

This is a public announcement for information purposes only and is not a prospectus announcement and does not constitute an invitation or offer to acquire, purchase or subscribe to securities. Not for release, publication or distribution directly or indirectly, outside India. Initial public offer of Equity Shares (as defined below) on the main board of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges") in compliance with Chapter II of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").



# DR. AGARWAL'S HEALTH CARE LIMITED

Our Company was incorporated as 'Dr. Agarwal's Health Care Limited' at Chennai, Tamil Nadu as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated April 19, 2010, issued by the Registrar of Companies, Tamil Nadu and Andaman and Nicobar Island at Chennai ("RoC") and commenced operations pursuant to a certificate for commencement of business dated May 29, 2010 issued by the RoC. For details in relation to changes in the registered office of our Company, see "History and Certain Corporate Matters" on page 250 of the Red Herring Prospectus dated January 23, 2025 filed with the RoC ("RHP" or the "Red Herring Prospectus").

Registered Office: 1st Floor, Buhari Towers, No.4 Moores Road, Off Greaves Road, Near Asan Memorial School, Chennai 600 006, Tamil Nadu, India  
 Corporate Office: 3rd Floor, Buhari Towers, No.4, Moores Road, Off Greaves Road, Chennai 600 006, Tamil Nadu, India; Telephone: +91 44 4378 7777; Website: www.dragnarwal.co.in  
 Contact person: Thanikaianthan Anumagam, Company Secretary and Compliance Officer; E-mail: secretarial@dragnarwal.com; Corporate Identity Number: U85100TN2010PLC075403



(Please scan the QR code to view the RHP and the Abridged Prospectus)

**THE PROMOTERS OF OUR COMPANY: DR. AMAR AGARWAL, DR. ATHIYA AGARWAL, DR. ADIL AGARWAL, DR. ANOSH AGARWAL, DR. ASHVIN AGARWAL, DR. ASHAR AGARWAL, DR. AMAR AGARWAL FAMILY TRUST, DR. ADIL AGARWAL FAMILY TRUST, DR. ANOSH AGARWAL FAMILY TRUST, DR. ASHVIN AGARWAL FAMILY TRUST AND DR. ASHAR AGARWAL FAMILY TRUST, DR. AGARWAL'S EYE INSTITUTE AND DR. AGARWAL'S EYE INSTITUTE PRIVATE LIMITED**

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹1 EACH ("EQUITY SHARES") OF DR. AGARWAL'S HEALTH CARE LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹[●] MILLION COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹1 AGGREGATING UP TO ₹3,000 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 67,842,284 EQUITY SHARES OF FACE VALUE OF ₹1 AGGREGATING UP TO ₹[●] MILLION ("OFFERED SHARES") BY THE SELLING SHAREHOLDERS, CONSISTING OF UP TO 2,176,239 EQUITY SHARES OF FACE VALUE OF ₹1 AGGREGATING UP TO ₹[●] MILLION BY DR. AMAR AGARWAL, UP TO 2,629,829 EQUITY SHARES OF FACE VALUE OF ₹1 AGGREGATING UP TO ₹[●] MILLION BY DR. ATHIYA AGARWAL, UP TO 3,071,188 EQUITY SHARES OF FACE VALUE OF ₹1 AGGREGATING UP TO ₹[●] MILLION BY DR. ADIL AGARWAL, UP TO 3,614,508 EQUITY SHARES OF FACE VALUE OF ₹1 AGGREGATING UP TO ₹[●] MILLION BY DR. ANOSH AGARWAL, UP TO 241,269 EQUITY SHARES OF FACE VALUE OF ₹1 AGGREGATING UP TO ₹[●] MILLION BY DR. ASHVIN AGARWAL, UP TO 1,883,869 EQUITY SHARES OF FACE VALUE OF ₹1 AGGREGATING UP TO ₹[●] MILLION BY DR. AGARWAL'S EYE INSTITUTE (COLLECTIVELY "THE PROMOTER SELLING SHAREHOLDERS"), UP TO 7,083,010 EQUITY SHARES OF FACE VALUE OF ₹1 AGGREGATING UP TO ₹[●] MILLION BY ARVON INVESTMENTS PTE. LTD., UP TO 16,148,150 EQUITY SHARES OF FACE VALUE OF ₹1 AGGREGATING UP TO ₹[●] MILLION BY CLAYMORE INVESTMENTS (MAURITIUS) PTE. LTD., AND UP TO 30,755,592 EQUITY SHARES OF FACE VALUE OF ₹1 AGGREGATING UP TO ₹[●] MILLION BY HYPERION INVESTMENTS PTE. LTD. (COLLECTIVELY THE "INVESTOR SELLING SHAREHOLDERS"), UP TO 119,315 EQUITY SHARES OF FACE VALUE OF ₹1 AGGREGATING UP TO ₹[●] MILLION BY FARAH AGARWAL, UP TO 119,315 EQUITY SHARES OF FACE VALUE OF ₹1 AGGREGATING UP TO ₹[●] MILLION BY URMILA AGARWAL (COLLECTIVELY THE "OTHER SELLING SHAREHOLDERS") (THE PROMOTER SELLING SHAREHOLDERS, THE OTHER SELLING SHAREHOLDERS AND THE INVESTOR SELLING SHAREHOLDERS, COLLECTIVELY REFERRED TO AS THE "SELLING SHAREHOLDERS") AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS ("OFFER FOR SALE", AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER").

