



IPO Details	
Opening Date	October 27, 2023
Closing Date	October 31, 2023
Stock Exchange	BSE SME
Lot Size	3,000 Shares
Issue Price	₹45 per share
Issue Size	Aggregating up to 8.78 Cr.
Fresh Issue	Aggregating up to 8.78 Cr.
Application Amount (@ upper band for retail Investors)	₹ 1,35,000

IPO Objective	
1.	Purchase of medical equipment.
2.	General Corporate Purpose.

Pre-Issue Shareholding		
Category	No. of Shares	% of Total Shares
Promoter & Promoter Group	48,58,542	100.00%
Public	-	-

Promoter of the Company	
1.	Dr. Amit Shah
2.	Dr. Kirti Kumar Shah

Competitive Strengths	
1.	Clinical Excellence and Affordable Healthcare.
2.	Ability to attract and retain high quality doctors, consultants and medical support staff.
3.	Experienced Promoters, management team with a strong execution track record.
4.	Experienced player with longstanding presence and brand recall.

Company Background	
○	KK Shah Hospitals Limited was incorporated in the year 2022 and has its registered office in Ratlam, Madhya Pradesh.
○	The company is engaged in the business of providing healthcare services.
○	The company operates with 26 beds for in-patients and out-patients treatment, hospital is also equipped with diagnostic devices such as CT scan, DEXA scan, BMD, sonography, X-ray machines.
○	KK Shah Hospitals is certified by National Accreditation Board for Hospitals and Healthcare Providers (“NABH Accredited”) as a primary-level small healthcare organization in Madhya Pradesh.
○	As on June 30 th , 2023, the company had 49 employees on its payroll.

Market Capitalization (In Cr.)	
Pre-Issue	Post-Issue
₹75	₹120

Financial Summary (In Lacs.)		
For the Period Ended	Mar-23	June-23
Total Assets	561.32	573.33
Net Assets	509.21	518.74
Total Borrowings	-	-
Total Revenue	214.11	162.21
Profit After Tax	21.82	9.54

Tentative Timeline	
Opening Date	October 27, 2023
Closing Date	October 31, 2023
Basis of Allotment	November 03, 2023
Initiation of Refunds	November 06, 2023
Credit of Shares to Demat	November 07, 2023
Listing Date	November 08, 2023



Company Background and Analysis

Company was originally incorporated under the name “Jeevan Parv Healthcare Limited” on August 25, 2022. Subsequently, Company has changed its name from “Jeevan Parv Healthcare Limited” to “KK Shah Hospitals Limited” pursuant to a special resolution passed at the Extra-Ordinary General Meeting of the Company held on September 30, 2022, and a fresh certificate of incorporation dated November 30, 2022 issued by the Registrar of Companies, Gwalior. Further, in accordance with one of the main objects, Company acquired the proprietorship firm i.e., M/s Shah Hospital (formerly known as Shah Maternity and Nursing Home) of one of the Promoter Dr. Kirti Kumar Shah.

As on the date of this Prospectus, company provides inpatient and outpatient healthcare services through its hospital at Ratlam, Madhya Pradesh, which is a 26-bed hospital. Hospital have conducted an aggregate of approx. 75-80 surgeries per month (consisting of approx. 30 orthopedic, approx. 15 gynecologists, approx. 25 general surgeries, approx. 10 dental & other branches) during the FY 2022-23 and also during the period starting from April 01, 2023 to June 30, 2023 and provided healthcare services to an aggregate of approx. 2,310-2,400 patients per month, consisting of approx. 210-250 Indoor Patients per month and approx. 2,100-2,150 Outpatient per month. Hospital has recorded a bed occupancy ratio of approx. 31.92% in the month of June 2023 and an average IPD of approx. 8.30 patients per day in the month of June 2023.

Company is also a member of the Biomedical Waste Management System, Ratlam for the disposal of biomedical waste. Company is certified by National Accreditation Board for Hospitals and Healthcare Providers (“NABH Accredited”) as a primary-level small healthcare organization in Madhya Pradesh.

Company entered into an agreement dated January 28, 2023 with ‘M/s. Life Care Diet Service’ for providing food services to its patients and a cafeteria for the attendants in the hospital.

To conclude, the company is very new to the business as it was incorporated only last year, where the promoter of the company has vast experience.



