

Press Release

Brickwork Ratings assigns “BWR IPO Grade 2” to the proposed Initial Public Offer of Birla Pacific Medspa Limited

Birla Pacific Medspa Limited

**IPO Grading: BWR IPO Grade 2
(below Average Fundamentals)**

Brickwork Ratings (BWR) has assigned BWR IPO Grade 2 to the proposed IPO of Birla Pacific Medspa Ltd. Brickwork Ratings’ BWR IPO Grade 2 indicates below average fundamentals for the issue in relation to the other listed equity securities in India. BWR assigns IPO grading on a scale of IPO Grade 5 to IPO Grade 1, with Grade 5 signifying strong fundamentals and Grade 1 signifies poor fundamentals of the issue in relation to the other listed equity securities in India.

The grading factors positive prospects for the wellness industry, Birla Pacific Medspa’s Management’s substantial domain knowledge and experience in the wellness industry and the reputation of Pacific Healthcare Holdings Ltd. The grading is constrained by delays in project implementation and poor financial performance of the Yash Birla Group of companies raising IPO funds in the past, Birla Pacific Medspa’s negative cash flows and losses, short history of two years of operations, full funding from IPO proceeds and project implementation spread over three years. In absence of funding or appraisal by a bank or term lending institution, the project cost is estimated by the company management.

Birla Pacific Medspa is planning to set up 55 health care centers under the brand name ‘EVOLVE’ across the country. To meet the funding requirements, Birla Pacific Medspa Ltd. plans to raise approximately Rs. 65 Crores (including Issue Expenses) by way of Initial Public Offering of equity shares with Face Value of Rs.10/- at a premium to be decided later. The IPO through the book-building process, follows Qualified Institutional Buyers (QIBs) route where at least 26(50% of net offer to public) should be allotted to the QIBs, failing which the full subscription monies shall be refunded. The project is funded fully from IPO proceeds. The Promoters, together with the Promoter Group presently hold approximately 62.99% of the paid-up capital of the company. The total post-issue dilution (including Promoter Group and Selling Shareholders) is expected to be in the range of 25 – 30 %. Promoters post issue equity capital of 20% will be locked in for 3 years which equates to promoter contribution as per the guidelines.

Birla Pacific Medspa has constituted a Project Monitoring Committee, comprising of 2 independent directors and the Managing Director of the company to monitor the utilization of IPO proceeds.

Birla Pacific Medspa Ltd belongs to the Yash Birla Group (YBG) of companies. The company was incorporated on July 15, 2008 pursuant to JV agreement between Birla Wellness & healthcare Pvt Ltd, Pacific Healthcare Holdings Ltd (PHH), Singapore and Dr Abhijeet Desai. Company opened its first Med Spa in November 2008 at Prabhadevi, so operationally company is running since past 2 years. Birla Medspa presently operate healthcare centers under the brand name EVOLVE. Presently, the company is operating 5 centers at Walkeshwar, Bandra, Andheri, Atria Mall at Worli and Borivali at Mumbai and one center on franchise basis at Thane. Currently Evolve is managed by Dr. Abhijit Desai, a set of qualified & internationally trained doctors and a team of other professionals Birla Medspa is positioned like a one stop centre, offering a range of scientific makeover solutions to enhance beauty. The centers use state-of-the-art equipment and internationally qualified panel of doctors provide consultation, treatments and carry out the procedures. All consultations & procedures are carried out in privacy and in pleasant, comfortable and specially designed rooms. Company has approximately 41 employees including 5 centers and corporate office.

Analysts	Media
<p>Sameer Singhvi, Lead Analyst sameer.s@brickworkratings.com</p>	<p>Anitha G media@brickworkratings.com</p>
<p>Shilpi Agarwal, Co - Analyst shilpi.a@brickworkratings.com</p>	<p>Relationship Contact</p> <p>Jatin Vyas VP - Business Development jatin.v@brickworkratings.com</p>
<p align="center">Phone: 1-860-425-2742</p>	

Disclaimer

Brickwork IPO Grading is neither an audit of the issuer by Brickwork nor a credit rating. IPO grading is a present assessment and research result of the analysis of fundamental of the equity issue in relation to other Indian Listed securities. Brickwork does not guarantee the completeness or accuracy of the information on which the grading is based. The Brickwork IPO grading depends on the information provided by the issuer or obtained by the relevant sources by Brickwork. A Brickwork IPO Grading is not a recommendation to buy/sell or hold the graded instruments. It does not comment on the issue price, future market price or relevance for a particular type of investor. Brickwork IPO Grading has a limited validity BRICKWORK is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers/ users/ transmitters/ distributors of BRICKWORK IPO Grading.