IPO Analysis of Global Health Limited (Medanta)

Company Brief

- ➢ Company Name: Global Health Ltd.
- ➢ Date of IPO Closing: November 16, 2022
- ➢ In Existence Since: May 23, 2008
- ➢ Size of the Issue: ₹ 2205.57 Cr.
- ➢ Date of Opening of the Issue: November 3, 2022
- ➢ Date of Closing of the Issue: November 7, 2022
- ➢ Allotment Price of the Share: ₹ 336
- ➢ Date of Listing: November 16, 2022
- ➢ Listing Price: ₹ 401
- ➢ Current Market Price: ₹ 1114.5 (As of 14th Feb 2025)
- ➢ High / Low Price Since Listing: ₹ 1513.9 (16th Feb 2024) / ₹ 390.55(16th Nov 2022)

Group Participants:

- Prajil Bhagat (Roll No: 2022359)
- Chandan Sah (Roll No: 2022140)
- Abhay Kohli (Roll No: 2022015)

Company Overview: Global Health Limited (Medanta)

Introduction

Global Health Limited, operating as Medanta, is a for-profit private hospital chain with its head office in Gurgaon, India. The hospital chain was founded in 2009 by cardiac surgeon Naresh Trehan and Sunil Sachdeva.
Dr. Naresh Trehan is a globally recognized cardiovascular and cardiothoracic surgeon, the company has expanded significantly since its inception.
Global Health Limited was incorporated as a private company on August 13, 2004 and was later converted into a public entity on August 11, 2021. The company's headquarters is located at E-18, Defence Colony, New Delhi, India.
Business Operations and Infrastructure

The company operates five multi-specialty hospitals across key locations in India:

- Gurugram (flagship hospital)
- Indore
- Ranchi
- Lucknow
- Patna (recently established)

With a bed capacity of over 2,500 beds, Medanta is among the largest private hospital networks in North and East India in terms of bed strength and operating revenue. The hospitals provide comprehensive healthcare services, including specialties such as cardiology, neurosciences, oncology, orthopedics, nephrology, and robotic surgery.
Medanta is also well-established in medical education and research, in association with Medanta Institute of Education & Research (Trust) to develop innovation and training for the next generation of healthcare professionals.

Financial Performance

The company has achieved remarkable financial growth over the years. The financial highlights for the three months ended June 30, 2022, and the financial years ended March 31, 2022, 2021, and 2020 are as follows:

Revenue from operations:

- ₹6,172.11 million (Q1 FY23)
- ₹21,665.89 million (FY22)
- ₹14,467.43 million (FY21)
- ₹15,004.22 million (FY20)

Profit after tax (PAT):
- ₹587.12 million (Q1 FY23)
- ₹1,962.02 million (FY22)
- ₹288.05 million (FY21)
- ₹363.27 million (FY20)

Total borrowings:
- ₹7,944.49 million as of June 30, 2022
- ₹8,378.62 million as of March 31, 2022

The company has consistently increased its net worth, reaching ₹16,755.51 million in Q1 FY23 from ₹13,495.37 million in FY20IPO.

Competitive Strengths

Strong Brand Positioning:
- Medanta has world-class facilities and medical skills.
- It has become a high-end specialist medical care provider.

State-of-the-Art Technology and Medical Expertise:
- The hospitals have the most advanced technology, including robotic surgery, precision medicine, and AI-based diagnostics.
- Highly qualified doctors and experts contributes to the glory of Medanta in the health care industry.

Strategic Growth and Expansion:
- Operations are being scaled up in tier-2 cities through tapping India's underpenetrated health care markets.
- Hospital network growth and medical research programs to be developed in the future.

Financial Strength and Profitability:
- With healthy revenue growth, increasing profitability, and diversified revenue stream, Medanta is financially strong.
- The company's debt-equity is well-managed, a sign of financially sound leverage.

Challenges and Risk Factors
Although good, Global Health Limited does also have a few challenges to address:
- Regulatory and Compliance Risks:

    - The health care industry is governed by stringent government regulation, impacting operations.
- High Operating Costs:
    - It is a capital-intensive business to operate a multi-specialty hospital, which is a cost drain.
- Competition in the Healthcare Industry:
    - The company is competing with other big hospital chains like Apollo Hospitals, Fortis Healthcare, and Max Healthcare.
- Litigation and Legal Issues:
    - As of the date of filing of the IPO, the company has the following pending litigation cases of ₹1,461.47 million, primarily comprising tax disputes and civil cases.

Future Prospects

- Opening new hospitals and expanding existing facilities
- Investing in medical technology and equipment
- Repaying outstanding borrowings

Summary of the Issue in the IPO Document

Introduction to the IPO

Global Health Limited (GHL), operating under the brand "Medanta," launched its Initial Public Offering (IPO) as a 100% Book Built Offer. The IPO was structured to include a Fresh Issue of shares and an Offer for Sale (OFS).

- Fresh Issue: 14,880,952 equity shares, aggregating up to ₹5,000 million.
- Offer for Sale: 50,761,000 equity shares, aggregating up to ₹17,055.70 million.
- Total Issue Size: 65,641,952 equity shares, totaling ₹22,055.70 millionIPO.

Breakdown of the Offering

The IPO has been made under Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Share Allocation:

- Qualified Institutional Buyers (QIBs): Not more than 32,820,975 shares.
- Non-Institutional Investors (NIIs): Not less than 9,846,293 shares.
- Retail Individual Investors (RIIs): Not less than 22,974,684 sharesIPO.

Key Selling Shareholders:

- Anant Investments: 50,661,000 shares (₹17,022.10 million), acquisition cost ₹145.60 per share.
- Sunil Sachdeva & Suman Sachdeva: 100,000 shares (₹33.60 million), acquisition cost ₹2.02 per shareIPO.

Risk Considerations

As this was the first public issue of equity shares of the company, there were risks involved:

- No market formed for the equity shares: It was a trading performance and price risk.
- Uncertainty of listing and trading: Any failure in listing or trading would affect investor returns.
- Compliance with regulations: There was a need to follow SEBI regulations strictly.

Financial Use of Proceeds

The proceeds from the Fresh Issue were planned for debt repayment and corporate expansion, particularly in medical infrastructure.

The company was not expected to receive proceeds from the Offer for Sale, as those funds would go to the selling shareholdersIPO.

Company Structure and Financial Stability

Global Health Limited, incorporated in 2004, transitioned from a private entity (Global Health Private Limited) to a public company in 2021.
It operates hospitals under the "Medanta" brand, with financial backing from major investors.
No prior public or rights issues had been undertaken before this IPOIPO.

Industry Overview: Healthcare Delivery Market in India

The Indian healthcare delivery sector is a fast-expanding industry, which is spurred on by demographic and economic pressures. The sector involves hospitals, clinics, diagnostic laboratories, pharmacies, and other ancillary services, which together comprise an important constituent of India's entire healthcare sector.

Market Size and Growth

The Indian healthcare delivery sector stood at about ₹5 trillion in fiscal 2022, based on the CRISIL Report, and had an estimated fiscal 2023 growth of ₹5.5-5.75 trillion. The industry is dominated by private players and has a share of about 68-70% of the market, and 30-32% of the market is controlled by the government. Only 10-15% of the market isin large private hospitals, so, the sector is highly unorganized.

Key Drivers of Growth

Several factors contribute to the growth of the Indian healthcare industry:

- **Increasing Demand for Healthcare Services**
  - Rising life expectancy, urbanization, and an aging population are leading to higher demand for medical services.
  - Lifestyle-related diseases such as diabetes, cardiovascular disorders, and obesity are increasing, driving demand for specialized healthcare.
- **Government Initiatives and Policies**
  - The Indian government has launched programs such as the Pradhan Mantri Jan Arogya Yojana (PMJAY) to improve healthcare accessibility.
  - Efforts to increase public healthcare spending to 2.5% of GDP by 2025 are expected to enhance the sector's infrastructureIPO.
- **Medical Tourism**
  - India is a major destination for medical tourism due to its high-quality yet cost-effective treatments.
  - The availability of advanced medical technologies and skilled professionals attracts international patients.
- **Technology and Digital Health Innovations**
  - The adoption of digital health platforms, telemedicine, and AI-based diagnostics is transforming healthcare delivery.
  - The rise of wearable devices and remote patient monitoring is enhancing preventive healthcare.