Business Strategies

1. Increasing efficiencies across healthcare facilities through integration and supply chain management.

Company strives to maximize efficiencies through the integration of healthcare facilities and systems developed for this purpose, a patient management system that seeks to enhance patient care services through the establishment of standardized processes and the implementation of performance management methodology.

2. Diverse portfolio of outpatient offerings.

Company intends to focus on the ongoing day care services and introduce new day care offering.

3. Continue to Attract and retain prominent and skilled doctors.

Company aims to attract and retain prominent and skilled doctors. The skill level of a hospital's doctors is a key to hospital's success.

4. Focus on Expansion of Network.

Company aims to continue to be one of the leading healthcare service providers in India through strategic acquisitions and O&M arrangements with third party healthcare service providers.

5. Infrastructure and equipment's used in the hospitals.

With its ultra-modern medicinal practices and state of the art infrastructure, company strives to provide solutions in medical as well as surgical care in the process of increasing capabilities by purchasing of medical equipments such as CT Scanner System; MRI Scanner; Endoscopic Retrograde Cholangiopancreatography (ERCP); Colonoscope; and Thunder Beat. Company believes that with additions of this medical equipments will able to provide additional services better quality, efficiency and reliability.

Competitive Scenario and Peer Mapping

Competition

Company operates in a competitive atmosphere; it faces varying levels of competition in each micro-market it operates from. Their competition consists of both institutionalized hospitals that have a pan-Indian presence and local physicians and clinics that operate only in particular towns and cities. The healthcare industry is driven by, amongst others, brand value and reputation, including skills of particular consulting doctors and the abilities of surgeons. There is relatively low barrier to entry.

Peer Analysis

The peers given by the company in the offer document are not comparable as the company commenced its business only in the previous year.



Industry Overview

Exhibit 1: Healthcare Sector Growth Trend.

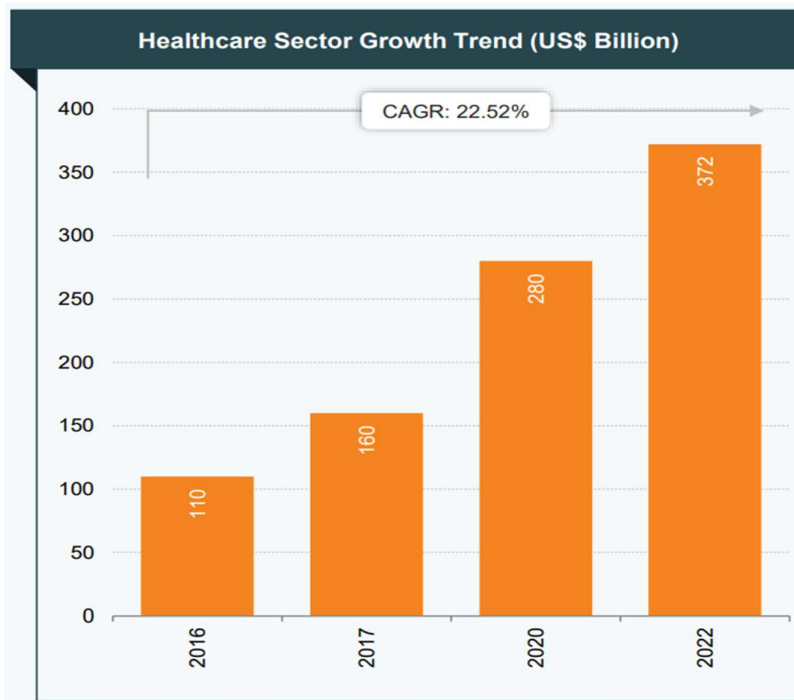
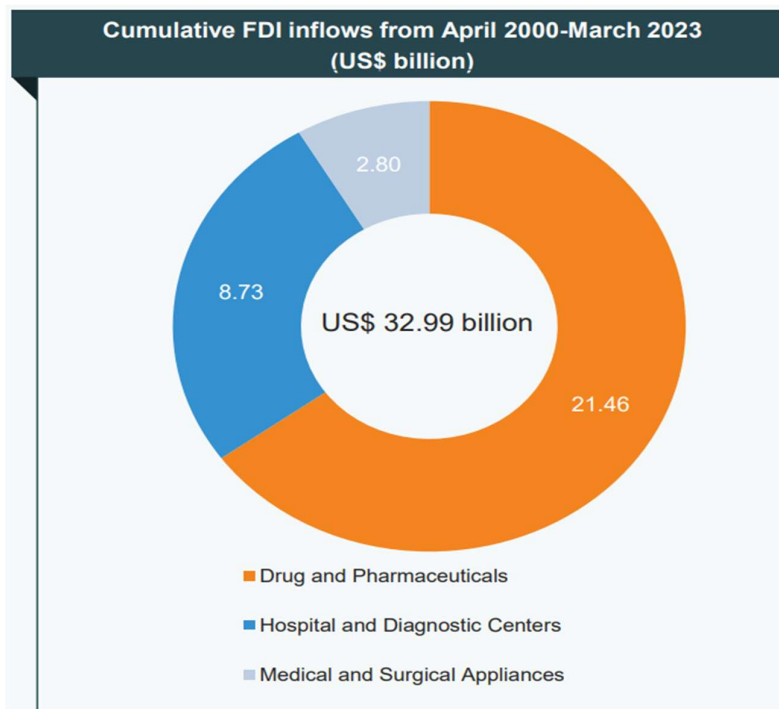


