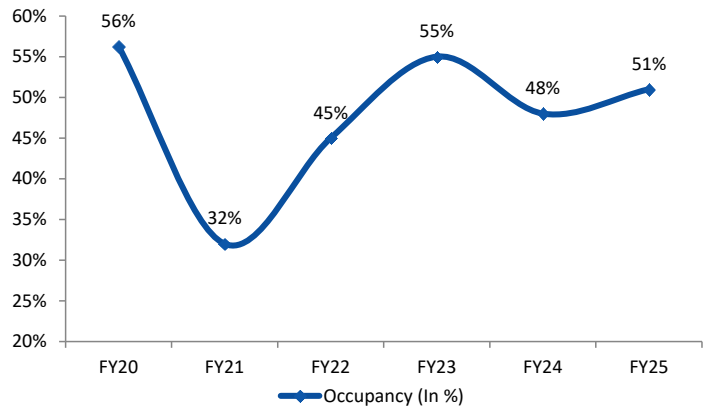
Source: Company, Systematix Institutional Research

**Exhibit 2: ARPOB to remain steady hereafter**


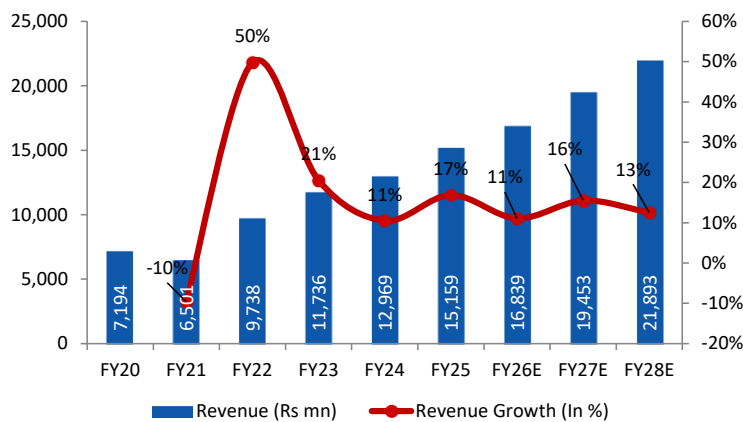
Source: Company, Systematix Institutional Research

**Exhibit 3: Patient flow up: CAGR - IP 8%, OP 9% (over FY20-25)**


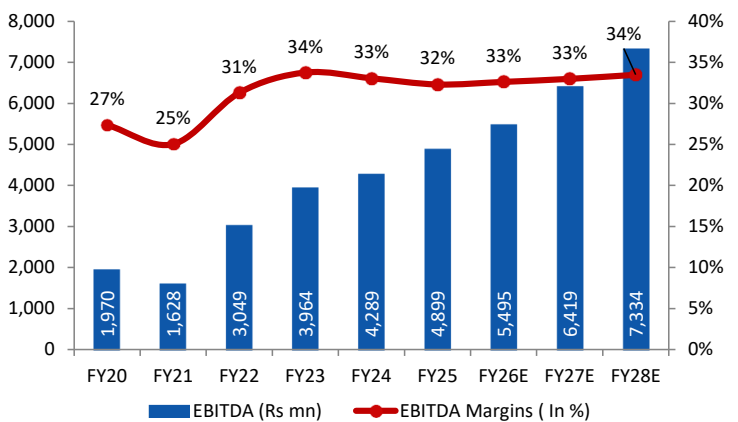
Source: Company, Systematix Institutional Research; IP: Inpatient, OP: Outpatient

**Exhibit 4: Holding the line: Occupancy remains flat**


Source: Company, Systematix Institutional Research

**Exhibit 5: Revenue CAGR - 13% (FY25-28E) from 16% (FY20-25)**


Source: Company, Systematix Institutional Research

**Exhibit 6: Margin resilience - EBITDA steady at ~32% levels**


Source: Company, Systematix Institutional Research

**What are operational and capacity beds?**

- **Capacity beds:** This refers to the total number of beds a hospital is licensed or designed to accommodate. It represents the maximum patient load a facility could theoretically handle.
- **Operational beds:** This refers to the number of beds that are actively staffed, equipped, and available for patient use at a specific point in time. This number is often less than the total capacity due to factors like staffing levels or beds being temporarily out of service.

**Investment Rationale****RAINBOW has the ingredients to succeed and become a preferred brand in the mother and childcare segment**

- Long track record of Growth** – Over 26 years of experience in the pediatric and childcare space positions it as a trusted Brand
- Focus on child and mother care** – Superior Outcomes
- Only pediatric / childcare hospital chain with JCI Accreditation for 3 hospitals and NABH accreditation for 13 hospitals** – Bodes well for garnering international patients
- Comprehensive bouquet of tertiary and quaternary care services** – Clinical Excellence
- Access to Talent Pool** - RAINBOW operates one of India's largest pediatric training programs, offering 230+ DNB (Diplomate of National Board) seats across its network. The training ecosystem also includes super-specialty programs, equipping healthcare professionals to manage complex, high-acuity pediatric and maternal cases.
- Expanding Scope of Services** – Over the last few years with an idea to leverage on its expertise in child and mother care, RAINBOW has started to meaningfully expand its offering in Infertility (IVF clinics), curated range of products for Mother and Childcare (Butterfly essentials) and Transplant services (Liver, bone marrow and Kidney)
- Replicating complex quaternary care services across the network** – Leveraging experience at its flagship center at Banjara hills – Hyderabad, RAINBOW will replicate its offering to other hubs - Bengaluru and Chennai.
- Strong Balance Sheet** – Growth through Acquisitions
- Leveraging Brand and Experience for geographic expansion**

**Trends in US suggests Pediatric care is moving from Pediatric wards to Pediatric focussed Hospitals – RAINBOW is ideally positioned****RAINBOW aptly placed to mirror US trend of specialty pediatric hospitals**

Research published by JAMA (Journal of the American Medical Association) analysed inpatient (IP) pediatric patient discharges over a long period (2000-2019). The analysis included discharges (excluding birth) of 1,47,58,391 kids (patients) from 3,991 hospitals spread over 48 states, revealing that annual IP pediatric discharges from general hospitals declined by 26.5% from 22,73,225 in 2000 to 16,71,515 in 2019. Simultaneously, the percentage of total national discharges from specialty pediatric hospitals surged from 58.9% in 2000 to 81% in 2019.

**Scaling up to become a pan India brand in maternity and childcare**

RAINBOW is expected to add 1,080 beds over FY25-FY28 (450 in FY26, 180 in FY27 and 450 in FY28E) RAINBOW has already added about 300 beds in the last six months through organic and inorganic efforts. From six cities in FY25, the company is now present in nine cities and expects to expand to 11 by FY28. Most of these additions would be asset light.

### Expansion in Gurugram marks RAINBOW's presence in North India

RAINBOW aims to add 450 beds in Gurugram on a land acquisition basis. The company participated in an e-auction held by the Haryana Shehri Vikas Pradhikaran (HSVP) and successfully secured two land parcels in Gurugram, Haryana, one in Sector 44 and the other in Sector 56. The hospitals are expected to commence operations by FY28, catapulting RAINBOW's total bed count to **3,015**. The company aims to replicate its successful hub-and-spoke operating model in NCR.

#### Exhibit 7: Upcoming hospitals in Gurugram

Location	Type of Hospital	Planned Capacity	Focus and Services
<b>Sector 44, Gurugram</b>	<b>Greenfield Hub / Flagship Super-specialty</b>	About <b>325 beds</b>	It would offer comprehensive OP and IP care, with special emphasis on <b>tertiary and quaternary services</b> . It is expected to serve as a referral center for multidisciplinary pediatric and perinatal care, catering to Gurugram and surrounding northern states.
<b>Sector 56, Gurugram</b>	<b>Greenfield Spoke</b>	About <b>125 beds</b>	It would focus on <b>24/7 emergency care</b> , extensive OP services, and comprehensive obstetrics, pediatric IP, and Level 3 NICU services.

Source: Company, Systematix Institutional Research

### Deepening presence in south India

The company recently acquired a 100-bed Prashanthi Hospital in Warangal, Telangana, by purchasing 76% stake in the hospital's fully diluted equity. The acquisition was based on an enterprise value of Rs 326mn. It also recently commercialized a 100-bed greenfield hospital in Rajahmundry, which is RAINBOW's third hospital in Andhra Pradesh (the other two are in Vijayawada and Vishakhapatnam).

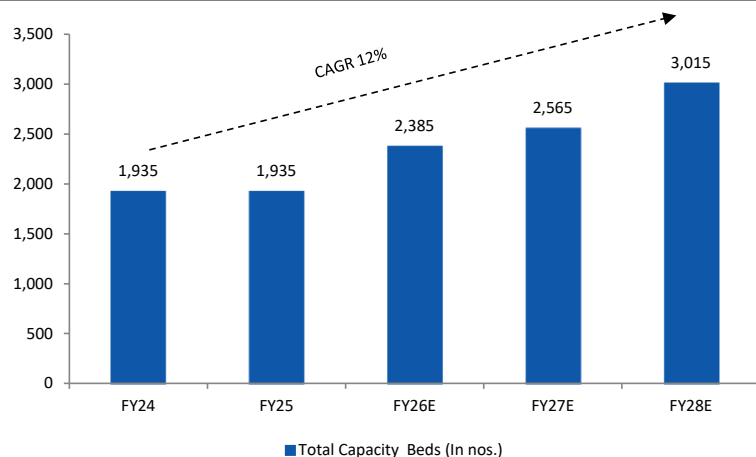
#### Other upcoming hospitals in the south

- **Bengaluru, Karnataka:** RAINBOW is expanding its hub-and-spoke network in Bengaluru with two new spoke hospitals, these are:
  - **Hennur Spoke hospital:** About 60 beds, anticipated to commence operations by the end of 2HFY26. (it had opened a new OP clinic at Hennur, Bengaluru in FY24).
  - **Electronic City Spoke hospital:** About 90 beds, anticipated to commence operations by end the of 2QFY26.

The expansions in Bengaluru aim to enhance accessibility and reinforce RAINBOW'S position as a leading provider of pediatric hospital in the region.

