

IPO Details				Company Background					
Opening Date	Jan 25, 2024			<ul style="list-style-type: none"> Docmode Health Technologies Limited was originally incorporated in the year 2017 and had its registered office in Mumbai, Maharashtra, India. The company is engaged in the business of offering integrated learning solutions through online and offline learning models to healthcare professionals, Doctors, physicians, surgeons and allied healthcare professionals such as dieticians, physiotherapists, nurses, technicians paramedics and learners across the world, spanning the education value chain. The company also provide a platform for inter-professional cross-industrial learning via panel discussions and courses as well as takes advantage of the performance assessment tools to better their clinical acumen in their daily medical practice. As of 31st December 2023, the Company had 66 employees on its payroll. 					
Closing Date	Jan 30, 2024								
Stock Exchange	NSE SME								
Lot Size	1,600 Shares								
Issue Price	₹ 79 per share								
Issue Size	Aggregating up to 6.71 Cr.								
Fresh Issue	Aggregating up to 6.71 Cr.								
Offer for Sale	-								
Application Amount	₹ 1,26,400								
IPO Objective									
Purchase of IT infrastructure and operating system.									
Meeting incremental working capital requirements									
General corporate purposes.									
Pre-Issue Shareholding				Market Capitalization (In Cr.)					
Category	No. of Shares	% of Total Shares		Pre-Issue	Post-Issue				
				₹ 18	₹ 25				
Promoter & Promoter Group	14,90,962	65.02 %		Financial Summary (In Lacs)					
Public	8,02,238	34.98 %		For the Period Ended	Mar-21	Mar-22	Mar-23	Sep-23	
Promoter of the Company				Total Assets	567.26	1,008.35	1,700.87	1,764.25	
1	Paulson Paul Thazhathedath			Net Assets	46.52	138.71	347.53	483.55	
2	Hans Albert Lewis			Total Borrowings	105.62	483.86	847.95	811.08	
Competitive Strengths				Total Revenue	710.46	1,243.76	3,297.41	2,366.70	
1	Technology-driven, asset-light and scalable business model.			Profit After Tax	55.34	92.19	194.81	136.02	
2	Strong network effects resulting in growth in business verticals.			Tentative Timeline					
3	Experience in the education business and professionally qualified human capital			Opening Date	Jan 25, 2024				
4	Diversified and integrated education products, services and content offerings.			Closing Date	Jan 30, 2024				
5	Continue offering new course/lecture content.			Basis of Allotment	Jan 31, 2024				
				Initiation of Refunds	Feb 01, 2024				
				Credit of Shares to Demat	Feb 01, 2024				
				Listing Date	Feb 02, 2024				

Company Background and Analysis

Docmode Health Technologies Limited was originally incorporated on July 17, 2017. The company is engaged in the business of offering integrated learning solutions through online and offline learning models to healthcare professionals and learners across the world, spanning the education value chain. The company's offline learning model comprises conferences and workshops.

The online course content is reviewed and presented by the dedicated in-house content development team or by medical institutions and medical associations (medical professional bodies) and subject matter experts/key opinion leaders who are focused on effectively transferring knowledge, as well as communicating and network with each other through the learning and professional networking platform and the company majorly focuses on providing learning solutions through the online model. The online learning model comprises notes, recorded videos, live conferences, workshops etc.

The company also provide a platform for inter-professional cross-industrial learning via panel discussions and courses as well as takes advantage of the performance assessment tools to better their clinical acumen in their daily medical practice.

The company's services list and revenue bifurcation for the same are as follows –

1. DocMode LERN – DocMode.org is a Platform as a Service (PAAS) with a learning management system and collaborating content (CPD and CME) in partnership with leading medical institutions, subject matter experts, key opinion leaders, and top professional bodies from across the world. The company offer hybrid and blended learning programs such as training workshops, fellowships and observer ships along with publishing books and journals online.
2. DocMode SURE – The company offers network-powered surveys, studies & research platforms to further evidence-based practice in healthcare. It is a platform for practising & certified professionals in healthcare who can participate or contribute and be nominated for marketing surveys, clinical studies, and research.
3. DocMode KNOW – The company assists medico-marketing organizations through knowledge marketing. Medico-marketing is pharmaceutical marketing, which helps to update the knowledge and drug marketing information of doctors, pharmacists and other medical professionals about the safety and effective use of new medical drugs and devices.
4. DocMode CARE – The company offer clinical applications for storing records, enhancing acumen while strengthening HCPPatient relationships under the brand name “iNutrimon”.
5. DocMode SHOP – The company have an online store for Health Care Professionals with a list of of the affiliates where books, journals, articles, booking passes for events, memberships, and other offers on clinical products are available.