Exhibit 2: Cumulative FDI inflows from April 2000-March 2023.



(Source: ibef.org)



Indian Healthcare Industry

Healthcare has become one of India's largest sectors, both in terms of revenue and employment. Healthcare comprises hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance and medical equipment. The Indian healthcare sector is growing at a brisk pace due to its strengthening coverage, services, and increasing expenditure by public as well as private players.

India's healthcare delivery system is categorised into two major components - public and private. The government, i.e., the public healthcare system, comprises limited secondary and tertiary care institutions in key cities and focuses on providing basic healthcare facilities in the form of Primary Healthcare Centres (PHCs) in rural areas. The private sector provides the majority of secondary, tertiary, and quaternary care institutions with a major concentration in metros, tier-I, and tier-II cities.

India's competitive advantage lies in its large pool of well-trained medical professionals. India is also cost-competitive compared to its peers in Asia and Western countries. The cost of surgery in India is about one-tenth of that in the US or Western Europe. The low cost of medical services has resulted in a rise in the country's medical tourism, attracting patients from across the world. Moreover, India has emerged as a hub for R&D activities for international players due to its relatively low cost of clinical research.

Market Size

The Indian healthcare sector is expected to record a three-fold rise, growing at a CAGR of 22% between 2016-22 to reach US\$ 372 billion in 2022 from US\$ 110 billion in 2016. By FY22, Indian healthcare infrastructure is expected to reach US\$ 349.1 billion. The healthcare sector is expected to generate 27 lakh jobs in India between 2017-22, over 5 Lakh jobs per year.

India's public expenditure on healthcare touched 2.1 % of GDP in FY23 and 2.2% in FY22, against 1.6% in FY21, as per the Economic Survey 2022-23.

In FY22, premiums underwritten by health insurance companies grew to Rs. 73,582.13 crore (US\$ 9.21 billion). The health segment has a 33.33% share in the total gross written premiums earned in the country.

The Indian medical tourism market was valued at US\$ 2.89 billion in 2020 and is expected to reach US\$ 13.42 billion by 2026. According to India Tourism Statistics at a Glance 2020 report, close to 697,300 foreign tourists came for medical treatment in India in FY19. India has been ranked tenth in the Medical Tourism Index (MTI) for 2020-21 out of 46 destinations by the Medical Tourism Association. With US\$ 5-6 billion size of Medical Value Travel (MVT) and 500000 International patients annually, India is among the global leader destinations for international patients seeking advanced treatment.

The e-health market size is estimated to reach US\$ 10.6 billion by 2025.

As per information provided to the Lok Sabha by the Minister of Health & Family Welfare, Dr. Bharati Pravin Pawar, the doctor population ratio in the country is 1:854, assuming 80% availability of 12.68 lakh registered allopathic doctors and 5.65 lakh AYUSH doctors.

(Source: ibef.org)



Key Managerial Personnel

Dr. Amit Shah, aged 46, is one of the Promoters, Chairman and Managing Director of the company. He holds a bachelor's degree in medicine and surgery in the year 2005 from North Maharashtra University, Jalgaon. He has also been registered as a member of the Diplomate of the National Board of Examinations, New Delhi for the practice of orthopaedics in the year 2010. He was associated with 'Shah Hospital' since 2008 as a consultant doctor. He has more than 12 years of experience in the field of Orthopaedics.