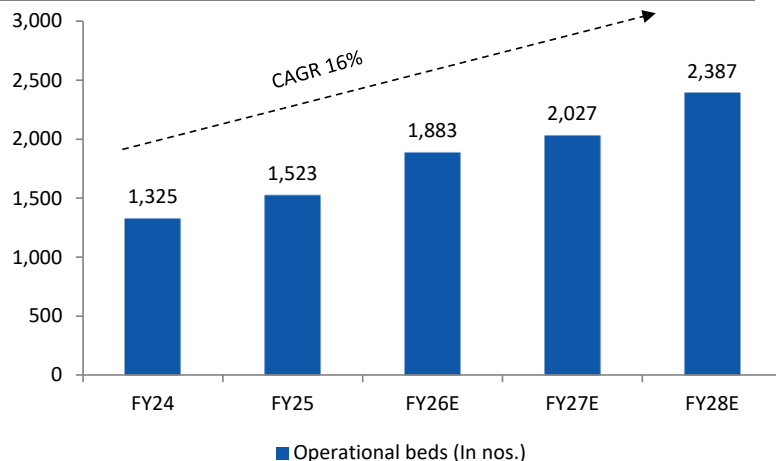
- **Coimbatore, Tamil Nadu:** RAINBOW is setting up a 130-bed regional hub hospital, which is expected to be operational by the **end of FY27**.

Exhibit 8: Ramping up bed capacity



Source: Company, Systematix Institutional Research

Exhibit 9: Operational bed Capacity



Source: Company, Systematix Institutional Research

### Recently forayed into the northeast through acquisition

The company has also acquired 100 beds at Pratiksha Hospital, Guwahati, Assam, through a 76% stake at an enterprise value of Rs 1,706mn. It intends to capitalize the underserved markets and is strategically enhancing its presence in areas with low or no competition.

This expansion in hospital infrastructure and bed capacity is expected to significantly drive RAINBOW's revenue growth. With the commissioning of new beds and utilization improving, we see steady increase in patient volumes and service offerings, which should directly enhance its topline.

Exhibit 10: Current capacities and expansion plans

City / Cluster	Current Capacity	FY25-26	FY26-27	FY27-28	Total
Telangana	940	Prashanthi Hospital (~100)	—	—	1,140
Bengaluru	442	Hennur (~60) Electronic City (~90)	—	—	592
Tamil Nadu	270	—	Coimbatore (~130)	—	400
NCR	24	—	—	Gurugram Sector – 44 (~325) Gurugram Sector – 56 (~125)	474
Andhra Pradesh	259	Rajahmundry (~100)	—	—	359
Northeast		Pratiksha hospital (~100)	Pratiksha hospital (~50)		150
<b>Total beds</b>	<b>1,935</b>	<b>450</b>	<b>180</b>	<b>450</b>	<b>3,015</b>

Source: Company, Bloomberg, Systematix Institutional Research

RAINBOW continues to attract strong footfall across its network, as it has among the highest hospital beds dedicated to pediatrics in India.

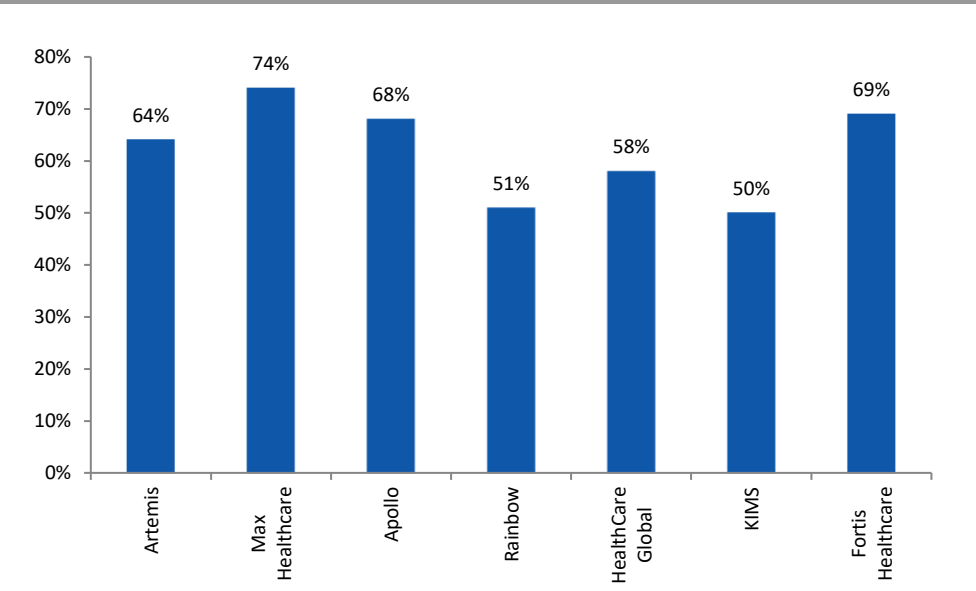
Its specialization in complex pediatric transplants, as well as cardiac, nephrology, and neurology care strengthens its position as a referral center and would continue to support demand at its new facilities.

Occupancy rates may remain in the lower end of the range versus peers

Pediatric hospitals face unique structural constraints that impact occupancy, unlike adult hospitals, where the bed usage is more flexible. In pediatric settings, bed sizes and configurations vary significantly depending on the age group — neonatal beds, infant cribs, and beds for older children — all are distinct and non-interchangeable. This specialization means that an empty neonatal bed, for instance, cannot be used for a toddler or an adolescent patient, limiting the hospital’s ability to optimize bed utilization.

In contrast, adult hospitals typically use standardized bed sizes that can accommodate a wide range of patients, regardless of age or condition, offering greater flexibility and higher occupancy potential. This inherent limitation in pediatric hospitals creates operational challenges and can depress reported occupancy rates, even if there is clinical demand.

Exhibit 11: Occupancy comparison of Hospitals (MAX has the highest Occupancy)



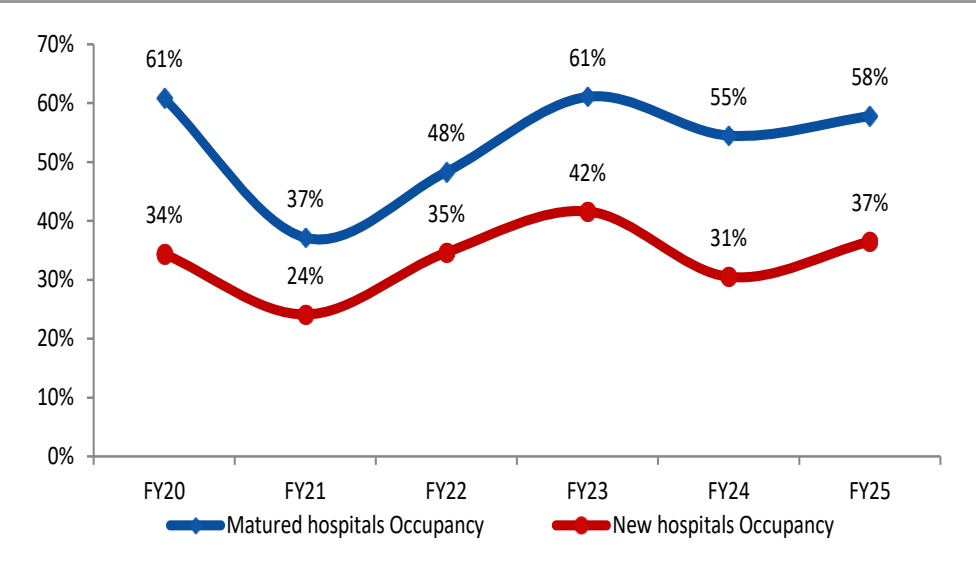
Source: Company, Bloomberg, Systematix Institutional Research

Compared to adult hospitals, pediatric cases require longer recovery times and intensive monitoring (e.g., in NICU (Neonatal intensive care unit) or PICU (pediatric intensive care unit)), and space availability.

The ~51% occupancy at RAINBOW is a blended average of its mature and newly commissioned hospitals. Mature hospitals (operational for over five years) operate at a relatively stable ~58% occupancy, while newer facilities are still ramping up at ~37%. One of its oldest hospitals at Banjara Hills, Hyderabad, AP, operates at ~65%, underscoring the scope for occupancy gains, as new hospitals mature.

In last three years, RAINBOW has added ~34% of bed capacity, suggesting that its new facilities are still in the ramp-up phase. This gradual ramp-up in new units provides meaningful headroom for occupancy-led revenue growth, especially once operational leverages begin to kick in.

Exhibit 12: Occupancy distribution between mature and semi mature hospitals



Source: Company, Systematix Institutional Research



## Lower surgical mix in pediatric care limits ARPOB expansion, but gradually investing to strengthen tertiary and quaternary care services

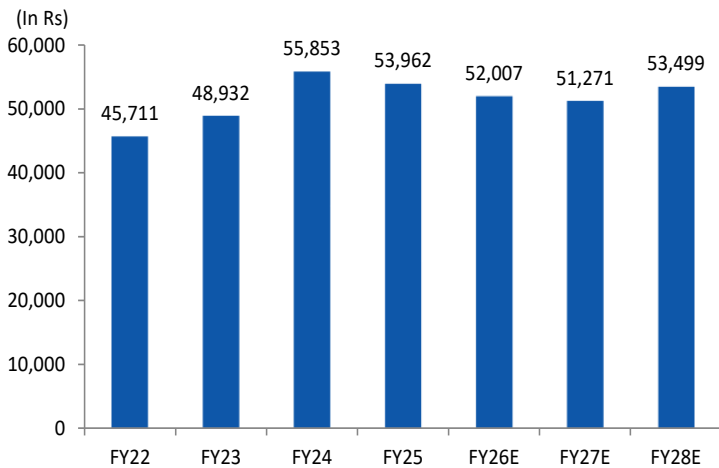
### ARPOB growth capped by low surgical mix; ramping up tertiary & quaternary care

RAINBOW's ARPOB at ~Rs 53,962 is lower than that of peers (Indian Listed players). As only ~20% of RAINBOW's IP revenue comes from surgical procedures (lower than that generated in general hospitals where surgeries drive realizations), its ARPOB is unlikely to converge with peers in the near term. RAINBOW also generates ~30% of its revenue from maternity services, a highly competitive and lower-yield segment, which again limits its ARPOB, given the intense competition and price sensitivity in this segment. However, RAINBOW is focusing on strengthening its tertiary and quaternary pediatric services in its existing and future hub hospitals.