(Amount in Lacs)

Particulars	Mar-21		Mar-22		Mar-23		Sep-23	
	Amt	%	Amt	%	Amt	%	Amt	%
DocMode LERN	588.70	82.90	715.28	57.58	863.75	26.27	372.13	15.77
DocMode SURE	-	-	328.73	26.46	2,133.55	64.89	1,758.92	74.52
DocMode KNOW	121.39	17.10	115.94	9.33	290.55	8.84	229.37	9.72
DocMode CARE	-	-	-	-	-	-	-	-
DocMode SHOP	-	-	82.35	6.63	-	-	-	-
Total	710.09	100.00	1,242.30	100.00	3,287.85	100.00	2,360.42	100.00

To conclude, the company has relatively less experience in the industry in which it operates. The company generates the majority of its revenue from the SURE services provided. The company is raising total gross proceeds of Rs. 671 Lakhs.

Business Strategies

- 1. Brand-building strategy that covers a judicious mix of print, video, digital and social media –**
The company intends to build “DocMode” and “iNutrimon” brands with Indian and International Institutions, hospitals and professional bodies as well as pharma organizations by doing publicity B2B as well as B2Professionals, newsletters journals and magazines.
- 2. Develop and expand the publishing of research articles and content development –**
The company in the past, the company have entered arrangements with third parties for content creation and development for various courses offered by them. The company will continuously endeavour to develop, update and acquire the content to cater to the demand for the courses offered by them.
- 3. Focus on healthcare services platform –**
The company focuses on healthcare service platforms where patients can interact with doctors for education and support groups for creating awareness of diseases, illness, and medical education in school.
- 4. Create a practice tool like iNutrimon in every speciality –**
The company intends to develop similar practice tools in every speciality which will assist in providing nutrition to the patient as well as document nutrition therapy.

Competitive Scenario and Peer Mapping

Competition

The industry in which the company operates is fairly competitive. The company faces fair competition from both organized and unorganized players in the market. The domestic segment to which the company caters is fragmented and fairly competitive. The company competes primarily based on quality of services, customer satisfaction and marketing. The company has fewer barriers to entry. The bargaining power with the customers is high in the sector in which the company operates.

Peer Analysis

The company believes there are no listed peers for comparison as per the offer document.

Industry Overview

Exhibit 1: Healthcare Sector Growth Trend (US\$ billion)

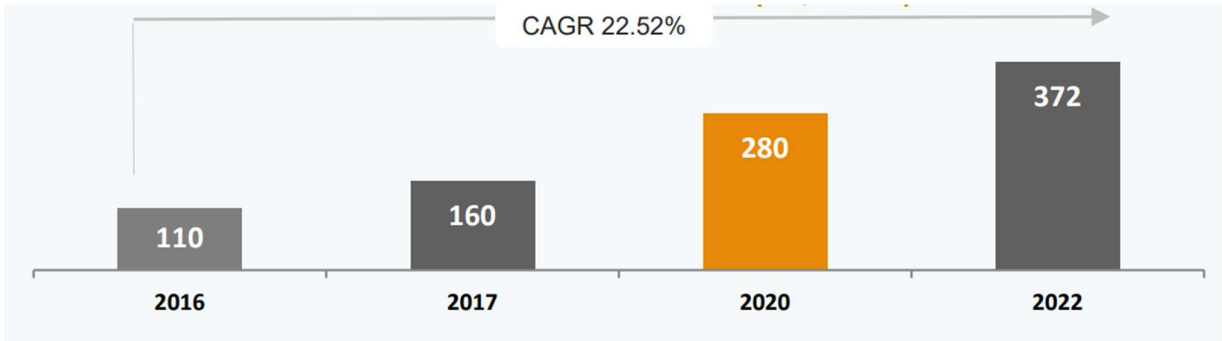
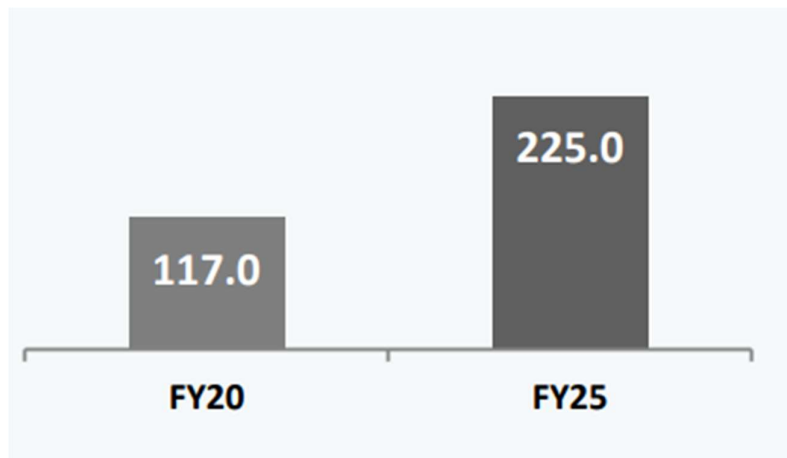