Dr. Kirti Kumar Shah, aged 74, is one of the Promoters and the Whole-time Director of the company. He holds a bachelor's degree in medicine and surgery from Mahatma Gandhi Memorial Medical College, Indore in the year 1974. His name is entered in the medical register of the Mahakoshal Medical Council in the year 1975. He played a key role in establishing the Shah Hospital. He has over 40 years of experience in the medical industry.

Dr. Hansa Shah, aged 73, is the Executive Director of the company. She holds a bachelor's degree in medicine and surgery from South Gujarat university in the year 1977. Her name was entered in the medical register at Mahakoshal Medical Council in the year 1976. She has over 40 years of experience in the medical industry.

Dr. Milli Shah, aged 44, is the Executive Director of the company. She holds a bachelor's degree in medicine and surgery from Bhavnagar University in the year 2003 and a master's degree in general surgery from Bhavnagar University in 2007. She also secured the first rank at the M.B.B.S. examination of anatomy in the year 1998. Her name is entered into the medical register of the Madhya Pradesh Medical Council in 2011. She was associated with 'Shah Hospital' since 2008 as a consultant doctor. She has experience of over 12 years in the medical industry.

Achint Porwal, aged 44, is the Independent Director of the company. He holds a master's degree in commerce from Vikram University, Ujjain in the year 2002. He also serves as a whole-time director of Arihant Purechem Private Limited. He has 21 years of working experience in Arihant Purechem Private Limited.

Gaurav Ajmera, aged 41, is the Independent Director of the company. He is an undergraduate and is associated with Ajmera Ispat Private Limited, Abhinandan Ispat Private Limited, and Ajmera Infrabuild Private Limited and is currently a director on its Board.

Meetesh Gadia, aged 50, is the Independent Director of the company. He holds a bachelor's degree in engineering production from the University of Pune in the year 1995. He has a proprietorship firm under the name of M/s Gadia Wires.

Sanjay Kumar Luniya, aged 56, is the Independent Director of the company. He holds a bachelor's degree in commerce from Vikram University, Ujjain in the year 1989. He has 10 years of experience in the field of oiling and petrol sector.

To conclude, the company has 2 promoters, and they have vast experience and knowledge in the industry in which the company operates. The remaining directors also have good knowledge in their respective fields which will help in the growth of the business.



Financial Snapshot

Profit and Loss Statement		(In Lacs.)	
Particulars	FY 23	Jun-23	
Revenue from Operations	211.86	161.85	
Other Income	2.25	0.36	
Total Income	214.11	162.21	
Expenses			
Cost of Materials Consumed	-	-	
Purchases of stock-in-trade	-	-	
Changes in inventories	-	-	
Employee benefits expense	46.47	39.48	
Finance costs	-	-	
Depreciation and Amortization expense	9.69	9.20	
Other expenses	128.80	100.79	
Total Expenses	184.96	149.47	
Earnings Before Interest, Taxes, Depreciation & Amortization	36.59	21.58	
EBITDA Margin	17%	13%	
Profit/(Loss) before exceptional items and tax	29.15	12.74	
Less: Exceptional Items	-	-	
Profit/(Loss) before tax	29.15	12.74	
Tax Expense			
Current Tax	7.17	4.23	
Deferred tax	0.16	-1.03	
Total Tax Expense	7.33	3.20	
Profit/(Loss) for the year	21.82	9.54	
Net Profit Margin	10%	6%	

Balance Sheet		(In Lacs)	
Particulars	FY 23	Jun-23	
EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share Capital	485.85	485.85	
(b) Reserves and surplus	23.36	32.89	
Total Equity	509.21	518.74	
2. Non-current liabilities			
(a) Deferred Tax Liabilities (Net)	0.16	-	
Total Non-current liabilities	0.16	-	
3. Current liabilities			
(a) Financial Liabilities			
(i) Trade payables			
Due to MSME	-	-	
Due to Others	10.19	8.21	
(b) Other Current Liabilities	34.58	42.14	
(c) Short-term provisions	7.17	4.23	
Total Current liabilities	51.94	54.58	
Total Liabilities	52.10	54.58	
Total Equity and Liabilities	561.31	573.32	
ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment			