**Enhancing capabilities in pediatric surgeries (general and complex):** RAINBOW's surgical team covers a wide spectrum of complex pediatric procedures, including orthopedics, urology, neurological, oncological, cardio-thoracic, ENT and transplants. RAINBOW performed 7,088 pediatric surgical procedures in FY24 and 7,239 in FY25. It is also expanding its focus to include minimally invasive surgeries (MIS), a core expertise of its pediatric surgery and urology department, which would reduce the average length of hospital stays.

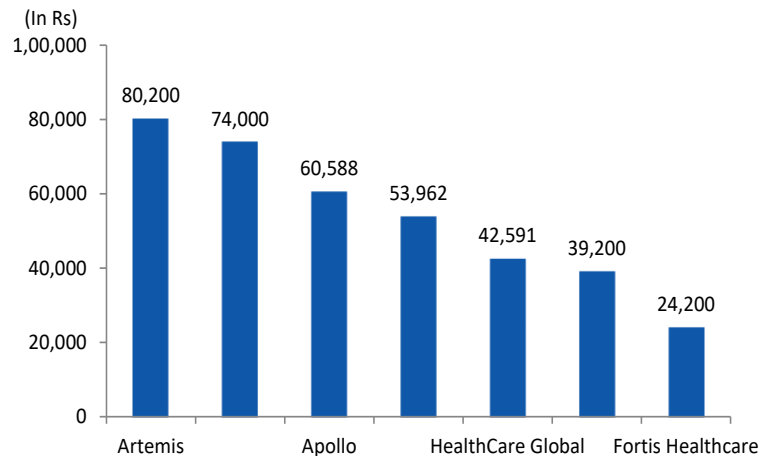
In the near term, pricing and to a lesser extent, improvement in mix would drive growth in future.

**Exhibit 13: ARPOB to stay steady in Upcoming Years**



Source: Company, Systematix Institutional Research

**Exhibit 14: ARPOB comparison between other Listed players**

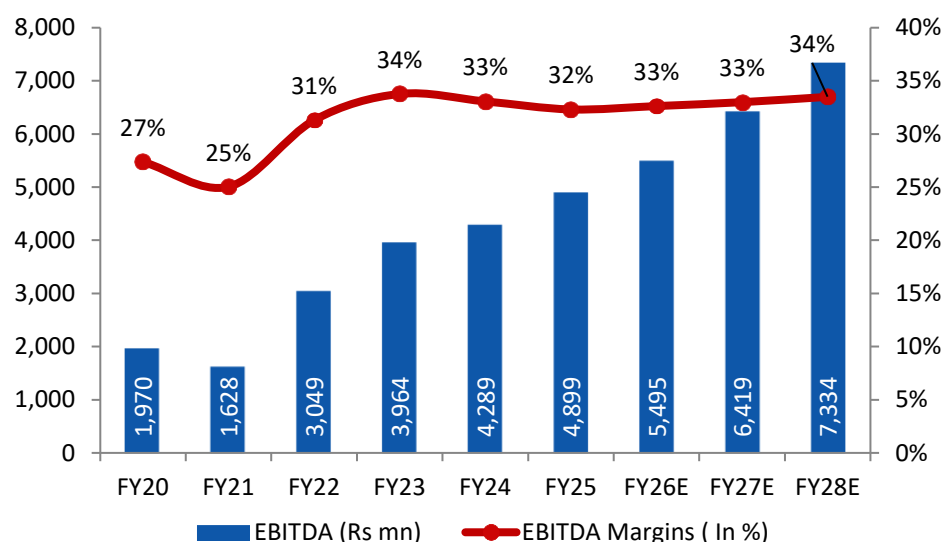


Source: Company, Systematix Institutional Research

### Profitability edge – EBITDA margins should sustain around 33%

- **High OPD contribution:** With OPD accounting for 32% of RAINBOW's total revenue, the company benefits from high patient volumes with comparatively lower resource intensity, thereby optimizing both cost efficiency and revenue generation.
- **Favourable case mix:** Nearly 30% of RAINBOW's revenue comes from high-acuity NICU, PICU, IVF, and complex pediatric surgeries, which command premium pricing and deliver significantly higher margins compared to general or low-acuity procedures.

**Exhibit 15: EBITDA Margins – Best among peers**



Source: Company, Systematix Institutional Research

- **Asset-light expansion strategy:** A large portion of RAINBOW's hospitals operate under leased or managed models, minimizing its capital expenditure and enhancing return on invested capital (RoIC). This structural advantage further supports healthy margin expansion.

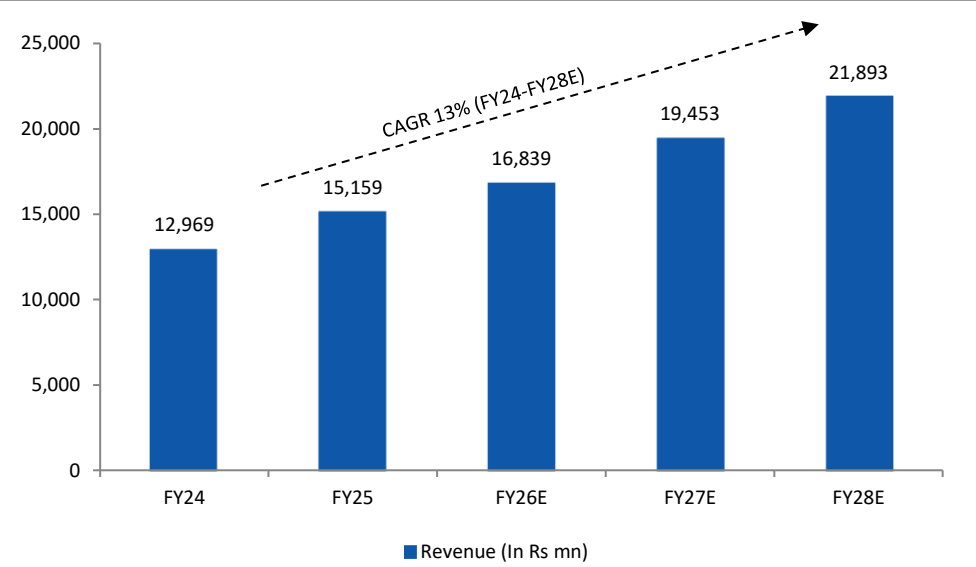
Financial performance

Strategically expanding to generate revenue growth

Two key factors have been driving RAINBOW's growth story a) aggressive capacity expansion and b) improved operational efficiency. The company plans to add ~56% new beds over FY25-FY28E, which would drive its revenue growth ahead. This strategic expansion is intended to meet the growing demand and solidify RAINBOW's competitive position in the pediatric market.

Even without the new beds in FY25, revenue surged 17% on higher occupancy and ARPOB, implying the company’s ability to effectively manage its existing assets. We believe ARPOB would continue to rise and align with inflation. This dual-pronged strategy of adding new capacity while optimizing performance is the reason we project strong 13% CAGR in RAINBOW’s revenue from FY25-28E

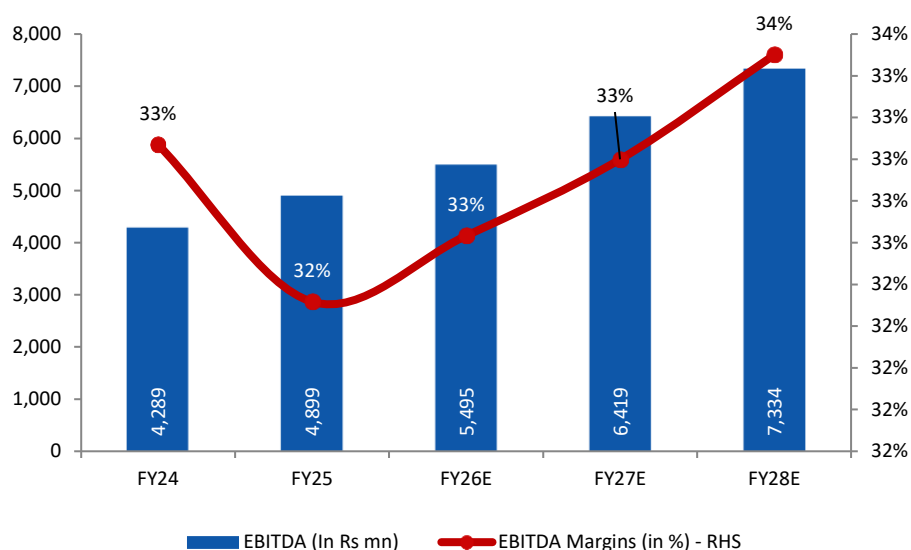
Exhibit 16: Revenue - 13% CAGR (FY25–28E)



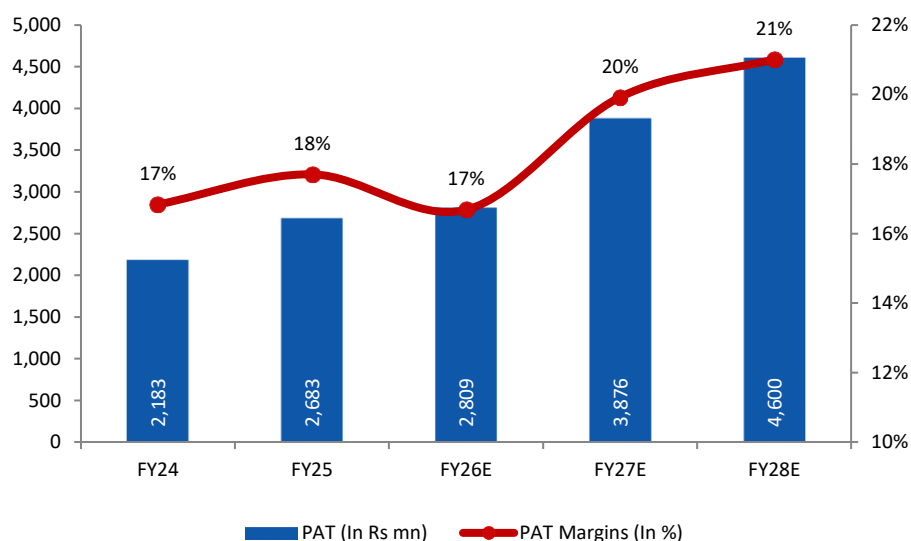
Source: Company, Systematix Institutional Research

**Sustained growth - 14%/20% EBITDA/PAT CAGR with strong margins**

While RAINBOW's EBITDA margins are the highest in the industry, we see scope of some expansion from current levels led by growth in contribution from higher margin quaternary care services. We expect EBTIDA margins to move to 33.5% in FY28 from EBITDA margin around 32.3% in FY25. Net earnings are expected to grow 20% CAGR led by EBITDA margin expansion and higher contribution from interest income.