Key Segments in Healthcare Delivery

The Indian healthcare industry consists of multiple segments:

- **Hospitals (Primary Revenue Generator)**
  - Hospitals generate revenue primarily through inpatient (IPD) and outpatient (OPD) services.
  - In most hospitals, OPD contributes to three-fourths of patient volume, but IPD accounts for nearly 69% of total revenueIPO.
  - Surgical and diagnostic services form a substantial part of hospital revenues.
- **Diagnostic Centers**
  - Comprising pathology and radiology services, diagnostic centers play a critical role in early disease detection.
  - Independent diagnostic chains and hospital-based labs are expanding rapidly.
- **Pharmaceuticals and Pharmacies**
  - Hospital-based pharmacies benefit from direct patient access and demand for high-margin surgical items.
  - Standalone pharmacy chains are increasing their presence in the market.
- **Support Services**
  - The industry is seeing a rise in outsourced non-core activities such as housekeeping, food & beverages, and waste management.
  - Third-party administrators (TPAs) function as intermediaries between insurers and policyholders to facilitate health insurance claimsIPO.

Competitive Landscape

The Indian healthcare sector is highly competitive, with players from various backgrounds:

- **Private Hospitals**
  - Major players include Apollo Hospitals, Fortis Healthcare, Max Healthcare, and Narayana Health.
  - Large hospitals compete based on brand reputation, specialized treatments, and advanced technology.
- **Government-Owned Facilities**
  - Public hospitals provide affordable services but often suffer from overcrowding and resource limitations.
- **Standalone Clinics and Specialty Centers**
  - Smaller specialty hospitals and clinics focus on niche areas such as fertility treatments, orthopedics, and dermatology.

Challenges and Risks

While the healthcare industry presents strong growth opportunities, it faces several challenges:

- Regulatory and Policy Risks: Price caps on medical devices such as stents and implants affect hospital profitability.
- High Operating Costs: Wages for staff, drugs, and maintenance of facilities increase the costs.
- Manpower Shortages: India is facing shortages of doctors, nurses, and healthcare professionals.
- Technology Adaptation: Uptake of digital health is on the rise but is beset with integration problems.

Future Outlook

The Indian healthcare sector is anticipated to witness long-term growth based on growing health awareness, rising insurance penetration, and advances in technology. The industry's emphasis on accessibility, affordability, and quality of care is anticipated to continue to propel investment and growth.

The Indian healthcare delivery market is a high-potential segment as a whole based on its challenges and therefore a significant sector for social and economic development.

Eligibility and Regulatory Framework for an IPO under SEBI Guidelines (ChatGPT version)

Summary of SEBI Guidelines for Initial Public Offer (IPO)

Introduction The Securities and Exchange Board of India (SEBI) regulates IPOs in India under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. These regulations outline the eligibility criteria, disclosure requirements, lock-in provisions, and other aspects governing public offerings. The guidelines ensure investor protection and promote transparency in capital markets.

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1. Eligibility Criteria for IPO

- An issuer must fulfill specific conditions before launching an IPO:

- **Financial Requirements:**
  - Net tangible assets of at least INR 3 crore in each of the last three years.
  - Average operating profit of INR 15 crore in the last three years.
  - Net worth of at least INR 1 crore in each of the last three years.
- **Other Eligibility Conditions:**
  - The issuer must not be debarred from accessing capital markets.
  - The issuer, its promoters, or directors must not be declared willful defaulters or fugitive economic offenders.
  - No outstanding convertible securities or rights that would lead to additional equity dilution at the time of IPO filing.

If the issuer does not meet these conditions, it must ensure that at least 75% of the net offer is allocated to Qualified Institutional Buyers (QIBs).

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2. Offer Document Requirements

Before launching an IPO, the issuer must submit the Draft Red Herring Prospectus (DRHP) to SEBI. The DRHP must include:

- Details about the company, promoters, and management.
- Financial statements audited for the past three years.
- Purpose of raising funds and utilization breakdown.
- Business risks and industry analysis.
- Pricing and issue structure.
- Disclosures as per SEBI ICDR Regulations, 2018.

Upon SEBI's approval, the Red Herring Prospectus (RHP) is filed with the Registrar of Companies (RoC) before inviting applications from investors.

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3. Lock-in and Transferability of Securities

SEBI mandates lock-in periods to prevent unfair trading practices:

- Promoters' Contribution:
  - Minimum 20% of post-issue capital must be held by promoters.
  - This contribution is locked in for 18 months from the date of allotment.
  - If the issue is capital-intensive, the lock-in is extended to 3 years.
- Other Pre-IPO Investors:
  - Shares held by non-promoter entities before the IPO are locked in for 6 months from the allotment date.
- Transferability Restrictions:
  - Locked-in shares can only be transferred to another promoter or within the promoter group.

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4. Pricing and Allotment Mechanisms

- Book Building Process: Investors bid within a specified price band, and the final price is determined based on demand.
- Fixed Price Issue: The issue price is pre-determined and disclosed in the offer document.
- Qualified Institutional Buyers (QIBs): At least 50% of the net offer must be allotted to QIBs.
- Retail Individual Investors (RIIs): A minimum of 35% of the net offer is reserved.
- Non-Institutional Investors (NIIs): Around 15% is allocated to high-net-worth individuals.

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5. Role of Intermediaries

The issuer must appoint various intermediaries for a successful IPO:

- Lead Managers: Merchant bankers responsible for due diligence and documentation.
- Registrar to the Issue: Handles applications, refunds, and allotments.
- Bankers to the Issue: Manage fund collections from investors.
- Syndicate Members: Facilitate bidding and applications under the book-building process.

All intermediaries must be registered with SEBI and comply with regulatory standards.

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6. Post-Issue Obligations

After an IPO, companies must adhere to several post-listing compliances:

- Listing the shares on stock exchanges within 6 working days from the issue closure date.
- Continuous disclosures of financial and operational performance as per SEBI's Listing Obligations and Disclosure Requirements (LODR) regulations.
- Minimum public shareholding norms:
  - 25% public shareholding within 3 years for companies with post-issue capital above INR 1,600 crore.
  - 10% public shareholding within 18 months for smaller companies.

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7. Green Shoe Option

- Companies can use the Green Shoe Option (GSO) to stabilize post-listing stock prices.
- Underwriters can allocate up to 15% additional shares if demand exceeds supply.
- The stabilizing agent manages the additional allotment and stock buyback mechanisms.

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8. Restrictions on Fund Utilization

SEBI sets limits on how IPO funds can be used:

- General Corporate Purposes (GCP): Cannot exceed 35% of IPO proceeds.
- Unidentified Acquisitions: Cannot exceed 25% unless specific disclosures are made in the prospectus.
- Promoters' Loans & Group Investments: Proceeds cannot be used to finance promoter group entities or undisclosed investments.

Conclusion

SEBI's IPO regulations ensure transparency, investor protection, and market efficiency. The guidelines require strict adherence to eligibility criteria, disclosure norms, lock-in provisions, and fund utilization rules. By enforcing these standards, SEBI promotes confidence in the Indian capital markets and fosters responsible corporate governance.

Eligibility and Regulatory Framework for an IPO under SEBI Guidelines(our version)

The Securities and Exchange Board of India (SEBI) governs the Initial Public Offerings (IPOs) process under the Issue of Capital and Disclosure Requirements (ICDR) Regulations, 2018. The regulations make the process transparent, protect the interest of investors, and ensure fair means in the securities market.

Definition and Objective of SEBI's IPO Regulations

SEBI's IPO regulations try to regulate the process of raising funds by companies from the public. The major objectives are:

- Ensuring that companies are well-governed and financially sound to raise funds from the public.
- Protecting investors' interest through proper disclosures.
- Preventing fraud and market manipulation.
- Ensuring fair price and allotment of shares.

Criteria for Companies Eligible to Launch an IPO

For a company to be eligible for an IPO, it must meet certain financial, operational, and regulatory requirements:

- Net Tangible Assets – At least ₹3 crore in each of the last three years, and not more than 50% in monetary assets.
- Profitability – A company must have an average operating profit of ₹15 crore in the last three years.
- Net Worth – The company must have a net worth of at least ₹1 crore in each of the last three years.
- Revenue Stability – In the event of a company having recently changed its name, at least 50% of revenue must be accounted for by its new business.
- Promoter Contribution – At least 20% of post-issue capital must be owned by the promoters.

Alternatively, in the event of a company not being able to meet these requirements, it can still approach an IPO provided it:

- Uses the book-building process for the price determination.
- Ensures at least 75% of the shares are allotted to Qualified Institutional Buyers (QIBs).

Restrictions on Ineligible Entities

Certain companies and individuals are barred from making an IPO, such as:

- Debarred Entities – If the issuer, directors, or promoters are debarred by SEBI from accessing the capital markets.
- Defaulting Companies – Companies with defaults against them on loans or default in debt repayment.
- Fugitive Economic Offenders – Companies with fugitive economic offenders as promoters under Indian law.
- Companies with Outstanding Convertible Securities – If a company has outstanding convertible instruments that could dilute equity, it must convert them before the IPO.