THE OFFER INCLUDES A RESERVATION OF UP TO 1,579,399 EQUITY SHARES OF FACE VALUE OF ₹1, AGGREGATING UP TO ₹[●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION") AND A RESERVATION OF UP TO 1,129,574 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL) FOR SUBSCRIPTION BY ELIGIBLE AEHL SHAREHOLDERS ("SHAREHOLDER RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION AND THE SHAREHOLDER RESERVATION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●] % AND [●] % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.

SELLING SHAREHOLDERS	Type	NUMBER OF EQUITY SHARES OFFERED / AMOUNT (₹ IN MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION (IN ₹ PER EQUITY SHARE)
Dr. Amar Agarwal	Promoter Selling Shareholder	Up to 2,176,239 Equity Shares of face value of ₹1 aggregating up to ₹ [●] million	39.54
Dr. Athiya Agarwal	Promoter Selling Shareholder	Up to 2,629,829 Equity Shares of face value of ₹1 aggregating up to ₹ [●] million	39.45
Dr. Adil Agarwal	Promoter Selling Shareholder	Up to 3,071,188 Equity Shares of face value of ₹1 aggregating up to ₹ [●] million	37.70
Dr. Anosh Agarwal	Promoter Selling Shareholder	Up to 3,614,508 Equity Shares of face value of ₹1 aggregating up to ₹ [●] million	40.68
Dr. Ashvin Agarwal	Promoter Selling Shareholder	Up to 241,269 Equity Shares of face value of ₹1 aggregating up to ₹ [●] million	0.25
Dr. Agarwal's Eye Institute	Promoter Selling Shareholder	Up to 1,883,869 Equity Shares of face value of ₹1 aggregating up to ₹ [●] million	39.47
Arvon Investments Pte. Ltd.	Investor Selling Shareholder	Up to 7,083,010 Equity Shares of face value of ₹1 aggregating up to ₹ [●] million	125.20
Claymore Investments (Mauritius) Pte. Ltd.	Investor Selling Shareholder	Up to 16,148,150 Equity Shares of face value of ₹1 aggregating up to ₹ [●] million	55.73
Hyperion Investments Pte. Ltd.	Investor Selling Shareholder	Up to 30,755,592 Equity Shares of face value of ₹1 aggregating up to ₹ [●] million	117.88
Farah Agarwal	Other Selling Shareholder	Up to 119,315 Equity Shares of face value of ₹1 aggregating up to ₹ [●] million	39.71
Urmila Agarwal	Other Selling Shareholder	Up to 119,315 Equity Shares of face value of ₹1 aggregating up to ₹ [●] million	39.71

\*As certified by M.K. Dandekar & Co. LLP, Chartered Accountants, by way of their certificate dated January 23, 2025.

We provide a comprehensive range of eye care services, including cataract, refractive and other surgeries; consultations, diagnoses and non-surgical treatments; and sell opticals, contact lens and accessories, and eye care related pharmaceutical products. We endeavour to address all the needs of our patients in their eye treatment journey through a network, which as of September 30, 2024, comprised 209 Facilities.

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations.