**Exhibit 17: EBITDA - 14% CAGR (FY24–28E)**

Source: Company, Systematix Institutional Research

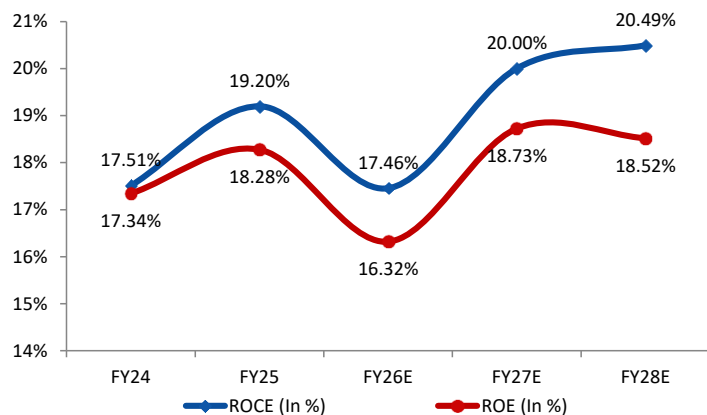
**Exhibit 18: PAT - 21% margin; 20% CAGR (FY25–28E)**

Source: Company, Systematix Institutional Research

### RoE to broadly sustain at the current level

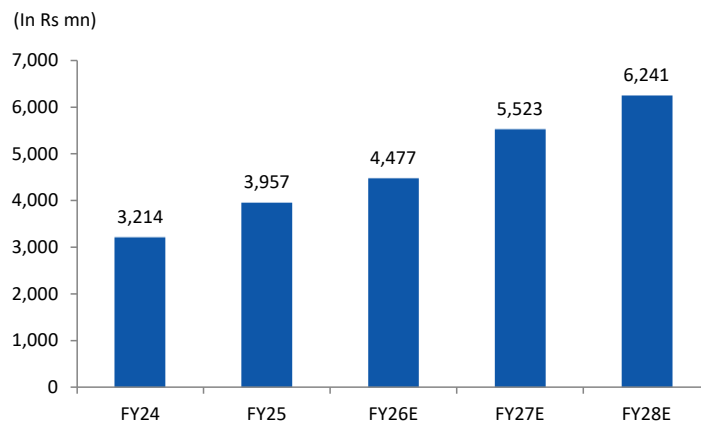
Despite aggressive planned expansions over the next 3 years, we expect RAINBOW to maintain RoE at the current level. Although the company may leverage from superior utilization at existing capacities, aggressive bed expansion at new locations could offset the benefit in the base.

**Exhibit 19: RoE/RoCE - 19%/21% in FY28E**



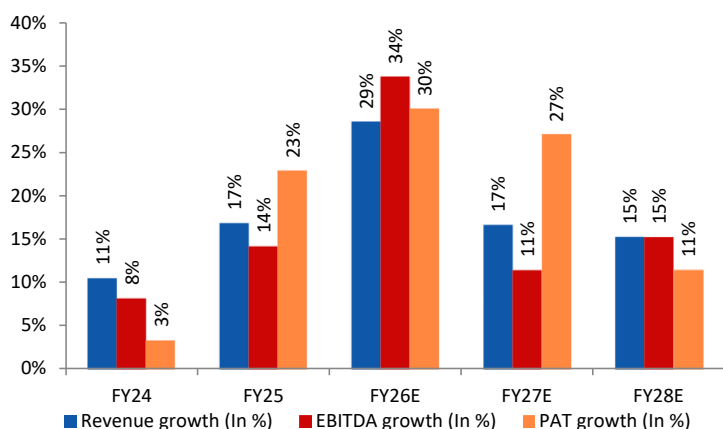
Source: Company, Systematix Institutional Research

**Exhibit 20: Cash flow from operations - 18 % CAGR (FY24-28E)**



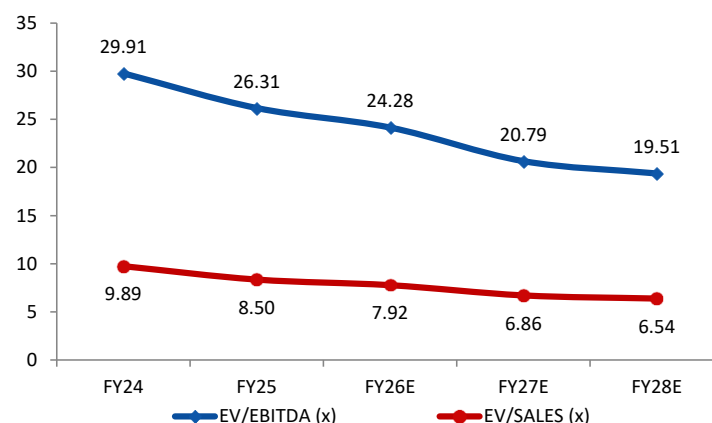
Source: Company, Systematix Institutional Research

**Exhibit 21: Revenue/EBITDA/PAT growth YoY**



Source: Company, Systematix Institutional Research

**Exhibit 22: EV/EBITDA and EV/Sales**

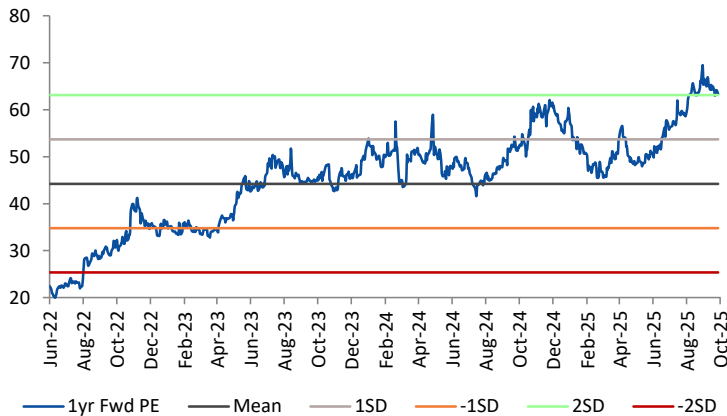


Source: Company, Systematix Institutional Research

## Valuations

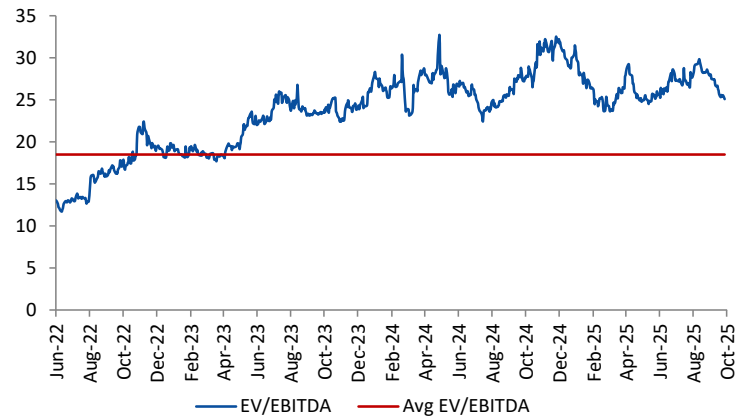
RAINBOW currently operates 2,235 beds, which includes its recent Prashanthi hospital (100 beds, Telangana) and Pratiksha hospital (100 beds Guwahati, Assam) acquisitions. We expect its total bed capacity to expand to 2,565 by FY27E and further to 3,015 by FY28E. Over FY25–28E, we project revenue/EBITDA/PAT CAGR of 13%/14%/20%, with a RoE/RoCE of 19%/20% by FY28E. RAINBOW added beds equivalent to 36% of its base capacity over the past two (one of the highest amongst listed players) years providing strong visibility for sustained growth and revenue acceleration. With industry-leading EBITDA margin and scope for further occupancy improvement, we value RAINBOW at a premium to peers at 40x Sep FY27E P/E to arrive at our target price of Rs 1,670.