Financial and Operating Requirements

Companies must be:

- Financially healthy with stable profitability and cash flows.
- Compliant with the corporate governance standards.
- Having a scalable and sustainable business model.
- Making disclosures in detail of finances to generate investor confidence.

By placing these requirements, SEBI ensures that only financially healthy and compliant companies enter the capital markets, thereby protecting retail and institutional investors.
IPO Process and Disclosure Requirements
The IPO process in India is governed by the Securities and Exchange Board of India (SEBI) (Issue of Capital and Disclosure Requirements) Regulations, 2018. The IPO process offers transparency, investor protection, and fair market practices.

1. Steps Involved in Issuing an IPO and Appointment of Intermediaries

Launch of an IPO is a multi-step process involving different financial and legal intermediaries. The key steps are:

- Appointment of Intermediaries: The issuer company appoints lead managers (merchant bankers) to negotiate on their behalf and guide them through the IPO process. Other intermediaries are registrars to the issue, legal advisors, underwriters, auditors, and stock exchanges.
- Board Approval & Regulatory Compliance: The company's board approves the IPO plan, and SEBI compliance requirements are met.
- Due Diligence & Drafting Offer Documents: Financial statements are audited, and risk factors are analyzed.
- Filing with SEBI: The company files a Draft Red Herring Prospectus (DRHP) with SEBI for scrutiny and public comments.

2. Preparation and Filing of Offer Documents

SEBI demands two significant documents before the IPO launch:

- Draft Red Herring Prospectus (DRHP): A preliminary document with financials, risk factors, management information, and business operations. SEBI scrutinizes it and suggests changes.
- Red Herring Prospectus (RHP): The draft DRHP with changes after SEBI's comments. It includes the issue size, price band, and other final details before listing.

After approval, the RHP is filed with the Registrar of Companies (ROC) and published for prospective investors.

3. Key Disclosures Required by SEBI

SEBI mandates firms to provide all material information to enable investors to make informed choices. These are:

- Financial Disclosures: Three years of audited accounts, revenue models, profitability trends, and debt obligations.
- Risk Factors: Economic, regulatory, industry-related, and internal business risks that could affect future performance.
- Business Structure: Information on promoters, subsidiaries, corporate governance, litigation history, and competitive environment.
- Utilization of IPO Proceeds: How the firm intends to utilize the amount raised, whether for expansion, repayment of debt, or working capital.

4. Pricing Methods: Fixed Price vs. Book-Building Process

IPO pricing can be in two ways:

- Fixed Price Issue: The firm determines a fixed price for its shares prior to the IPO opening. Investors apply at this fixed price.
- Book-Building Process: The price is decided through demand estimation. The issuer determines a price band (e.g., ₹100-₹120), and investors bid within this band. The final issue price is decided based on demand and investor interest.

The book-building method is preferred because of its market-based pricing mechanism, providing better price discovery and investor participation.

Shareholding, Promoter Contribution, and Lock-in Period in an IPO

In the case of an Initial Public Offer (IPO), SEBI (Securities and Exchange Board of India) has specifically given regulations in terms of shareholding pattern, promoter contribution, and lock-in period in order to ensure transparency, protection of the interest of the investor, and prevention of market manipulation. This section contains the important requirements regarding promoter shareholding, restriction on transfer, and allotment of shares among different classes of investors.

Minimum Promoter Contribution Requirements

SEBI requires the promoters to contribute at least 20% of the post-issue capital in the case of an IPO.

It ensures that the promoters retain a majority interest in the company with their interest being the same as the public shareholders. Important points regarding promoter contribution are:

- The contribution shall be in the form of fully paid-up equity shares.
- If the promoter's holding is less than 20%, the shortfall can be made up by other entities like Alternative Investment Funds (AIFs), Scheduled Commercial Banks, Public Financial Institutions, or Insurance Companies, up to a limit of 10%.
- In the case of companies where there is no identifiable promoter (like professionally managed companies), this requirement is not applicable.

Lock-in Period for Promoters and Pre-IPO Investors

To avoid dilution and ensure stability in the post-listing share, SEBI has imposed lock-in conditions on promoter shares and pre-IPO investors' shares:

- Minimum Contribution of Promoters: Locked in for 18 months from the date of allotment. In case of the majority of the IPO proceeds being utilized for capital expenditure, the lock-in period is three years.
- Additional Promoter Holding: Any promoter holding in excess of the mandatory minimum 20% is locked in for six months.
- Pre-IPO Investors: Shares held by non-promoter investors prior to the IPO are locked in for six months after the IPO.
- Convertible Securities and Bonus Shares: Any shares obtained through conversion of convertible instruments (e.g., warrants) or issued as bonus in an IPO year earlier are subject to one-year lock-in from conversion or issue date.

Rules for Convertible Instruments, Preferential Allotments, and Warrants

SEBI prescribes stringent rules for preferential allotment of convertible instruments to prevent prejudicial treatment to some investors:

- Convertible Debt Instruments: Issuers can issue convertible securities but reveal the pricing mechanism at the initial stage. Optionally convertible instruments may not be exercised unless the holders give express consent.
- Warrants: Firms can issue warrants in an IPO with maximum tenor of 18 months. At least 25% of the price of warrants shall be paid in advance.
- Preferential Allotment: Shares allotted to some investors before an IPO must comply with pricing guidelines and be locked-in as per SEBI norms.

Investor Groups and Share Reservation

In an IPO, the shares are allotted to different groups of investors as per SEBI's prescribed restrictions:

- Retail Individual Investors (RIIs): Individual investors who offer shares up to ₹2 lakh. At least 35% of the issue size is reserved for RIIs.
- Non-Institutional Investors (NIIs): High-net-worth individuals (HNIs) and corporate entities who offer in excess of ₹2 lakh. They receive a minimum of 15% of the issue size.
- Qualified Institutional Buyers (QIBs): Institutional investors such as mutual funds, banks, and insurance institutions. They receive a minimum of 50% of the issue size in book-built IPOs. A portion of this can be reserved for Anchor Investors, who pool funds before the opening of the IPO.

Post-IPO Compliance and Listing Requirements

After a successful Initial Public Offering (IPO), a company is required to follow SEBI guidelines for the sake of bringing in transparency, protecting investors, and enabling orderly functioning of the market. The significant post-IPO requirements are listing requirements, continuous disclosures, price stabilization mechanisms, and penalties.

1. Listing Process and Post-IPO Compliance Obligations

After an IPO, the issuing company must get listed on a stock exchange (e.g., NSE, BSE) within the specified time frame. The company must:

- Obtain listing permission from the stock exchange(s).
- Arrange credits of all IPO shares in the demat accounts of the investors.
- Commence trading as per stock exchange directions.
- Comply with minimum public shareholding requirements (at least 25% shares with public investors).
- Comply with corporate governance requirements under SEBI (LODR) Regulations, 2015.

2. Continuous Disclosure Norms of Listed Companies

For ensuring transparency and protecting investors, listed companies are required to make continuous disclosures, including:

- Financial disclosures: Quarterly, annual financial statements.
- Material information: Timely disclosure of stock price material events (e.g., mergers and acquisitions, change in leadership).
- Shareholding trends: Disclosure by promoters and institutions regarding their holding.

- Corporate governance compliance: Board composition, independent directors, and audit committee reports.
- Insider trading norms: Prohibit unfair trade practices by use of unpublished information.

3. Green Shoe Option and Post-Listing Price Stabilization

Green Shoe Option (GSO) is a price stabilizer that enables the Lead Manager (merchant banker) to stabilize share prices in the post-listing period. Under it:

- Additional shares (up to 15% of original issue size) may be issued in the event of excess demand.
- Where share prices fall below the issue price, stabilizing agent (SA) redeems shares at the cost of Green Shoe Option fund.

Such a mechanism curtails volatility and facilitates smooth listing.

4. Penalties for Defaulting in Complying with SEBI Rules

Default in SEBI after-IPO regulations brings hefty penalties, including:

- Monetary penalties for late disclosures, erroneous filings, or governance defaults.
- Suspension or delisting of shares in case of minimum public shareholding norms being breached.
- Legal action against directors and promoters for misstatement or fraud.
- Ban on future fund-raising for defaulting companies on listing or compliance requirements.

Highlights of the Initial Public Offering (IPO) Process

Understanding the Capital Market

The capital market is divided into two major segments:

- Primary Market – Where fresh issuers mobilize capital using IPOs, rights issues, or offers for sale of debt or equity.
- Secondary Market – Where existing securities are bought and sold by investors, providing liquidity for primary market investors.