QIB Portion: Not more than 50% of the Net Offer | Non-Institutional Portion: Not less than 15% of the Net Offer | Retail Portion: Not less than 35% of the Net Offer | Employee Reservation Portion: Up to 1,579,399 Equity Shares aggregating up to ₹ [●] million | Shareholder Reservation Portion: Up To 1,129,574 Equity Shares Aggregating Up To ₹[●] Million

PRICE BAND: ₹ 382 TO ₹ 402 PER EQUITY SHARE OF FACE VALUE OF ₹ 1 EACH

THE FLOOR PRICE AND THE CAP PRICE ARE 382 TIMES AND 402 TIMES THE FACE VALUE OF THE EQUITY SHARES, RESPECTIVELY

THE PRICE/EARNINGS RATIO BASED ON DILUTED EPS FOR FY 2024 FOR THE COMPANY AT THE UPPER END OF

THE PRICE BAND IS 128.43 TIMES AND AT THE LOWER END OF THE PRICE BAND IS 122.04 TIMES AS COMPARED TO

THE AVERAGE INDUSTRY PEER GROUP P/E RATIO OF 82.44 TIMES.

BIDS CAN BE MADE FOR A MINIMUM OF 35 EQUITY SHARES AND IN MULTIPLES OF 35 EQUITY SHARES THEREAFTER

In accordance with the recommendation of the Independent Directors of our Company, pursuant to their resolution dated January 23, 2025, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for Offer Price' section on page 134 of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in 'Basis of Offer Price' section on page 134 of the RHP and provided below in the advertisement.

In making an investment decision and purchase in the Offer, potential investors must only rely on the information included in the RHP and the terms of the Offer, including the merits and risks involved and not rely on any other external sources of information about the Offer available in any manner.

In relation to Price Band, potential investors should only refer to this price band advertisement for the Offer and should not rely on any media articles/ reports in relation to the valuation of our Company as these are not endorsed, published or confirmed either by our Company or by the BRLMs.

## RISK TO INVESTORS

(For details refer to section titled "Risk Factors" on page 33 of the RHP)

1. **Concentration Risk:** Significant majority of our Facilities are located in the states of Tamil Nadu, Maharashtra and Karnataka in India. Any adverse developments in relation to these Facilities could adversely affect our business, financial condition, results of operations and cash flows

Particulars	As at and for Six months ended Sept 30, 2024	As at and for Six months ended Sept 30, 2023	As at and for Mar 31, 2024	As at and for Mar 31, 2023	As at and for Mar 31, 2022
Total Facilities in India	193	141	165	121	91
Facilities situated in Tamil Nadu Maharashtra and Karnataka	120	92	107	79	63
Revenue Contribution of top 3 states to revenue from operations in India (%)	68.16%	71.91%	72.28%	72.08%	76.25%

2. The Offer for Sale as a percentage of the Offer is 90.09% (at cap price) and amounts to ₹ 27,272.80 million (at cap price) out of the total Offer of ₹ 30,272.60 million (at cap price). We will not receive any proceeds from the Offer for Sale portion and the same will be received by the Selling Shareholders.

3. **Doctor's Attrition:** If we are not able to attract and retain our doctors and other medical professionals, our business, financial condition, results of operations and cash flows may be adversely affected

Particulars	For Six months ended Sept 30, 2024	For Six months ended Sept 30, 2023	FY 2024	FY 2023	FY 2022
Percentage of doctors who ceased to work with us against total number of doctors	10.31%	7.44%	16.64%	20.58%	18.36%

4. **Inorganic Growth Risk:** We have acquired 52 Facilities from April 1, 2021 till the date of the Red Herring Prospectus. As part of our growth strategy, we may seek to undertake acquisitions on an opportunistic basis. Acquisitions can be time-consuming to execute and may not be accretive to our overall business and result in increased integration costs due to regulatory complexities or otherwise. We may be unable to attract and retain key doctors in the Facilities that we acquire and, as a result, we may not be able to retain patients who have been loyal to those doctors in the past.