**Exhibit 23: P/E band at its 5-year average**



Source: Company, Systematix Institutional Research

**Exhibit 24: EV/EBITDA at its 5-year average**



Source: Company, Systematix Institutional Research

**Exhibit 25: Comparative valuations**

Name	RoE				EPS					Revenue				EBITDA			
	FY25	FY26	FY27	FY28	FY25	FY26	FY27	FY28	CAGR	FY25	FY26	FY27	FY28	FY25	FY26	FY27	FY28
Apollo	19	21	22	23	100	133	171	215	29%	2,17,940	2,54,586	3,05,249	3,88,150	20,442	37,493	46,555	55,948
Max	13	16	17	17	11	18	23	28	36%	70,285	1,05,571	1,26,246	1,44,184	18,488	28,034	29,368	41,680
Fortis	9	11	13	15	15	19	24	31	28%	77,828	92,291	1,07,348	1,22,980	15,879	21,106	25,717	30,012
Global Health	15	17	18	17	18	23	28	34	24%	36,923	48,833	50,762	58,438	8,771	10,491	12,711	14,268
Rainbow	18	17	19	19	26	28	38	45	19%	15,159	16,839	19,453	21,893	4,899	5,495	6,419	7,334
Jupiter	15	14	14	6	30	33	38	48	17%	12,615	14,682	17,522	20,315	2,966	3,555	4,124	4,956
Artemis	13	12	14	17	5	7	9	12	31%	9,369	10,879	13,510	15,872	1,518	1,971	2,337	2,965
Narayana	24	23	22	20	39	46	55	62	17%	54,830	63,628	71,057	80,484	13,039	14,936	17,207	18,996
KIMS	19	17	21	23	10	11	16	23	32%	30,351	39,201	49,568	60,879	7,829	9,529	12,806	16,498
Aster DM	148	12	13	15	108	9	12	17	-46%	41,380	47,722	63,553	78,306	7,650	9,451	14,432	18,985
Healthcare Global	5	8	13	19	3	5	10	22	95%	22,181	25,590	29,242	34,631	3,881	4,762	5,704	7,079
Shalby	1	5	8	10	1	5	8	11	160%	10,870	12,470	13,649	15,481	1,326	1,597	1,937	2,319
Yatharth	11	10	13	12	15	18	25	29	25%	8,805	11,965	16,091	19,943	2,202	2,921	4,061	5,033
<b>Average</b>	<b>24</b>	<b>13</b>	<b>15</b>	<b>16</b>	<b>24</b>	<b>22</b>	<b>18</b>	<b>24</b>	<b>30</b>	<b>30,359</b>	<b>40,806</b>	<b>48,167</b>	<b>56,357</b>	<b>6,868</b>	<b>9,487</b>	<b>11,402</b>	<b>14,230</b>
<b>Median</b>	<b>15</b>	<b>13</b>	<b>14</b>	<b>17</b>	<b>15</b>	<b>15</b>	<b>18</b>	<b>23</b>	<b>29</b>	<b>22,181</b>	<b>32,396</b>	<b>39,405</b>	<b>46,535</b>	<b>4,899</b>	<b>7,473</b>	<b>9,565</b>	<b>11,119</b>

Name	Net Debt				P/E				EV/EBITDA				EV/Revenue			
	FY25	FY26	FY27	FY28	FY25	FY26	FY27	FY28	FY25	FY26	FY27	FY28	FY25	FY26	FY27	FY28
Apollo	50,718	30,729	20,596	125	76.90	57.82	44.97	35.77	38.28	30.57	24.89	20.68	5.31	4.54	3.79	3.25
Max	23,284	18,418	12,817	-3,995	103.19	63.19	49.90	40.82	61.19	40.38	32.39	27.14	16.37	10.72	8.96	7.68
Fortis	19,671	15,730	6,908	-3,307	71.67	54.40	43.72	34.01	51.50	38.75	31.80	26.98	10.59	8.86	7.62	6.65
Global Health	-4,046	-6,523	-7,377	-4,580	75.49	59.08	48.78	39.88	41.30	34.52	28.50	24.29	9.81	8.26	7.14	6.20
Rainbow	1,507	2,913	-757	7,322	50.0	47.8	34.6	29.2	27.92	24.16	20.64	19.40	9.02	7.88	6.81	6.51
Jupiter	-2,098	-1,457	-2,589	-4,405	50.54	45.17	39.34	31.26	32.39	27.02	23.29	19.38	7.61	6.54	5.48	4.73
Artemis	-1,053	-1,383	-2,144	-2,844	46.56	33.80	28.36	20.91	21.84	17.52	14.19	11.18	3.54	3.05	2.45	2.09
Narayana	8,016	5,080	2,943	680	45.92	38.93	32.56	28.88	29.58	25.31	21.97	19.90	6.89	5.94	5.32	4.70
KIMS	24,391	18,302	15,204	1,114	72.00	65.45	44.01	31.49	40.30	34.04	25.32	19.13	10.40	8.08	6.41	5.18
Aster DM	6,364	-7,731	-6,658	-12,441	6.21	74.30	55.73	39.34	46.44	37.85	24.79	18.84	8.76	7.50	5.63	4.57
Healthcare Global	14,895	13,379	10,731	8,655	216.43	141.15	67.49	29.16	27.72	22.85	18.95	15.18	4.84	4.20	3.67	3.10
Shalby	3,464	707	1,203	3,390	434.75	57.97	32.20	24.61	23.74	19.89	16.40	13.70	2.92	2.64	2.33	2.05
Yatharth	-5,032	-3,146	-4,237	0	51.55	43.44	30.93	26.35	31.63	23.57	17.17	13.84	7.91	5.82	4.29	3.49
Average	6,873	4,524	2,170	-868	100	61	43	32	36.45	28.96	23.10	19.20	8.00	6.46	5.38	36.20
Median	3,464	1,810	223	-1,422	70	56	43	31	32.39	27.02	23.29	19.38	7.91	6.54	5.48	21.00

Source: Bloomberg, Company, Systematix Institutional Research

Exhibit 26: Recent acquisitions in the healthcare industry

Transaction Month	Acquirer	Target	Location	Valuation (Rs mn)	Valuation per bed	Revenue multiple	EBITDA multiple
Apr 2024	General Atlantic	Ujala Cygnus	Northern India (Tier-II and Tier-III cities)	16,000	0.64	2.78	21.33
Apr 2024	Manipal Hospitals	Medica Synergies	Kolkata	16,090	1.61	2.63	13.17
Jun 2024	HealthCare Global Enterprises Ltd (HCG)	Mahatma Gandhi Cancer Hospital & Research Institute (MGCHRI)	Visakhapatnam	4,140	2.11	3.45	9.86
Jun 2024	Morgan Stanley	Omega hospitals	South India	21,000	1.5	–	–
Jul 2024	KKR	Baby Memorial hospital (BMH)	South India	25,000	2.5	6.08	31.03
Jul 2024	MGM Healthcare	Seven Hills hospital	Visakhapatnam	1,710	0.57	–	–
Jul 2024	Krishna Institute of Medical Sciences Ltd (KIMS)	Chalasani Hospitals Private Ltd (QNRI)	Visakhapatnam	750	0.38	–	–
Sep 2024	Max Healthcare	Jaypee Hospital Life First	Noida, Bulandshahr, Anoopshahr	16,600	2.37	3.94	23.71
Oct 2024	Yatharth Hospital and Trauma Care Services Ltd	MGS Infotech Research and Solutions Pvt Ltd	Faridabad	1,520	0.38	–	–
Oct 2024	Yatharth Hospital	MD City Hospital	Model Town, New Delhi	1,600	0.53	–	–
Oct 2024	Manipal Hospitals	Khubchandani hospital	Andheri, Mumbai	4,150	0.83	–	–
Feb 2025	Fortis Healthcare	Shrimann Super specialty hospital	Jalandhar, Punjab	4,620	2.03	3	12.83

Source: Company, Systematix Institutional Research

## Challenges for RAINBOW

### High dependence on pediatric care elevates talent retention risk

With ~70% of RAINBOW's revenue coming from pediatrics, retaining specialized talent is critical. Pediatric care demands both clinical skill and emotional sensitivity, making experienced professionals hard to replace. Given the limited talent pool, any attrition could impact care quality and patient trust. Sustained success depends on RAINBOW's ability to attract and retain key pediatric staff.

### Intense regional competition in southern markets

A significant portion of RAINBOW's revenue comes from its operations in south India, particularly Hyderabad and Bengaluru. These cities are highly competitive, with several established players such as Cloudnine, Apollo Cradle, and Motherhood, operating in similar pediatric and maternity segments. Such competitive intensity limits pricing power and puts pressure on occupancy and margins. With scale, RAINBOW might find it challenging to sustain growth in such crowded markets.

### Inability to renew lease could disrupt operations

Most of RAINBOW's hospitals operate on leased premises, which could be potentially risky if the company is unable to renew the lease agreements on favourable terms. This could disrupt operations, increase costs, or even pose relocation challenges. Heavy reliance on leased assets adds an element of uncertainty to RAINBOW's long-term strategic planning and continuity of care delivery.

### Seasonality weighs on 1Q performance

1Q is normally a soft quarter for RAINBOW due to seasonality. Inpatient volumes are lower during this time, as pediatric cases and elective procedures decline during summer, which has a bearing on the overall revenue. However, revenues typically pick up during 2Q and 3Q, supported by seasonal spikes in infections, higher hospital visits, and improved occupancy. As a result, its financial performance tends to be stronger in the latter half of the year.



## A peek into India's healthcare industry

The number of hospital beds in India has grown from 1 million in 2013 to 1.9 million by 2023, while the number of doctors has increased from 646 to 1,000 per million population during the same period. The number of private hospitals also rose from 37,908 in 2013 to 43,486 in 2023, reflecting the sector's steady expansion.

### Health Insurance Penetration in India is still low

As per the Insurance Regulatory and Development Authority of India (IRDAI), around 573 million people in India had health insurance coverage in FY 2023-24, up from 288 million in FY 2014-15. Despite this growth, overall insurance penetration remained relatively low at 40-42% in FY 2023-24. This is expected to rise to 45-50% by FY 2025-26. Health insurance penetration is a major growth driver for the healthcare sector.

### Indian pediatric and maternity care

Children under the age of 15 make up nearly 29% of India's population, underscoring the pressing need for specialized pediatric and maternity care. India's pediatric sector is still nascent, especially when compared to countries like the United States and China. Specialized pediatric hospitals are only now beginning to emerge in India, creating a significant market gap. The Indian pediatric healthcare market size reached USD 441.6 million in 2024 and is expected to reach USD 654.2 million by 2033.

### Healthcare Infrastructure is rapidly ramping up to keep pace with the growing demand

Hospital beds per thousand people have increased from 1,033 to 1,857 between 2013 and 2023. Trained doctors per thousand people have risen from 646 a decade ago to 1,000 now. Availability of nurses per thousand people has also increased from 1,808 to 3,000 per 1000 people. While the number of medical colleges in the country increased from 387 to 704, the number of Government hospitals increased from 14,379 to 25,778 and that of private hospitals rose from 37,908 and that of private hospitals increased from 37,908 to 43,486 between 2013 and 2023. The number of All India Institute of Medical Sciences (AIIMS) increased from 7 in 2017 to 19 in 2023.