A well-functioning secondary market encourages primary market investment by providing a route for exit to investors, ultimately resulting in capital formation and economic growth.

What is an IPO?

An Initial Public Offering (IPO) or going public is the first sale of securities to the public in the primary market. It is the largest source of long-term capital for a company and is a key milestone in the growth of the company.

Principal Features of an IPO:

- Raising Capital – Companies issue IPOs to mobilize long-term capital for growth and expansion.
- Credibility and Publicity – Going public provides a company with a greater status and exposure in the market.
- Economic Indicator – Increase in IPO can be the indication of healthy economy and stock market.
- Ownership Rights – Company belongs to the shareholders and have rights on company property and decisions.
- Liquidity to Investors – Investors can dispose the shares in secondary market after the issuance of IPO.

IPO Process Overview

- Company issues IPO to mobilize funds, to expand business, or to attract market attention.
- Company appoints investment bankers, legal advisors, auditors, and underwriters to execute the IPO process.
- IPOs in India are regulated by the Securities and Exchange Board of India (SEBI). Company submits draft red herring prospectus (DRHP) along with accounts, risk factors, and business plan for approval.

- Two methods are available to determine the share price:
    - Fixed Price Issue – Fixed price is determined by the company for a share.
    - Book Building Issue – Investors bid for shares at various price levels higher or equal to a floor price.
- The investors place bids for shares during the IPO subscription period. On the closing of bids, the shares are allotted depending on the demand.
- The company's shares are listed in stock exchanges and the investors purchase and sell the shares in the secondary market, after allotment.

Book Building Mechanism

Definition:

Book Building is a method of price discovery where investors bid for shares at different price levels above or equal to a floor price.

Key Points:

- Book Building determines the demand for shares and their fair value.
- Unlike a fixed-price issue where the price is fixed in advance, book building allows market-led pricing.
- Investors can view demand for the shares on day-to-day basis until the book-building period ends.
- The final issue price is determined after taking bids from investors to have a fair value.

Difference Between Book Building and Fixed Price Issue

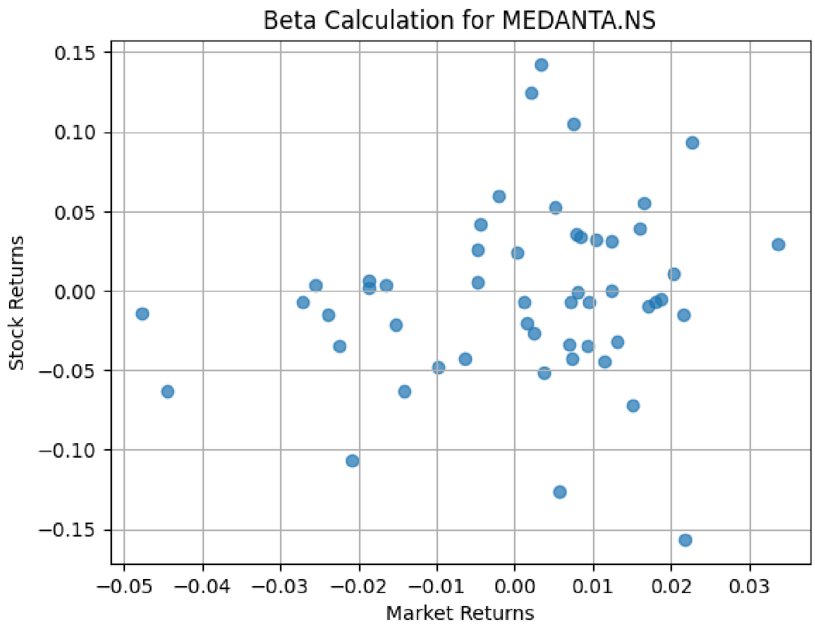
Feature	Book Building Issue	Fixed Price Issue
Price Determination	Investors bid within a price range	Pre-determined price
Demand Visibility	Known daily during the bidding period	Known only after the issue closes
Price Discovery	Based on investor demand	Fixed by the company
Transparency	High, as demand is tracked daily	Limited transparency

Code for calculating beta value

```
import yfinance as yf
import pandas as pd
import numpy as np
import matplotlib.pyplot as plt

# Function to download historical weekly data
def get_weekly_data(ticker, start_date, end_date):
    stock = yf.download(ticker, start=start_date, end=end_date, interval='1wk')

    # Print the column names for debugging
    print(f"Columns in {ticker}: {stock.columns}")
    # Try selecting 'Adj Close' first, if not available, fall back to 'Close'
    if 'Adj Close' in stock.columns:
        return stock[['Adj Close']].rename(columns={'Adj Close': ticker})
    elif 'Close' in stock.columns:
        return stock[['Close']].rename(columns={'Close': ticker})
    else:
        raise KeyError(f"Neither 'Adj Close' nor 'Close' found for {ticker}")

# Define stock and market index symbols
stock_symbol = "MEDANTA.NS"  # Replace with any stock symbol
market_index = "^NSEI"       # NIFTY 50 as the benchmark index

# Define the date range (1 year back)
start_date = "2024-02-15"
end_date = "2025-02-14"

# Download stock and index data
stock_data = get_weekly_data(stock_symbol, start_date, end_date)
market_data = get_weekly_data(market_index, start_date, end_date)

# Merge both datasets on Date
data = stock_data.merge(market_data, left_index=True, right_index=True)

# Calculate weekly returns
data['Stock Returns'] = data[stock_symbol].pct_change()
data['Market Returns'] = data[market_index].pct_change()
```

```
# print("data['Stock Returns']", data['Stock Returns'])
# print("data['Market Returns']", data['Market Returns'])
# Drop NaN values (first row will be NaN due to pct_change)
data = data.dropna()

# Calculate Beta (Covariance / Variance)
covariance = np.cov(data['Stock Returns'], data['Market Returns'])[0, 1]
market_variance = np.var(data['Market Returns'])
beta = covariance / market_variance

print(f"Calculated Beta for {stock_symbol} against {market_index}: {beta:.2f}")

# Plot stock vs market returns
plt.scatter(data['Market Returns'], data['Stock Returns'], alpha=0.7)
plt.xlabel('Market Returns')
plt.ylabel('Stock Returns')
plt.title(f'Beta Calculation for {stock_symbol}')
plt.grid()
plt.show()

# Save the data to an Excel file
data.to_csv("stock_beta_analysis.csv", index=True)
print("Data saved to 'stock_beta_analysis.csv'")
```

Calculated Beta for MEDANTA.NS against ^NSEI: 0.56



Answering to the objective questions based on prospectus

1. Where is the registered office of the company ?

- The registered office of the company is: Global Health Limited
  Medanta - Mediclinic
  E-18, Defence Colony,
  New Delhi, Delhi 110 024, India.

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2. Where is the head office / corporate office of the company ?

- The corporate office of the company is:
  Global Health Limited
  Medanta – The Medicity
  Sector – 38, Gurgaon 122 001, India.

a. What is the difference between the two?

- The Registered Office is the official address of the company as per government records and where legal documents are sent, whereas the Corporate Office is where the main business operations and management activities take place.

b. Can a company have a registered office at one place and operate from another place?

- Yes, a company can have a registered office in one place and operate from another location. Many companies register in one city but conduct operations from another for strategic, financial, or operational reasons.

c. What is the significance of the registered office?

- The registered office is where all official communications, regulatory filings, and legal correspondences take place. It also determines the jurisdiction of legal matters.

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3. What is Corporate Identification Number (CIN) ?

- The company's Corporate Identification Number (CIN) is U85110DL2004PLC128319.

a. What's it's significance?

- The CIN is a unique identifier assigned to a company by the Ministry of Corporate Affairs (MCA) in India. It helps in tracking a company's registration details, legal status, and financial filings

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4. Who are the promoters and what is their background?

- The main promoter of the company is Dr. Naresh Trehan.

- Short description about his background:

Dr. Naresh Trehan is a renowned cardiovascular and cardiothoracic surgeon with over 50 years of experience. He founded Medanta – The Medicity, one of India's leading multi-specialty hospitals, and has performed over 50,000 open-heart surgeries. A recipient of Padma Shri and Padma Bhushan, he trained at New York University Medical Center and served as the Personal Surgeon to the President of India. His expertise and leadership have been instrumental in shaping Global Health Limited's growth and impact in India's healthcare sector.

- While Dr. Naresh Trehan is the main promoter, several individuals and corporate entities form part of the promoter group : The list is particularly long, so not written here.

a. Who are the book running lead managers?

