

## Birla Pacific Medspa Limited : Weak Issue ; Avoid

**IPO Note: Business is in preliminary stage**

**Ranking:\***

### Issue details

Price band (Rs)	Rs. 10 - 11
IPO Opening Date	20/06/11
IPO Closing Date	23/06/11
Issue Size	Rs.65.18 Crore

### Valuations & Recommendation

The business is in preliminary stage of implementation. The return on net worth is negative for the financial period ended September 30, 2009 and period ended March 31, 2010 as the company has incurred losses for the said periods. The Company has negative Cash Flows from Operation for the two accounting periods.

In the last 2-3 years, the group IPOs has performed dismally in the exchanges. Birla Cotsyn (FV Rs 1) is quoting at Rs 0.65 as against the issue price of Rs 1.20 (after adjusting to split) and Birla Shloka Eduotec is quoting at Rs.18 as against the issue price of Rs 50, Birla Ericsson is shifted to trade for trade category. Most shares of the group companies are traded below their issue price. In FY09 and FY10, it registered turnover merely Rs.1.70 crore and Rs.1.53 crore respectively and reported net loss of Rs.4.58 crore and Rs.3.28 crore. We recommend to Avoid this IPO.

## Birla Pacific Medspa Limited : **AVOID**

### Highlights:

- Yash Birla Group promoted Birla Pacific Medspa
- Yash Birla Group is one of India's leading industrial groups and has diversified interest in industries like steel pipes, machine tools, cutting tools, tool holders, iron castings, power solution products, multipurpose engines pumps, electrical appliances, textiles, carpets, furnishing, lifestyle, InfoTech, publication, travel, electricity, property development, cotton ginning etc
- Birla Pacific Medspa is planning to set up 55 health care centers under the brand name 'EVOLVE' across the country.
- As on date, the company operates three own EVOLVE centers in Mumbai at Walkeshwar, Bandra & Andheri and 2 centers on franchise basis at Thane and Chennai.
- The book value of the share is less than Rs 9/-

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