### Exhibit 27: Healthcare market in India – Key segments (Rs trn)

Industry	FY19	FY24	FY28P	FY19–FY24 CAGR	FY24–FY28P CAGR
Pharmaceuticals Retail	1.7	2.6	3.5–3.7	~9%	8–9%
Healthcare Delivery	3.9	6.3	9.4–9.8	~10%	10–12%
Diagnostics	0.6	0.9	1.28–1.38	~7%	10–12%
Medical Devices	0.5	0.9	1.4–1.45	~13%	11–12%

Source: Company, Systematix Institutional Research

**Competition in Pediatric hospitals in India – Rainbow stands out**

RAINBOW is the only pediatric hospital chain in the country to have three JCI-accredited hospitals: the flagship facilities in Hyderabad and Bengaluru, as well as the Kondapur fertility center in Hyderabad.

There is a wide demand for pediatric hospitals in India. The chain of pediatric hospitals is mainly focused in north and south India, with there are none in the east and only a few in the west.

**Exhibit 28: Region-wise hospital count**

Hospitals	North	South	East	West	Total
Cloudnine	12	17	0	5	34
RAINBOW*	2	19	1	0	22
Rhea Healthcare (Motherhood)	7	14	1	3	25

Source: Company, Systematix Institutional Research; \*Northeast

**Exhibit 29: Peer scorecard: Financial comparison**

Comparable	Revenue (Rs mn)		PAT (Rs mn)	
	FY23	FY24	FY23	FY24
Cloudnine	9,467	11,876	-431.41	-278.94
RAINBOW	11,736	12,969	2,124	2,183
Rhea Healthcare (Motherhood)	12,059	9,794	383.25	-306.33

Source: Company, Systematix Institutional Research

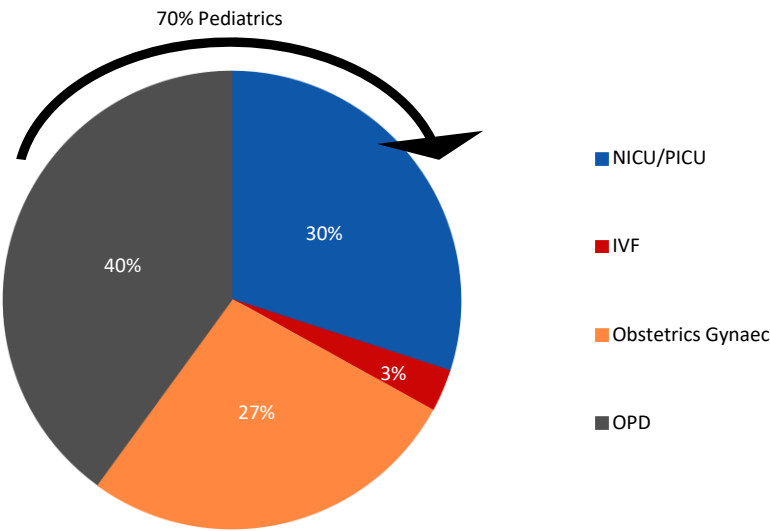
About the Company

RAINBOW is a leading multi-specialty healthcare provider in India that strategically caters to the mother and childcare segments. Dr. Ramesh Kancharla established the company in 1999, building strong clinical capabilities across pediatrics, neonatal and pediatric intensive care (NICU & PICU), obstetrics, gynaecology, and perinatal services. He pioneered the hub-and-spoke model in pediatric healthcare, enabling efficient scale-up, while maintaining high clinical care standards. Currently, RAINBOW operates 22 hospitals (19 in south India, 2 in the north and 1 in the north-east) and 5 outpatient clinics, with a presence across nine major cities and a total bed capacity of 2,235. The company acquired a 100-bed hospital in Warangal and 100 beds in Guwahati, making it one of the largest pediatric hospital networks in the country.

The company's business is firmly anchored in pediatrics, which contributes ~70% to total revenue, while 30% comes from maternity services. Within maternity, IVF contributes ~3% and is growing at ~70% YoY, indicating strong early traction. The remaining 27% is driven by OPD consultations, antenatal care, and deliveries. On the pediatric side, high-acuity NICU and PICU beds alone account for ~30% of total revenue, reflecting both volume and premium pricing.

RAINBOW offers a full spectrum of services across primary to quaternary care and is a trusted referral center for complex pediatric specialties such as neurology, cardiology, gastroenterology, oncology, and transplant services. With recent forays into fertility and IVF, the group is strengthening its position as a holistic women and child healthcare platform, backed by both clinical capability and scalable business fundamentals.

Exhibit 30: RAINBOW - Revenue split, what comes from where



Source: Company, Systematix Institutional Research

**Exhibit 31: RAINBOW - Strengths and challenges**

Pros	Cons
Bespoke pediatric care	Seasonality
A physical, emotionally and psychologically child-friendly environment	Higher operating costs (specialized equipment, training, and facilities) could increase the cost of treatment
Multidisciplinary pediatric specialist teams for integrated care	Higher costs owing to 24*7 surveillance
Support services that cater to the child and its family	

Source: Company, Systematix Institutional Research

**Exhibit 32: RAINBOW – Key metrics**

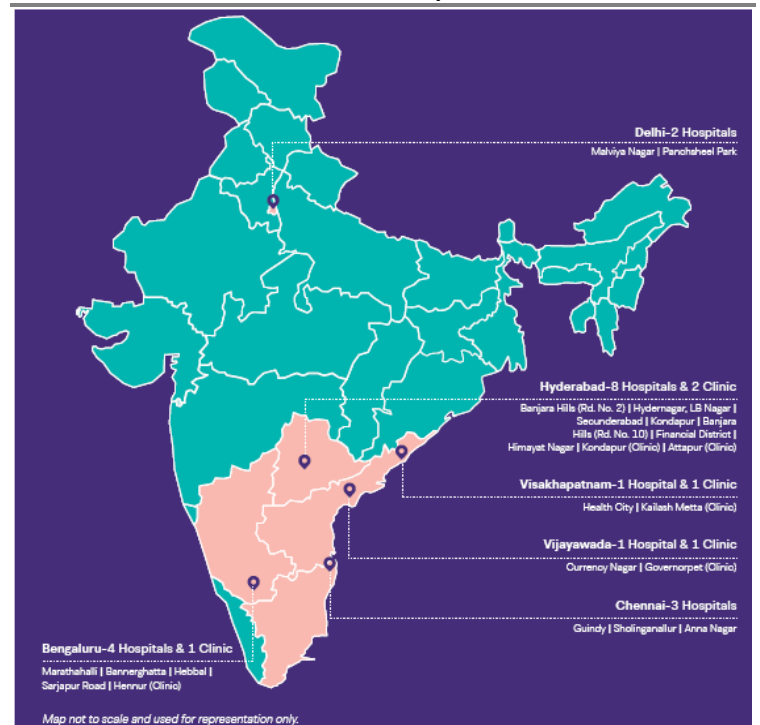
Particulars	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue (Rs mn)	7,194	6,501	9,738	11,736	12,969	15,159	16,839	19,453	21,893
EBITDA (Rs mn)	1,970	1,628	3,049	3,964	4,289	4,899	5,495	6,420	7,334
PAT (Rs mn)	557	405	1,393	2,113	2,183	2,683	2,809	3,876	4,600
No. capacity beds	1296	1475	1,500	1,655	1,935	1,935	2,385	2,565	3,015
Inpatient volumes	66,871	61,165	66,082	86,864	87,736	98,395	-	-	-
Outpatient volumes	94,049	62,411	84,000	1,24,059	1,27,087	1,42,713	-	-	-
ARPOB (In Rs)	29,277	40,893	45,711	48,932	55,853	53,962	52,006	51,271	53,499
ALOS (days)	3.05	2.57	2.76	2.83	2.62	2.86	-	-	-
Occupancy (In %)	56%	34%	45%	55%	48%	51%	47%	48%	45%

Source: Company, Systematix Institutional Research

**Exhibit 33: Hubs and spoke details**

Cluster	Hub / Spoke	Bed count (#)
Telangana	<b>Banjara Hills, Hyderabad -Hub</b>	240
	Vikrampuri, Hyderabad	110
	Kondapur, Hyderabad	50
	Hydernagar, Hyderabad	160
	LB Nagar, Hyderabad	100
	RCHI1, Hyderabad	110
	Financial District, Hyderabad	100
	Himayat Nagar, Hyderabad	60
	Warangal, Telangana	100
Bengaluru	<b>Marathahalli</b>	200
	BG Road, Bengaluru	102
	Hebbal, Bengaluru	50
	Sarjapur, Bengaluru	90
Andhra Pradesh	Rajahmundry	100
	Visakhapatnam, AP	129
	Vijayawada, AP	130
Tamil Nadu	<b>Guindy, Chennai - Hub</b>	135
	Sholinganallur, Chennai	55
	Anna Nagar, Chennai	80
National Capital Region	<b>Malaviya Nagar -Hub</b>	130
	Rosewalk, NCR	24
Assam	<b>Guwahati -Hub</b>	100

Source: Company, Systematix Institutional Research

**Exhibit 34: Locations of RAINBOW hospitals**

Source: Company, Systematix Institutional Research

**Telangana**

RAINBOW operates one hub hospital at Banjara Hills, which serves as its flagship facility, along with nine spoke hospitals located across Rajahmundry, Vikramপুরi, Kondapur, Hydernagar, LB Nagar, RCHI, Financial District, Warangal and Himayat Nagar. Additionally, it recently acquired Prashanthi Hospital in Warangal. In total, RAINBOW has a bed capacity of 1,140 in Telangana. The company also has two outpatient clinics in Attapur, and Kondapur, Hyderabad.

**Bengaluru**

The company operates one 200-bed hub hospital in Marathahalli, with three spoke hospitals located in BG Road, Hebbal, and Sarjapur, bringing the total bed capacity in Bengaluru to 442.

**Chennai**

RAINBOW has one 135 bed capacity hub hospital situated in Guindy, Chennai with two spoke hospitals in Sholinganallur, and Anna Nagar, taking its total bed capacity to 270.