- The Book Running Lead Managers (BRLMs) for the IPO are:

1. Kotak Mahindra Capital Company Limited
2. Credit Suisse Securities (India) Private Limited
3. Jefferies India Private Limited
4. JM Financial Limited.

b. Who can act as lead managers?

- According to SEBI regulations, only SEBI-registered merchant bankers can act as lead managers for an IPO.

c. How many lead managers can be there in an issue ?

- A company can appoint one or more lead managers depending on the issue size, with their roles and responsibilities clearly defined in the offer document; meaning there is no fixed limit on the number of lead managers an IPO can have, but they must all be registered merchant bankers with SEBI.

---

5. Who are the registrars?

- The registrar to the issue is KFin Technologies Limited.

a. Who can act as registrars to an issue?

- According to SEBI regulations, only entities registered with the Securities and Exchange Board of India (SEBI) under the "SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993" can act as registrars to an issue; typically, this includes banks, trust companies, or specialized financial institutions that meet the necessary criteria for registration with SEBI.

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6. Has the company obtained government approval for its proposed project? Is it required?

- Yes, government approvals are very essential. Studying the prospectus, for GHL's proposed projects, it's mostly material approvals in relation to their hospitals and clinics.
- approvals are required majorly in :
  - ➢ hospital construction and operation under state health regulations,
  - ➢ land use and development from urban planning authorities,
  - ➢ biomedical waste management, fire safety, and environmental clearances,
  - ➢ clinical establishment license
  - ➢ labour and employment

- Global Health Limited has obtained all required approvals for its operational hospitals in Gurugram, Ranchi, Indore, Lucknow, and Patna, as well as for its upcoming Noida hospital.

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7. Is this a fresh offer or an offer for sale or a combination of the two?

- For GHL, it is a combination of a fresh issue and an offer for sale.

The exact issue is answered in a later question.

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8. When did the company decide to issue additional equity shares? Who approves of the company's plan to issue further equity?

- The decision to issue additional equity shares was made by Global Health Limited's Board of Directors on September 17, 2021. This was subsequently approved by the shareholders on September 21, 2021
- The approval process for issuing further equity shares in a company follows a structured framework, first requiring the Board of Directors approval and then the shareholders' approval. If its already listed, it needs SEBI and stock exchanges approval.

---

9. Where will the company's shares be listed?

- The company's shares are to be listed on both the BSE (Bombay Stock Exchange) and the NSE (National Stock Exchange).
- Where, NSE will be the Designated Stock Exchange, responsible for finalizing the Basis of Allotment.

---

10. What are the provisions of Section 68A of the Companies Act, 1956?

- Section 68A of the Companies Act, 1956 provides for penalties for fraud in relation to securities transactions and places special stress on prohibiting and punishing unfair or fraudulent dealings in the share market.

Key Provisions:

- ➢ Prohibition of Fraudulent Securities Transactions
- ➢ Penalties for Violations
- ➢ SEBI's Regulatory Authority
- ➢ Protection of Investor Interests

However, currently The Companies Act, 1956, including Section 68A, has been largely replaced by the Companies Act, 2013.

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11. How much is the minimum amount of subscription required for allotment?

- The minimum subscription requirement for the allotment of shares in Global Health Limited's IPO is 90% of the fresh issue. If the company fails to receive this minimum subscription within 60 days from the Bid/Offer Closing Date, it must refund the entire subscription amount to investors in accordance with SEBI regulations.

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12. Is the issue underwritten? Who can underwrite an issue?

- Yes, the IPO of Global Health Limited is underwritten. The company and its selling shareholders entered into an Underwriting Agreement on November 9, 2022.

The underwriters include:

1. Kotak Mahindra Capital Company Limited
2. JM Financial Limited
3. Credit Suisse Securities (India) Private Limited
4. Jefferies India Private Limited

Each underwriter has committed to underwriting a certain number of shares to ensure full subscription of the offer.

- Under SEBI regulations, the following entities are eligible to underwrite an IPO:
    1. SEBI-registered merchant bankers (investment banks).
    2. Brokers registered with stock exchanges.
    3. Financial institutions.
    4. Banks approved by SEBI.

Underwriters ensure the IPO does not fail by agreeing to purchase any unsubscribed shares.

a. How much can one underwriter underwrite in an issue?

- An underwriter can underwrite a part or the entire issue based on agreements with the company.

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13. Is underwriting mandatory?

- No, underwriting is not mandatory but companies often choose to underwrite their issues to ensure the full subscription of shares, reducing the risk of failure.

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14. What is the meaning of contingent underwriting?

- Contingent underwriting refers to an underwriting agreement where the underwriter commits to purchasing only the unsubscribed portion of shares in an IPO.

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15. What is the authorized capital of the company?

- The authorized share capital is the maximum number of shares the company can issue as per its memorandum.
- For GHL, it is ₹1,010.25 million, divided into 505,125,000 equity shares of ₹2 each

---

16. What is the size of the present issue? a. How much are the promoters contributing?

- Total IPO Size: 65,641,952 equity shares aggregating to ₹22,055.70 million.
    - Fresh Issue: 14,880,952 equity shares (₹5,000 million)

        - Offer for Sale: 50,761,000 equity shares (₹17,055.70 million). - promoters contribution.

b. Is there a minimum amount that a promoter should contribute?
- At least 20% of post-IPO equity share capital (fully diluted) must be contributed by the promoter.

c. How many shares have been allotted on a firm basis?
- Total Shares Allotted: 65,641,952 equity shares.

Breakdown:
- Qualified Institutional Buyers (QIBs): Not more than 32,820,975 shares.
- Non-Institutional Bidders: Not less than 9,846,293 shares.
- Retail Individual Bidders (RIBs): Not less than 22,974,684 shares

d. To whom?
- Qualified Institutional Buyers (QIBs) (max 50% of the offer)
    - Includes Mutual Funds, Foreign Portfolio Investors, Banks, Insurance Companies.
    - Anchor Investors received 60% of the QIB portion on a discretionary basis.
- Non-Institutional Bidders (min 15%)
    - High-net-worth individuals or entities with bids above ₹200,000.
    - Allocation divided into:
        - One-third for application sizes ₹200,000 - ₹1,000,000.
        - Two-thirds for application sizes above ₹1,000,000.
- Retail Individual Bidders (RIBs) (min 35%)
    - Small investors applying for shares worth up to ₹200,000.

e. What are the guidelines regarding firm allotment?
- Lock-in Period: Promoter's contribution is locked for 18 months from the allotment date.
- Exemptions: Any shareholding above 20% is locked for six months.

f. When would the promoter’s & firm allotment money come in?
- at least one day prior to the date of opening of the issue.

g. What if it does not?
- The issue may not proceed as the Securities and Exchange Board of India (SEBI) mandates the promoter’s minimum contribution.

---

17. Is there a reservation for certain categories of investors? On what basis?

- Qualified Institutional Buyers (QIBs): Up to 50% of the offer.
    - 60% of this is allocated to Anchor Investors on a discretionary basis.
    - 5% of the Net QIB portion is reserved for Mutual Funds.

- Non-Institutional Bidders (NIBs): At least 15% of the offer.
    - One-third for bids between ₹200,000 - ₹1,000,000.
    - Two-thirds for bids above ₹1,000,000.
    - Under-subscription in one sub-category is reallocated to the other.

Retail Individual Bidders (RIBs): At least 35% of the offer.

---

18. How much is the offer to the public? Is there any requirement on the amount regd. to be offered to public?

SEBI ICDR Regulations, 2018 (Regulation 6(1)):

- If post-offer market capitalization is ₹4,000 crore or more, at least 10% of the post-offer paid-up equity share capital must be offered to the public.
- If post-offer market capitalization is less than ₹4,000 crore, at least 25% of the post-offer paid-up equity share capital must be offered to the public.

Listing Requirement:

- The company must meet minimum public shareholding norms as per SEBI and stock exchange regulations (NSE/BSE).

---

19. Is there any lock in period on promoter's contribution?

Minimum Lock-in: At least 20% of the fully diluted post-Offer Equity Share capital of the promoter will be locked-in for 18 months from the allotment date.
Additional Lock-in: Any surplus shareholding of any promoter will be locked-in for 6 months from the allotment date.

---

20. How much is the application amount? What is the minimum numbers of shares an investor can apply for? Are there different application forms for different investors?

Application Amount:

- For retail investors, the bid amount should not exceed ₹200,000.
- Non-institutional investors must bid above ₹200,000.

Minimum Number of Shares:

- The minimum bid lot is 44 equity shares and in multiples of 44 shares thereafter.