Particulars	Oct 1, 2024 till date of RHP filing	For Six months ended Sept 30, 2024	FY 2024	FY 2023	FY 2022
Facilities acquired	2	5	16	21	8
Cost of acquisition (fair value basis) (₹ in million)	212.93	4,668.68	3,071.87	4,090.80	847.98

5. **Regulatory Compliances:** We are required to obtain a number of approvals from governmental and regulatory authorities, including in relation to the operation of our Facilities, procurement and operation of medical equipment, and storage and sale of drugs. Aggregate contribution of Facilities to our revenue from operations within India for which material approvals have been applied for and are pending:

Particulars	For Six months ended Sept 30, 2024	For Six months ended Sept 30, 2023	FY 2024	FY 2023	FY 2022
(₹ in million)	1,607.09	1,410.15	2,838.78	2,134.24	1,332.31
(% of revenue from operations – within India)	21.88%	24.99%	24.43%	24.44%	23.64%

6. **Hub and Spoke Model Risk:** Our network of Facilities operates on a "hub and spoke" model details of which, as of September 30, 2024 are as follows:

Particulars	Hubs	Spokes
Number of Facilities	28	165
Percentage contribution to revenue from operations in India	45.42%	54.35%

The success of our hub-and-spoke model also depends on the reputation of our main hub Facilities. Any factor that adversely affects the performance or reputation of our Facilities could adversely affect our business, financial condition and results of operations.

7. **International Operations Risk:** Our international operations expose us to management, legal, tax, political and economic risks, regulatory compliance risk and other risks associated with the countries in which we operate.

Particulars	For Six months ended Sept 30, 2024	For Six months ended Sept 30, 2023	FY 2024	FY 2023	FY 2022
Percentage of revenue from operations – Outside India (%)	10.42%	13.27%	12.79%	14.21%	19.05%

8. **Credit Risk in respect of Payments from Third Parties:** Our recovery cycles typically extended between a range of 56 days to 77 days from the date of a bill, invoice or claim being raised by us for insurance companies and third-party administrators. Recovery cycles for payments by government corporations ranged from 168 days to 217 days.

Particulars	For Six months ended Sept 30, 2024	For Six months ended Sept 30, 2023	FY 2024	FY 2023	FY 2022
Allowance for Expected Credit Loss (₹ in million)	366.35	359.05	381.31	322.70	274.55
% of gross trade receivables	24.82%	29.42%	28.25%	29.71%	32.62%

If we do not receive payments on a timely basis, our business, financial condition, results of operations, cash flows and prospects may be adversely affected.

9. The weighted average cost of acquisition of Equity Shares held by the Promoter Selling Shareholders is in the range of ₹ 0.25 to ₹ 40.68 per Equity Share, which may be lower than the Offer Price.

10. Price/ Earning (P/E) ratio based on basic and diluted EPS for Financial Year 2024 is 122.04 and 128.43 times at the lower and upper end of the Price Band, respectively, as compared to the average industry peer group PE ratio of 82.44 times.

11. Weighted Average Return on Net Worth for Financial Year ended 2024, 2023 and 2022 is 11.06%

12. WACA for all shares transacted in 1 year, 18 months and 3 years immediately preceding the Red Herring Prospectus:

Period	Weighted Average Cost of Acquisition (in ₹)	Cap Price is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price – Highest Price (in ₹)
Last 1 year	18.02	22.31	0 – 137.30
Last 18 months	44.88	8.96	0 – 152.55
Last 3 years	57.05	7.05	0 – 152.55

As certified by M.K. Dandekar & Co. LLP, Chartered Accountants, by way of their certificate dated January 23, 2025

13. WACA, Floor Price and Cap Price

Past Transactions	Weighted average cost of acquisition (in ₹)	Floor Price (in times)	Cap Price (in times)
WACA of Primary Issuances during the 18 months prior to the date of the RHP	146.49	2.61	2.74
WACA of Secondary Issuances during the 18 months prior to the date of the RHP	NA	NA	NA

As certified by M.K. Dandekar & Co. LLP, Chartered Accountants, by way of their certificate dated January 23, 2025

14. The 4 BRLMs associated with the issue have handled 58 public issues in the past three years out of which 14 issues closed below the issue price on listing date.

Name of the BRLMs	Total Issues	Issues closed below IPO Price on listing date
Kotak Mahindra Capital Company Limited*	22	4
Morgan Stanley India Company Private Limited*	2	1
Jefferies India Private Limited*	6	2
Motilal Oswal Investment Advisors Limited*	13	4
Common Issues handled by the BRLMs	15	3
Total	58	14

\*Issues handled where there were no common BRLMs

Continued on next page...