**Andhra Pradesh**

It has two spoke hospitals in Health City, Vijayawada, and Currency Nagar, Visakhapatnam with the total bed capacity at 250, which also have two outpatient clinics located in Kailash Metta, Vijayawada and Governorpet, Visakhapatnam.

**Delhi NCR**

RAINBOW operates a 130-bed hub hospital at Malviya Nagar, along with a 24-bed facility at Rosewalk, Panchsheel, where it provides specialized medical services.

**Northeast**

The company has also expanded to the north-east by acquiring a 30-year-old Pratiksha Hospital in Guwahati, Assam, which has a capacity of 100 beds.

## Strong management profile

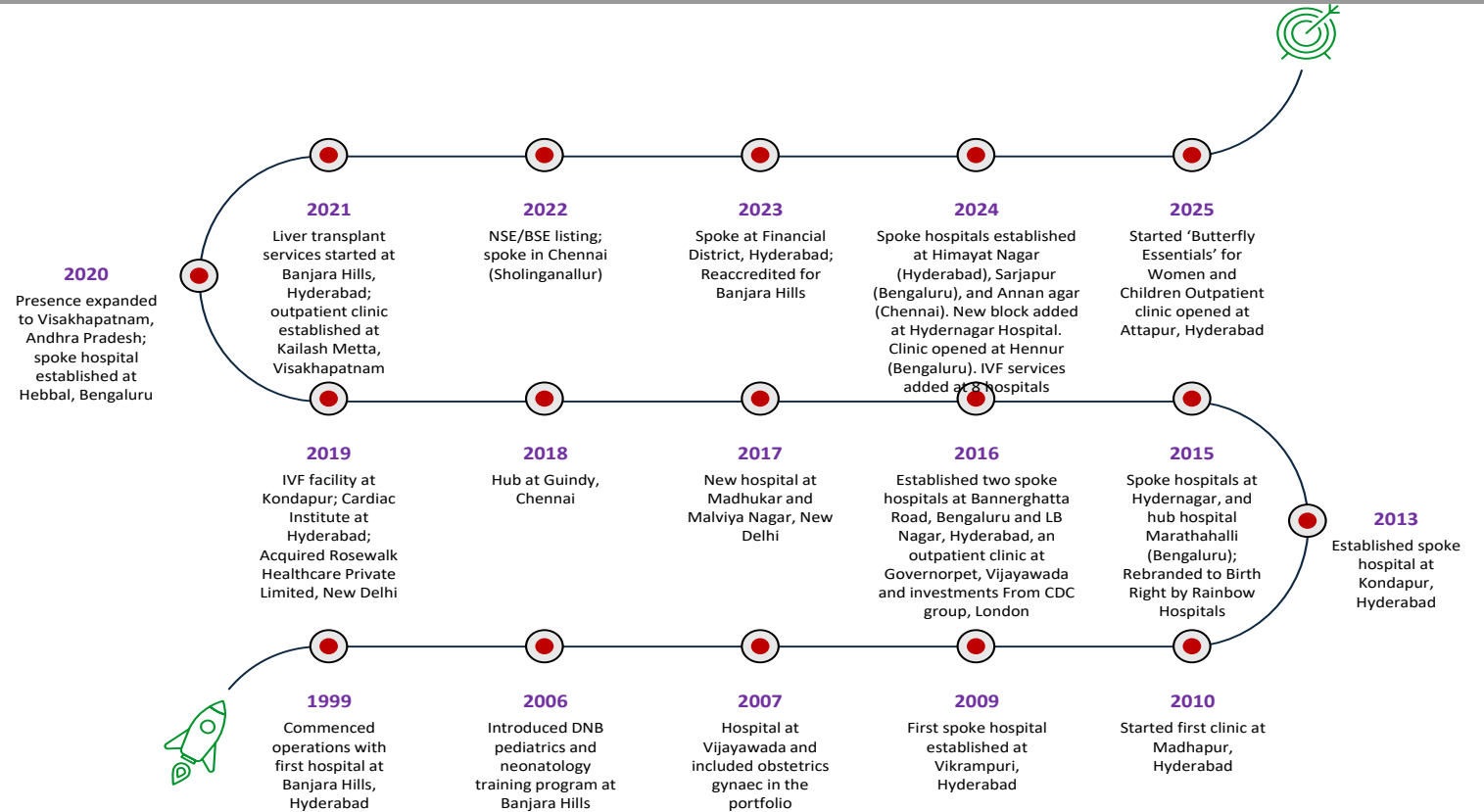
### Exhibit 35: Key managerial personnel

Name	Designation	Profile
Dr. Ramesh Kancharla	Chairman & Managing Director	Dr. Ramesh Kancharla, the founding promoter of the company, has been on the Board since inception.
		He holds an MBBS degree from Sri Venkateswara University and is an MD in Pediatrics from Mangalore University; he is also a member of the Royal Colleges of Physicians (UK).
		Prior to founding Rainbow Children's Hospital, Dr. Ramesh Kancharla completed his specialist training in pediatric gastroenterology at King's College Hospital, London.
Dr. Dinesh Kumar Chirla	Whole-time Director	Dr. Dinesh Kumar Chirla, a promoter and board member since 2005, holds advanced degrees in Neonatology from India and the UK, including MRCPCH, FRCPC.
		He has undergone specialized training and fellowships in Melbourne and Bristol.
		He presently serves as the Director of Intensive Care at RAINBOW and is a gold medalist with 75+ research publications and several textbook contributions.
Mr. Vikas Maheshwari	Chief Financial Officer	Mr. Vikas Maheshwari is a Chartered Accountant with over 28 years of experience in corporate finance and strategy.
		He has been with the company since June 2023 and leads its financial planning and capital management.
Ms. Sundari Raviprasad Pisupati	Independent Director	Sundari Ravi prasad Pisupati is a dual-qualified lawyer in India and New York with over 32 years of experience in corporate and commercial law, specializing in M&A, Private Equity, and Cross-Border Transactions.
		A gold medalist from NLSIU and LL.M. graduate from Columbia Law School, she also actively engages in corporate policy through industry chambers.
Mr. Aluri Srinivasa Rao	Independent Director	Mr. Aluri Srinivasa Rao has 30+ years of experience in private equity, strategy, and investments.
		He has held key roles at Morgan Stanley Private Equity Asia and ICICI Venture and is known for his deep expertise in stakeholder engagement and opportunity mapping.
Dr. Anil Dhawan	Independent Director	Dr. Anil Dhawan has 30+ years of experience and is Director at King's College Hospital, London.
		He joined the company's board in August 2018.
Mr. Santanu Mukherjee	Independent Director	Mr. Santanu Mukherjee has four decades of experience in banking and finance, having donned key roles at SBI and its associate banks.
		He has been on the board of the company since October 2021.
Dr. Adarsh Kancharla	Non-Executive Director	Dr. Adarsh Kancharla has been on the board of the company since January 2024 and has completed his pediatric fellowship at King's College Hospital, London.

Source: Company, Systematix Institutional Research

Milestones

Exhibit 36: Historical milestones



Source: Company, Systematix Institutional Research

## FINANCIAL

## Profit &amp; Loss Statement

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Sales	12,969	15,159	16,839	19,453	21,893
Growth	11%	17%	11%	16%	13%
Cost of Medicines	1,653	1,949	2,189	2,529	2,846
<b>Gross Profit</b>	<b>11,316</b>	<b>13,209</b>	<b>14,650</b>	<b>16,924</b>	<b>19,047</b>
Gross Margin	87%	87%	87%	87%	87%
Employee Benefit Expenses	1,762	2,064	2,273	2,626	2,956
Professional Fees to Doctor	3,054	3,690	4,041	4,669	5,254
Other Expenses	2,212	2,557	2,840	3,210	3,503
<b>EBITDA (post Ind As)</b>	<b>4,289</b>	<b>4,899</b>	<b>5,495</b>	<b>6,419</b>	<b>7,334</b>
EBITDA Margin	33%	32%	33%	33%	34%
Other Income	371	510	502	533	934
Depreciation and Amortisation	620	728	1,009	1,052	1,378
Depreciation of ROU	501	407	507	568	591
<b>EBIT</b>	<b>3,539</b>	<b>4,275</b>	<b>4,482</b>	<b>5,901</b>	<b>6,890</b>
Finance Costs	591	725	764	770	801
<b>PBT</b>	<b>2,948</b>	<b>3,550</b>	<b>3,718</b>	<b>5,131</b>	<b>6,089</b>
Tax	765	858	910	1,255	1,489
Tax Rate	26%	24%	24%	24%	24%
<b>PAT</b>	<b>2,183</b>	<b>2,692</b>	<b>2,809</b>	<b>3,876</b>	<b>4,600</b>
<b>PAT to shareholders</b>	<b>2,183</b>	<b>2,683</b>	<b>2,809</b>	<b>3,876</b>	<b>4,600</b>
PAT Margin	17%	18%	17%	20%	21%
EPS	21.51	26.43	27.67	38.18	45.31

Source: Company, Systematix Institutional Research

## Cash Flow

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
<b>PBT</b>	<b>2,948</b>	<b>3,300</b>	<b>3,718</b>	<b>5,131</b>	<b>6,089</b>
Depreciation	1,121	1,384	1,516	1,620	1,969
Interest	591	725	764	770	801
Others	-312	-510	-502	-533	-934
Working capital	-248	-87	-108	-209	-195
Direct tax	-886	-856	-910	-1,255	-1,489
<b>Net CFO. activities</b>	<b>3,214</b>	<b>3,957</b>	<b>4,477</b>	<b>5,523</b>	<b>6,241</b>
Net Capital expenditures	-3,536	-1,457	-4,439	-715	-5,443
Others	1,271	-1,221	1,510	533	934
<b>Net CFI. activities</b>	<b>-2,265</b>	<b>-2,678</b>	<b>-2,929</b>	<b>-182</b>	<b>-4,509</b>
Dividend paid	-308	-305	-281	-388	-460
Others	-710	-873	-840	-941	-979
<b>Net cash from Fin. activities</b>	<b>-1,018</b>	<b>-1,177</b>	<b>-1,121</b>	<b>-1,329</b>	<b>-1,439</b>
<b>Net change in cash</b>	<b>-68</b>	<b>101</b>	<b>427</b>	<b>4,013</b>	<b>292</b>