Different Application Forms for Different Investors:

- Yes, different categories of investors have different application forms:
    - Anchor Investors: Specific Anchor Investor Application Form available at the BRLMs' offices.
    - Retail and Non-Institutional Bidders: ASBA Forms, either physical or electronic.
    - UPI Bidders: Use ASBA Forms with UPI ID for transactions

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21. What is the meaning of ASBA and its significance?

ASBA is an application process where the investor's bid amount is blocked in their bank account instead of transferring it upfront, ensuring funds are only debited if the allocation is made.
Significance:

- Ensures efficient fund utilization as money is not debited immediately.
- Reduces refund delays and enhances transparency in IPO applications.

---

22. How can one make an application using UPI?

follow these steps:

- Use Own UPI ID: The UPI ID must be linked to your own bank account and certified by NPCI (UPI 2.0).
- Submit Bid Through Designated Intermediaries:
    - Syndicate members
    - Stockbrokers registered with a recognized stock exchange
    - Depository participants
    - Registrar and share transfer agents.
- Block Funds:
    - Sponsor Banks issue a UPI Mandate Request.
    - Authorize the request to block funds equal to the bid amount.
- Ensure Correct UPI Details:
    - Mention only the bidder's UPI ID (for a single account) or the first bidder's UPI ID (for joint accounts).
    - Ensure the UPI handle and the app are listed on SEBI's website.
- Bid Revision: To revise the bid, submit a revised bid and reauthorize the UPI Mandate Request for the revised amount.
- Deadline for UPI Mandate Authorization: Accept the UPI mandate request before 5:00 PM on the bid closing date.
- Verification:
    - Review and verify bid details before accepting the UPI Mandate Request.
    - Use UPI PIN to authenticate the transaction.

---

23. Can a joint application be made? In case of a joint application in whose favour would the refund be made?

- Joint applications are allowed.
- Bid cum Application Form must contain only the first bidder's name.
- The first bidder's signature is required; they are deemed to have signed on behalf of joint holders.
- Refunds, if applicable, will be made in favor of the first bidder.

---

24. What are multiple applications? What are the provisions regarding multiple applications?

- Multiple applications are examples where an investor makes more than one application for an IPO in alternate names or combinations, or in different accounts, in contravention of the terms of the offer.

Provisions Regarding Multiple Applications:

- Fictitious Applications: Multiple applications in alternate names are cheating and constitute a contravention of Section 38(1) of the Companies Act.
- PAN-Based Identification: Investors who make multiple applications through the same PAN but with varying beneficiary account, Client IDs, and DP IDs are subjected to close examination.
- Exceptions for FPIs (Foreign Portfolio Investors): Multiple bids using the same PAN are allowed for:
    - Multi-investment managers (MIM) structure FPIs
    - Offshore derivative instruments with separate FPI registrations
    - Sub-funds or segregated portfolios with separate FPI registration
    - Collective investment schemes with multiple investment strategies
    - Government-related investors registered as Category 1 FPIs
- Rejection of Non-Compliant Bids: If FPIs submit multiple bids without confirming their structure, such bids will be rejected.
- Legal Consequences: Fraudulent multiple applications can result in imprisonment of up to 10 years and a fine of up to three times the amount involved.

---

25. What is the provision for applications under power of attorney?

Applicable Entities: Includes limited companies, corporate bodies, registered societies, eligible FPIs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds, army, navy, air force insurance funds, Department of Posts insurance funds, National Investment Fund, provident funds (₹250 million+ corpus), and pension funds (₹250 million+ corpus).
Required Documents:

- Certified copy of the power of attorney.
- Relevant resolution or authority.
- Certified copy of memorandum and articles of association and/or bye-laws.

Condition for Acceptance: Failure to provide the required documents allows the company and selling shareholders to accept or reject the bid at their discretion.
Relaxation: The company and selling shareholders, in consultation with BRLMs, may relax the requirement of simultaneous lodging of documents.
Restrictions: Overseas Corporate Bodies (OCBs) are not allowed to participate.

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26. What are the tax benefits available to the Company and its members? Who has certified these benefits?

For the Company and its Material Subsidiaries (Medanta Holdings Private Limited & Global Health Patliputra Private Limited):

- Lower Corporate Tax Rate (Section 115BAA, IT Act, 1961)
  - Concessional tax rate of 22% (+ surcharge & cess) if certain deductions are not claimed.
  - No applicability of Minimum Alternate Tax (MAT).
- Deduction on Employment of New Employees (Section 80JJAA, IT Act, 1961)
  - 30% deduction on additional employee cost for 3 years, subject to conditions.
- Inter-Corporate Dividend Deduction (Section 80M, IT Act, 1961)
  - Deduction on dividend received from other domestic companies up to the amount of dividend distributed.

For the Company under Indirect Tax Regulations:

- Exemption under GST (Goods and Services Tax Act, 2017)
  - Healthcare services are exempt from GST (except certain room charges exceeding ₹5000/day).
  - Export of services allowed without payment of GST under Letter of Undertaking (LUT).
- Export Promotion Capital Goods (EPCG) Scheme (Foreign Trade Policy, 2015-20, extended to March 31, 2023)
  - Exemption from Basic Customs Duty (BCD), IGST, Compensation Cess, etc., subject to an export obligation.

For Shareholders:

- No GST on securities transactions
  - Securities are not considered Goods or Services under GST law.

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27. What are the objects of the issue? How many Significant Risk Factors (internal and external) are listed in the prospectus? In your reasoned opinion the three most important risk factors are:

1. Objects of the Issue:
The net proceeds from the Fresh Issue will be used for:

- Investment in Subsidiaries: Providing debt or equity to two subsidiaries (GHPPL and MHPL) to repay/prepay their borrowings.
- General Corporate Purposes: Fund allocation for operational and strategic business needs.

2. Number of Significant Risk Factors:
The prospectus identifies several internal and external risk factors, namely financial, regulatory, operational, and market risks.
3. Three Key Risk Factors:

1. Talent Dependency – Loss of or lack of qualified healthcare staff could affect business.
2. Regulatory Risks – Changes in policies, price ceilings, or licensure could affect business.
3. Financial Exposure – Excessive leverage, operating expenses, and growth obstacles could affect profitability.

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28. What is cost of the project if any?

Project Cost Summary:

- Medanta Patliputra Hospital Project (Patna): ₹3,650 million
- Medanta Lucknow Hospital Project: ₹2,918 million
- Additional Loan Utilization: ₹8,178 million
- General Corporate Purposes Allocation: ₹1,017.01 million

---

29. If the answer to the above is yes then what are the means of finance?

- Medanta Patliputra Hospital Project (Patna): ₹3,650 million funded through term loans.
- Medanta Lucknow Hospital Project: ₹2,918 million term loan from SBI for part financing.
- Additional Loan Utilization: ₹8,178 million secured borrowings for multiple projects.
- General Corporate Purposes Allocation: ₹1,017.01 million from IPO net proceeds.

---

30. Who has appraised these? Is there any requirement of project appraisal?

Appraising Agency: No external agency has appraised the objects for which the Net Proceeds will be utilized.
Project Appraisal Requirement: There is no requirement for project appraisal by a bank, financial institution, or any independent agency.
Monitoring Agency: CRISIL Ratings Limited has been appointed to monitor the utilization of proceeds from the Fresh Issue.

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31. What does the company propose to do with the proceeds of the issue?

Repayment/Prepayment of Borrowings

- Investment in two subsidiaries, GHPPL and MHPL, in the form of debt or equity.
- Amount allocated: ₹3,750 million.

General Corporate Purposes

- Strategic initiatives, funding growth opportunities, acquisitions, branding, and other corporate needs.
- Amount allocated: ₹1,017.01 million (not exceeding 25% of net proceeds).

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32. When was the Company incorporated? Was it incorporated as a Public Ltd. or private Ltd? What is the difference?

Incorporation Date: August 13, 2004
Initial Status: Incorporated as Global Health Private Limited (Private Limited Company)
Conversion to Public Limited: Converted to Global Health Limited (Public Limited) on August 11, 2021

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33. What have been the Companies main activities before the public issue?

Healthcare Services
Hospital Management
Diagnostics & Medical Research
Medical Education & Training
Expansion & Infrastructure Development

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34. What are the main objects of the Company?

- To establish a medicity focused on healthcare excellence.
- To design, build, and manage healthcare facilities, including hospitals, clinics, diagnostic centers, and other medical institutions.
- To provide diverse healthcare services, including preventive, diagnostic, surgical, and rehabilitative care.
- To conduct research and development in medicine, surgery, medical equipment, and alternative medicine.
- To set up and manage medical education institutions, including nursing, paramedical, physiotherapy, and hospital management schools.

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35. Does the Company have any subsidiary?