Balance Sheet		(In Lacs)	
(i) Tangible Assets	125.64	131.57	
(ii) Intangible assets	3.51	3.34	
(b) Financial Assets			
(i) Investments	201.84	332.84	
(c) Deferred tax assets (net)	-	0.87	
(d) Other Non-Current Assets	0.66	0.66	
Total Non-Current assets	331.65	469.28	
2. Current assets			
(a) Inventories	-	-	
(b) Trade receivables	4.83	8.65	
(c) Cash and cash equivalents	201.76	81.24	
(d) Short-Term Loans and Advances	16.76	7.79	
(e) Other Current Assets	6.32	6.37	
Total Current assets	229.67	104.05	
Total Assets	561.32	573.33	

Cash Flow Statement		(In Lacs)	
Particulars	FY 23	Jun-23	
Net Cash Flow from Operating Activities	55.70	25.44	
Net Cash Flow from Investing Activities	-341.35	-145.95	
Net Cash Flow from Financing Activities	487.41	-	

Ratio Sheet			
Particulars	FY 23	Jun-23*	
Per Share Data			
Diluted EPS	30.06	0.56	
BV per share	7.48	20.93	
Operating Ratios			
EBITDA Margins	17.27%	13.33%	
PAT Margins	10.19%	5.88%	
Inventory days	-	-	
Debtor days	8.32	4.86	
Creditor days	-	-	
Return Ratios			
RoCE	5%	3%	
RoE	4%	3%	
Valuation Ratios (x)			
EV/EBITDA	8.40	15.57	
Market Cap / Sales	14.46	4.73	
P/E	1.50	80.35	
Price to Book Value	6.02	2.15	
Solvency Ratios			
Debt / Equity	0.00	0.00	
Current Ratio	4.42	1.91	
Quick Ratio	4.42	1.91	
Asset Turnover	0.38	1.13	
Interest Coverage Ratio	-	-	

*Annualized Figures



Key Risk Factors

1. There are outstanding litigations pending against the directors, and promoters which, if determined adversely, could affect the operations.

Track Record of Lead Manager

The lead manager to the issue is Fedex Securities Private Limited and Shreni Shares Private Limited. A table has been set below highlighting the details of the IPO of the last 5 companies handled by the Lead Managers in recent times –

Fedex Securities Private Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Committed Cargo Care Limited	24.98	77.00	October 18, 2023	71.1
2.	Sharp Chucks and Machines Limited	16.84	58.00	October 12, 2023	73.0
3.	Oneclick Logistics India Limited	9.91	99.00	October 11, 2023	83.4
4.	Kundan Edifice Limited	25.22	91.00	September 26, 2023	69.2
5.	Pramara Promotions Limited	15.27	63.00	September 13, 2023	83.0

Shreni Shares Private Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Marco Cables and Conductors Limited	18.73	36.00	September 28, 2023	49.8
2.	Meson Valves India Limited	31.09	102.00	September 21, 2023	299.00
3.	CPS Shapers Limited	11.10	185.00	September 07, 2023	427.00
4.	AccelerateBS India Limited	5.69	90.00	July 19, 2023	227.00
5.	Global Pet Industries Limited	13.23	49.00	July 10, 2023	77.00

*CMP for the above-mentioned companies is taken as of 26th October 2023.

As per the offer document, Fedex Securities Private Limited has had 17 mandates in the last four years and Shreni Shares Private Limited has had 22 mandates in the last three years. For both the lead managers all the above-mentioned mandates have opened at premiums on the listing date.



Recommendation

Since, the company was incorporated in Aug-2022 the financial data provided by the company is not enough for the evaluation of company performance after incorporation, even though it has acquired a proprietorship firm i.e., M/s Shah Hospital.

The management outlook of the company is good, and the proper bifurcation of the roles and responsibilities of its top management is given.

The P/E on Post IPO basis is around 140.41 times which seems to be highly priced looking at the performance and size of the company.

The Company operates in a competitive atmosphere; it faces varying levels of competition in each micro-market it operates from. Their competition consists of both institutionalized hospitals that have a pan-Indian presence and local physicians and clinics that operate only in particular towns and cities. Also, based on the given financial data it would be difficult to make any financial decisions. Therefore, one can **Avoid** applying for this IPO.



Disclaimer

We are not a registered research analyst with SEBI and are not subject to the regulations governing research analysts. This research report is for educational purposes only and should not be construed as investment advice. The information contained in this report is based on publicly available information and is believed to be reliable, but no representation or warranty, express or implied, is made as to its accuracy or completeness. Also, some of the employees of our organization may have or may in the future hold investments in the company that is the subject of this research report. This may create a conflict of interest, and you should be aware of this when considering the information contained in this report. You should consult with your financial advisor before making any investment decisions.