Source: Company, Systematix Institutional Research

## Balance Sheet

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	1,015	1,016	1,016	1,016	1,016
Reserves & Surplus	11,574	13,666	16,194	19,683	23,822
<b>Net Worth</b>	<b>12,589</b>	<b>14,682</b>	<b>17,210</b>	<b>20,698</b>	<b>24,838</b>
<b>Minority Interest</b>	<b>60</b>	<b>68</b>	<b>68</b>	<b>68</b>	<b>68</b>
Short term Lease	170	219	257	267	267
Long term lease	7,483	7,417	8,300	8,637	8,617
Trade payables	815	910	1,010	1,167	1,314
Other Provisions	107	164	164	164	164
Other liabilities	480	310	346	373	397
<b>Total Liabilities</b>	<b>21,704</b>	<b>23,770</b>	<b>27,356</b>	<b>31,375</b>	<b>35,665</b>
Net block	6,387	8,133	11,563	11,226	15,291
CWIP	138	278	278	278	278
Other non-current asset	1,902	370	370	370	370
Investments	3,075	5,707	4,700	4,700	4,700
Cash and Cash Equivalents	101	203	630	4,643	4,935
Debtors	704	773	842	973	1,095
Inventories	240	276	337	389	438
Other current asset	9,157	8,031	8,637	8,797	8,558
<b>Total Assets</b>	<b>21,704</b>	<b>23,770</b>	<b>27,356</b>	<b>31,375</b>	<b>35,665</b>

Source: Company, Systematix Institutional Research

## Ratios (Consolidated)

Y/E Mar	FY24	FY25	FY26E	FY27E	FY28E
EPS	21.5	26.4	27.7	38.2	45.3
CEPS	10.5	15.3	12.7	22.2	25.9
BVPS	124.6	145.3	170.2	204.6	245.3
Return Ratio(%)					
RoCE	17.5%	19.2%	17.5%	20.0%	20.5%
RoE	17.3%	18.3%	16.3%	18.7%	18.5%
Balance Sheet					
Net Debt : Equity (x)	0.6	0.5	0.5	0.4	0.4
Net Working Capital (Days)	54.6	28.3	18.2	18.3	19.5
Valuation(x)					
P/E	61.5	50.0	47.8	34.6	29.2
EV/EBITDA	29.9	26.3	24.3	20.8	19.5
EV/Sales	9.9	8.5	7.9	6.9	6.5

Source: Company, Systematix Institutional Research



## DISCLOSURES/APPENDIX

## I. ANALYST CERTIFICATION

I, **Vishal Manchanda, Viri Shah, Rushank Mody**; hereby certify that (1) views expressed in this research report accurately reflect my/our personal views about any or all of the subject securities or issuers referred to in this research report, (2) no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report by **Systematix Shares and Stocks (India) Limited (SSSIL)** or its group/associate companies, (3) reasonable care is taken to achieve and maintain independence and objectivity in making any recommendations.

Disclosure of Interest Statement	Update
Analyst holding in the stock	No
Served as an officer, director or employee	No

## II. ISSUER SPECIFIC REGULATORY DISCLOSURES, unless specifically mentioned in point no. 9 below:

- The research analyst(s), SSSIL, associates or relatives do not have any financial interest in the company(ies) covered in this report.
- The research analyst(s), SSSIL, associates or relatives collectively do not hold more than 1% of the securities of the company(ies) covered in this report as of the end of the month immediately preceding the distribution of the research report.
- The research analyst(s), SSSIL, associates or relatives did not have any other material conflict of interest at the time of publication of this research report.
- The research analyst, SSSIL and its associates have not received compensation for investment banking or merchant banking or brokerage services or any other products or services from the company(ies) covered in this report in the past twelve months.
- The research analyst, SSSIL or its associates have not managed or co-managed a private or public offering of securities for the company(ies) covered in this report in the previous twelve months.
- SSSIL or its associates have not received compensation or other benefits from the company(ies) covered in this report or from any third party in connection with this research report.
- The research analyst has not served as an officer, director or employee of the company(ies) covered in this research report.
- The research analyst and SSSIL have not been engaged in market making activity for the company(ies) covered in this research report.
- Details of SSSIL, research analyst and its associates pertaining to the companies covered in this research report:

Sr. No.	Particulars	Yes / No.
1	Whether compensation was received from the company(ies) covered in the research report in the past 12 months for investment banking transaction by SSSIL.	No
2	Whether research analyst, SSSIL or its associates and relatives collectively hold more than 1% of the company(ies) covered in the research report.	No
3	Whether compensation has been received by SSSIL or its associates from the company(ies) covered in the research report.	No
4	Whether SSSIL or its affiliates have managed or co-managed a private or public offering of securities for the company(ies) covered in the research report in the previous twelve months.	No
5	Whether research analyst, SSSIL or associates have received compensation for investment banking or merchant banking or brokerage services or any other products or services from the company(ies) covered in the research report in the last twelve months.	No

- There is no material disciplinary action taken by any regulatory authority that impacts the equity research analysis activities.

## STOCK RATINGS

**BUY (B):** The stock's total return is expected to exceed 15% over the next 12 months.

**HOLD (H):** The stock's total return is expected to be within -15% to +15% over the next 12 months.

**SELL (S):** The stock's total return is expected to give negative returns of more than 15% over the next 12 months.

**NOT RATED (NR):** The analyst has no recommendation on the stock under review.

## INDUSTRY VIEWS

**ATTRACTIVE (AT):** Fundamentals/valuations of the sector are expected to be attractive over the next 12-18 months.

**NEUTRAL (NL):** Fundamentals/valuations of the sector are expected to neither improve nor deteriorate over the next 12-18 months.

**CAUTIOUS (CS):** Fundamentals/valuations of the sector are expected to deteriorate over the next 12-18 months.

## III. DISCLAIMER

The information and opinions contained herein have been compiled or arrived at based on the information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness.

This document is for information purposes only. This report is based on information that we consider reliable; we do not show that it is accurate or complete and one should exercise due caution while acting on it. Description of any company(ies) or its/their securities mentioned herein are not complete and this document is not and should not be construed as an offer or solicitation of an offer to buy or sell any securities or other financial instruments. Past performance is not a guide for future performance, future returns are not guaranteed, and a loss of original capital may occur. All opinions, projections and estimates constitute the judgment of the author as on the date of the report and these, plus any other information contained in the report, are subject to change without notice. Prices and availability of financial instruments are also subject to change without notice. This report is intended for distribution to institutional investors.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject to SSSIL or its affiliates to any registration or licensing requirement within such jurisdiction. If this report is inadvertently sent or has reached any individual in such country, especially USA, the same may be ignored and brought to the attention of the sender. Neither this document nor any copy of it may be taken or transmitted into the United States (to U.S. persons), Canada, or Japan or distributed, directly or indirectly, in the United States or Canada or distributed or redistributed in Japan or to any resident thereof. Any unauthorized use, duplication,

redistribution or disclosure of this report including, but not limited to, redistribution by electronic mail, posting of the report on a website or page, and/or providing to a third party a link, is prohibited by law and will result in prosecution. The information contained in the report is intended solely for the recipient and may not be further distributed by the recipient to any third party.

SSSIL generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, SSSIL generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that they cover. Our salespeople, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein. Our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. The views expressed in this research report reflect the personal views of the analyst(s) about the subject securities or issues and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. The compensation of the analyst who prepared this document is determined exclusively by SSSIL; however, compensation may relate to the revenues of the Systematix Group as a whole, of which investment banking, sales and trading are a part. Research analysts and sales persons of SSSIL may provide important inputs to its affiliated company(ies).

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations which could have an adverse effect on their value or price or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies, effectively assume currency risk. SSSIL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on the basis of this report including but not restricted to fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

SSSIL and its affiliates, officers, directors, and employees subject to the information given in the disclosures may: (a) from time to time, have long or short positions in, and buy or sell, the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation (financial interest) or act as a market maker in the financial instruments of the company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential material conflict of interest with respect to any recommendation and related information and opinions. The views expressed are those of the analyst and the company may or may not subscribe to the views expressed therein.

SSSIL, its affiliates and any third party involved in, or related to, computing or compiling the information hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of this information. Without limiting any of the foregoing, in no event shall SSSIL, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind. The company accepts no liability whatsoever for the actions of third parties. The report may provide the addresses of, or contain hyperlinks to, websites. Except to the extent to which the report refers to website material of the company, the company has not reviewed the linked site. Accessing such website or following such link through the report or the website of the company shall be at your own risk and the company shall have no liability arising out of, or in connection with, any such referenced website.

SSSIL will not be liable for any delay or any other interruption which may occur in presenting the data due to any technical glitch to present the data. In no event shall SSSIL be liable for any damages, including without limitation, direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with the data presented by SSSIL through this presentation.

**SSSIL or any of its other group companies or associates will not be responsible for any decisions taken on the basis of this report. Investors are advised to consult their investment and tax consultants before taking any investment decisions based on this report.**



#### Systematix Shares and Stocks (India) Limited:

**Registered and Corporate address:** The Capital, A-wing, No. 603 – 606, 6th Floor, Plot No. C-70, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051

CIN - U65993MH1995PLC268414 | BSE SEBI Reg. No.: INZ000171134 (Member Code: 182) | NSE SEBI Reg. No.: INZ000171134 (Member Code: 11327) | MCX SEBI Reg. No.: INZ000171134 (Member Code: 56625) | NCDEX SEBI Reg. No.: INZ000171134 (Member Code: 1281) | Depository Participant SEBI Reg. No.: IN-DP-480-2020 (DP Id: 34600) | PMS SEBI Reg. No.: INP000002692 | Research Analyst SEBI Reg. No.: INH200000840 | Investment Advisor SEBI Reg. No. INA000010414 | AMFI : ARN - 64917