- Medanta Holdings Private Limited (MHPL)
- Global Health Patliputra Private Limited (GHPPL)
- GHL Pharma & Diagnostic Private Limited (formerly Global Health Pharmaceutical Private Limited)

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36. How many directors are there in the Company? Are they directors of any other company?

Directors and Their Other Directorships

1. Dr. Naresh Trehan (Chairman & MD)
    - Other Directorships:
        - Devyani International Ltd
        - Global Health Patliputra Pvt Ltd
        - GHL Pharma & Diagnostic Pvt Ltd
        - Medanta Holdings Pvt Ltd
        - Naresh Trehan Holdings Pvt Ltd
        - Sharak Healthcare Pvt Ltd (Under voluntary liquidation)
        - Shrumps Real Estates Ltd
        - Raksha Health Insurance TPA Pvt Ltd
        - Varun Beverages Ltd
        - Wah India Pvt Ltd.
2. Sunil Sachdeva (Non-Executive Director)
    - Other Directorships:
        - Doctor On Call Pvt Ltd
        - Global Health Patliputra Pvt Ltd
        - Medanta Holdings Pvt Ltd
        - Pushti Wellness Pvt Ltd
        - Ramsons Projects Ltd
        - SAS Heights Pvt Ltd
        - SAS Infotech Pvt Ltd
        - SAS Kreditcare Pvt Ltd
        - SAS Tech Studio Pvt Ltd
        - Sumel Buildtech Pvt Ltd
        - Sumel Developers Pvt Ltd
        - Sumel Projects Pvt Ltd
        - Sumel Promoters Pvt Ltd

        - S V Creditline Ltd.
3. Ravi Kant Jaipuria (Non-Executive Nominee Director)
    - Other Directorships:
        - Alisha Torrent Closures (India) Pvt Ltd
        - Devyani Food Industries Ltd
        - Devyani International Ltd
        - Medanta Holdings Pvt Ltd
        - RJ Corp Ltd
        - Varun Beverages Ltd
    - Foreign Directorships:
        - Arctic Overseas Pte Ltd
        - Cryoviva International Pte Ltd
        - Cryoviva Malaysia SD BHD
        - Cryoviva Singapore Pte Ltd
        - Cryoviva (Thailand) Ltd
        - Devyani International (Nigeria) Ltd
        - Devyani International (UK) Pvt Ltd
        - Ole Springs Bottlers Pvt Ltd
        - RDJ Trading DMCC
        - Reviva Cell Technologies Pte Ltd
        - RV Enterprises Pte Ltd
        - Varun Beverages International DMCC
        - Varun Beverages Lanka (Pvt) Ltd
        - Varun Beverages Morocco SA
        - Wellness Holdings Ltd.
4. Venkatesh Ratnasami (Non-Executive Nominee Director)
    - Other Directorships:
        - Intas Pharmaceuticals Ltd
        - Medica Synergie Pvt Ltd
        - Sheares India Healthcare Management Ltd.
5. Praveen Mahajan (Non-Executive Independent Director)
    - Other Directorships: Information not available in the document.
6. Vikram Singh Mehta (Non-Executive Independent Director)
    - Other Directorships: Information not available in the document.

---

37. Who is the Managing Director? Who is the Chairman? Who is in charge of day-to-day operations?

Managing Director & Chairman: Dr. Naresh Trehan

In charge of day-to-day operations: Pankaj Prakash Sahni (Group CEO)

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38. How many key personnel the Company has? What are their qualifications?

Dr. Naresh Trehan – Chairman & Managing Director

- Renowned cardiovascular and cardiothoracic surgeon
- Padma Bhushan & Padma Shri awardee

Pankaj Prakash Sahni – Group Chief Executive Officer

- MBA from Kellogg School of Management, Northwestern University, USA
- Bachelor’s in Mathematics from St. Stephen’s College, University of Delhi
- Former Associate Principal at McKinsey & Company

Sanjeev Kumar – Group Chief Financial Officer

- Chartered Accountant (ICAI) & Company Secretary (ICSI)
- Bachelor’s in Commerce from University of Delhi
- Former CFO at InterGlobe Enterprises

Ambili Vijayaraghavan – Hospital Director, Medanta – The Medicity, Gurugram

- Master’s in Hospital Management from Osmania University
- Certification in Health Care Risk Management (University of Delaware)

Sumanta Ray – Chief Marketing & Growth Officer

- Bachelor's in Science (Statistics) from Banaras Hindu University
- PG Diploma in Management from Goa Institute of Management

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39. Where would the company’s new project if any be located? What is the existing place of business?

New Project Locations

- Patna (Jay Prabha Medanta Super Specialty Hospital)
- Lucknow (Medanta Lucknow Hospital)
- Noida Hospital (Under Construction)

Existing Place of Business

- Registered Office: E-18, Defence Colony, New Delhi – 110024
- Corporate Office: Medanta – The Medicity, Sector-38, Gurgaon – 122001
- Operational Hospitals:
  - Gurgaon (Medanta The Medicity, Freehold)
  - Indore (Leased, 27 years from 2014)
  - Ranchi (Leased, 15 years from 2015)
  - Lucknow (Freehold)

    - Patna (Concession Agreement, 33 years)
- Clinics:
    - South Delhi (Defence Colony, Leased for 9 years from 2019)
    - Delhi Airport (Terminals 1 & 2, Leased)

---

40. Has the Company entered into any collaboration / technical arrangement? What are the salient points?

The company has entered into the following collaborations and technical arrangements:

- Joint Ventures:
    - Medanta Duke Research Institute Private Limited – A joint venture engaged in clinical research and medical trials. This entity has since been dissolved following voluntary liquidation under the Insolvency and Bankruptcy Code.
- Trademark Licensing Agreement:
    - Agreement with Dr. Naresh Trehan (Founder)
    - Medanta has received an exclusive, perpetual, royalty-free, and irrevocable license from Dr. Naresh Trehan to use various "Medanta" trademarks across its hospital, pharmaceutical, and diagnostic businesses within India.
- Development Agreement:
    - Joint Development Agreement (JDA) and Support Area Agreement (2007)
    - Entered into with Global Infracon Private Limited and S.A.S. Infotech Pvt Ltd for construction and management of support areas related to hospital infrastructure.

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41. Are there any group Companies which are listed? What is the relevant stock exchange data?

Comparable Listed Industry Peers:

- Apollo Hospitals Enterprise Limited – NSE, BSE
- Fortis Healthcare Limited – NSE, BSE
- Max Healthcare Institute Limited – NSE, BSE
- Narayana Hrudayalaya Limited – NSE, BSE.

---

42. Does the Company have any outstanding litigations / defaults?

Criminal Cases:

- FIR related to land allotment for the flagship hospital in Gurugram (cancelled in March 2021).
- Various complaints under the Negotiable Instruments Act, 1881 against certain directors.

Tax Proceedings:

- Direct Tax: 6 pending cases involving Promoters and Directors, totaling ₹115.39 million.

- Indirect Tax: No pending cases.

Statutory and Regulatory Actions:

- FIR registered against the Ranchi hospital under IPC Sections 304, 406, 420, 120-B, and 34.
- Multiple show cause notices from the Drug Control Authority and Employees' Provident Fund Organization.

Material Civil Litigations:

- Several medical negligence cases filed against hospitals and doctors, including a ₹371.23 million claim.

---

43. Has there been a change of directors since incorporation?

Some notable changes in the last three years include:

- Resignations:
  - Neeraj Bharadwaj resigned as a non-executive nominee director on September 24, 2021.
  - Udairam Thali Koattiath resigned as a nominee director on March 17, 2021.
  - Dr. Shyama Chona resigned as a non-executive independent director on February 24, 2020.
- Appointments:
  - Rajan Bharti Mittal and Ravi Gupta were appointed as additional independent directors on July 8, 2021.
  - Venkatesh Ratnasami was appointed as a non-executive nominee director on March 23, 2021.
  - Hari Shanker Bhartia and Vikram Singh Mehta were appointed as additional independent directors in 2021.
  - Praveen Mahajan was appointed as an additional independent director on July 10, 2020.

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44. How would the allotment take place in case of oversubscription?

Retail Individual Bidders (RIBs):

- Each RIB will be allotted at least the minimum bid lot, subject to availability.
- The remaining shares, if any, will be distributed proportionately among RIBs.

Non-Institutional Bidders (NIBs):

- At least 15% of the total offer is reserved for NIBs.
- One-third of this portion is allocated to applications between ₹200,000 and ₹1,000,000.
- Two-thirds is allocated to applications exceeding ₹1,000,000.
- Any unallocated portion from one sub-category can be shifted to the other.

Qualified Institutional Buyers (QIBs):

- No more than 50% of the total offer is allocated to QIBs.

- 5% of this portion is reserved for Mutual Funds.
- The remaining portion is allotted proportionately among QIBs, including Mutual Funds.

Anchor Investors:

- Up to 60% of the QIB portion is allocated to anchor investors at the discretion of the issuer and book-running lead managers (BRLMs).
- One-third of this allocation is reserved for domestic Mutual Funds.

General Oversubscription Handling:

- If oversubscription occurs, an additional 1% allotment may be made for rounding off to minimum lots.
- The allotment will be made on a proportionate basis within each investor category, rounding off to the nearest whole number.

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45. Who is the company Secretary?

Company Secretary: Rahul Ranjan

a. Who are the bankers, auditors of the Company?
Bankers: Yes Bank Limited, HDFC Bank Limited
Auditors: Walker Chandiok & Co LLP, Chartered Accountants

b. Who are the bankers to the issue? Who are the refund bankers?
Bankers to the Issue: HDFC Bank Limited
Refund Banker: HDFC Bank Limited

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46. Has the Company taken any loan / working capital facilities from any Bank / Financial Institution? What are the terms and conditions of the loan if any?

Total Borrowings (as of June 30, 2022): ₹8,422.78 million (includes current & non-current borrowings).

Types of Borrowings:

- Secured Term Loans: ₹7,286.51 million sanctioned.
- Working Capital Facilities:
    - Fund-based: ₹500 million (not utilized).
    - Non-fund-based: ₹469.60 million outstanding.
- Non-Convertible Debentures: ₹666.67 million outstanding.

Key Borrowing Terms:

- Interest Rate: 6.95% - 8.40% p.a. (tied to repo/lending rate).
- Loan Tenor: Ranges from 36 to 156 months.

- Security: Hypothecation of assets (current assets, movable fixed assets, cash flows, receivables).
- Corporate Guarantee: ₹3,650 million guarantee for GHPPL loan with RBL Bank.

Prepayment & Events of Default terms:

- Loans can be prepaid with penalties (up to 2% for loans, 1% for debentures).
- Standard default clauses include non-payment, breach of terms, failure to maintain security, and insolvency triggers.

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47. How much is the fees payable to the lead manager, registrar and other intermediaries?

Book Running Lead Managers' fees and commissions (including underwriting commission, brokerage and selling commission): ₹ 585.58 million
Fees payable to the Registrar to the Offer: ₹ 0.84 million
Fee payable to legal counsels: ₹ 94.71 million
Fees payable to the other advisors to the Offer: ₹ 61.30 million

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48. What provisions of Article of Association of the Company are required to be disclosed in the prospectus?

Authorized Share Capital
Alteration of Share Capital
Rights of Shareholders
Share Transfers & Transmission
Further Issue of Shares
Variation of Shareholder Rights
Indemnity for Directors and Officers
Winding Up
Listing and Trading

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49. How many documents and material contracts been filed with the ROC?

Material Contracts for the Offer:

1. Offer Agreement (Sept 29, 2021) & amendment (Oct 14, 2022)
2. Registrar Agreement (Sept 29, 2021) & amendment (Oct 14, 2022)
3. Cash Escrow and Sponsor Bank Agreement (Oct 22, 2022)
4. Syndicate Agreement (Oct 22, 2022)
5. Share Escrow Agreement (Oct 20, 2022)
6. Monitoring Agency Agreement (Oct 22, 2022)

7. Underwriting Agreement (Nov 9, 2022)

Material Documents:

1. Memorandum & Articles of Association (amended versions).
2. Certificate of Incorporation (Aug 13, 2004) & fresh certificate (Aug 11, 2021).
3. Board resolutions authorizing the Offer (Sept 17, 2021; Oct 22, 2022).
4. Shareholder resolutions authorizing the Offer (Sept 21, 2021; Oct 13, 2022).
5. Approval of Red Herring Prospectus (Sept 29, 2021; Oct 22, 2022).
6. Board resolution approving final Prospectus (Nov 9, 2022).
7. Share Purchase & Subscription Agreement (May 13, 2017) - with Dr. Naresh Trehan & MHPL.
8. Scheme of Amalgamation (Feb 13, 2018) - merging NTAHS with the Company.
9. Shareholder Agreements (2013, 2015) - involving Anant Investments & Dunearn.
10. Investment Agreement (July 28, 2015) - with RJ Corp.
11. Various agreements related to amendments, terminations, and waivers.

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50. When was the prospectus adopted by the Board of Directors?

The Board of Directors approved the prospectus on November 9, 2022.

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51. What justification has the company/merchant bankers given regarding the issue price?

Some financial metrics considered while determining the issue price were:

1. Earnings Per Share (EPS)
    - Basic and diluted EPS for FY 2022: ₹7.78 and ₹7.77, respectively.
    - Weighted average EPS: ₹4.52.
2. Price-to-Earnings (P/E) Ratio
    - At Offer Price (₹336): 43.24x.
    - At Cap Price (₹336): 43.24x.
    - At Floor Price (₹319): 41.06x.
3. Market Capitalization to Total Income
    - At Offer Price: 4.09x.
    - At Cap Price: 4.09x.
    - At Floor Price: 3.89x.
4. Enterprise Value (EV) to EBITDA
    - At Offer Price: 19.06x.
    - At Cap Price: 19.06x.
    - At Floor Price: 18.19x.
5. Comparison with Industry Peers

    - The company compared its valuation ratios (P/E, EV/EBITDA) with listed industry peers.
    - It was emphasized that these valuations may not be indicative of the market price post-listing.

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52. What were the category wise subscription figures?

- Qualified Institutional Buyers (QIBs): Not more than 50% of the Offer (32,820,975 Equity Shares).
    - 60% of this portion was allocated to Anchor Investors on a discretionary basis.
    - One-third of the Anchor Investor portion was reserved for domestic mutual funds.
    - 5% of the Net QIB portion was reserved for mutual funds, and the remaining QIB portion was allocated proportionally to QIBs.
- Non-Institutional Investors (NIBs): Not less than 15% of the Offer (9,846,293 Equity Shares).
    - One-third was available for bidders with applications between ₹200,000 and ₹1,000,000.
    - Two-thirds was for bidders with applications above ₹1,000,000.
    - Under-subscription in either category was allocated to the other.
- Retail Individual Bidders (RIBs): Not less than 35% of the Offer (22,974,684 Equity Shares).
- Offer for Sale: 50,761,000 Equity Shares were offered by selling shareholders.
- Fresh Issue: 14,880,952 Equity Shares were issued by the company.

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53. Indicate graphically the price movement of the stock since listing.

https://in.tradingview.com/chart/?symbol=NSE%3AMEDANTA

Daily


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Indicators
Alert
Replay
Save
Publish
GLOBAL HEALTH LTD · 1D · NSE
O1,138.00 H1,141.25 L1,077.65 C1,110.20 −18.15 (−1.61%)
1,110.20 SELL
0.00
1,110.20 BUY
Vol 218.5K
1,600.00
1,400.00
1,200.00
1,110.20
1,000.00
800.00
600.00
400.00
218.5K
TradingView
2023
Apr
Jul
Sep
2024
Mar
Jun
Sep
2025
1D 5D 1M 3M 6M YTD 1Y 5Y All
22:50:01 UTC+5:30
ADJ
Stock Screener
Pine Editor
Strategy Tester
Replay Trading
Trading Panel

MEDANTA
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Indicators
Alert
Replay
Save
Publish
GLOBAL HEALTH LTD · 1D · NSE
607.00 +1.50 (+0.25%)
1,110.20 SELL
0.00
1,110.20 BUY
Vol 524.57K
1,600.00
1,500.00
1,400.00
1,300.00
1,200.00
1,110.20
1,000.00
900.00
838.00
700.00
600.00
500.00
400.00
218.5K
TradingView
2023
Apr
Fri 09 Jun '23
Sep
2024
Mar
Jun
Sep
2025
1D 5D 1M 3M 6M YTD 1Y 5Y All
22:51:19 UTC+5:30
ADJ
Stock Screener
Pine Editor
Strategy Tester
Replay Trading
Trading Panel

Weekly


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GLOBAL HEALTH LTD · 1W · NSE
O1,160.00 H1,164.85 L1,070.75 C1,110.20 −58.60 (−5.01%)
1,110.20 SELL
0.00
1,110.20 BUY
Vol 1.94M
1,600.00
1,400.00
1,200.00
1,110.20
1,000.00
800.00
600.00
400.00
1.94M
TradingView
2023
Apr
Jul
Oct
2024
Apr
Jul
Oct
2025
Apr

References

https://in.tradingview.com/chart/?symbol=NSE%3AMEDANTA