Exhibit 2: Education Industry in India (US\$ billion)



(Source: ibef.org)

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. 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.

Education and Training

India has the largest population in the world in the age bracket of 5-24 years with 580 million people, presenting a huge opportunity in the education sector. India holds an important place in the global education industry. India has one of the largest networks of higher education institutions in the world. However, there is still a lot of potential for further development and improvement in the education system. With increasing awareness, private Indian players are collaborating with international brands to provide an international standard of education. Private investments in the Indian education sector have increased substantially over the past two decades.

The demand for specialised degrees is also picking up with more and more students opting for specific industry-focused qualifications. Higher education institutes in India are focusing on creating online programmes due to the increasing demand from consumers.

The education sector in India was estimated to be worth US\$ 117 billion in FY20 and is expected to reach US\$ 225 billion by FY25. India has over 250 million school-going students, more than any other country. India had 38.5 million students enrolled in higher education in 2019-20, with 19.6 million male and 18.9 million female students. According to UNESCO's 'State of the Education Report for India 2021', the Pupil Teacher Ratio (PTR) at senior secondary schools was 47:1, as against 26:1 in the overall school system. Number of colleges in India reached 42,343 in FY20.

As of August 23, 2022, the number of universities in India stood at 1,057. In 2022-23, there are 8,902 total AICTE approved institutes in India. Out of these 8,902 institutes, there are 3,577 undergraduate, 4,786 postgraduate and 3,957 diploma institutes. The Indian edtech market size is expected to reach US\$ 30 billion by 2031, from US\$ 700-800 million in 2021. According to KPMG, India has also become the second largest market for E-learning after the US. The online education market in India is expected to grow by US\$ 2.28 billion during 2021-2025, growing at a CAGR of almost 20%. The market grew by 19.02% in India in 2021.

(Source: prospectus)

Key Managerial Personnel

Paulson Paul Thazhathedath, aged 41 years, is one of the Promoters and Managing Director of the Company. He has completed his formal education. He has more than 15 years of experience in the field of mass media and advertisement. He has been on the board of the Company since incorporation.

Hans Albert Lewis, aged 40 years, is one of the Promoters, and Whole-Time Director of the Company. He completed his graduation in mass media and advertising. He has more than 15 years of experience in the field of mass media and advertisement. He has been on the board of the Company since incorporation.

Monina Elizabeth Lewis, aged 43 years, is the Non-Executive Director of the Company. She completed the degree of Bachelor of Science. She has over 6 years of experience as an officer coordination and training follow-up employee in a foreign airline company.

Sujit Nityanand Chakraborty, aged 51 years, is the Non-Executive Independent Director of the Company. He completed the degree of Master of Computer Applications, a degree of international executive Master of Business Administration in project management. He has more than 25 years of experience in the field of information technology.

Nilay Shivnarayan Shamra, aged 58 years, is the Independent Non-Executive Director of the Company. He completed the degree of Bachelor of Engineering. He has more than 30 years of experience in the field of information technology.

Krushang Shah, aged 33 years, is the Independent Non-Executive Director of the Company. He is an associate member of the Institute of Company Secretaries of India. He has more than 7 years of experience in the field of secretarial and compliance.

Hiral Rushang Gandhi, aged 37 years, is the Non-Executive Director of the Company. She completed the degree of Master of Business Administration. She is currently associated with Vruddhi Engineering Works Limited as the Chief Financial Officer.

To conclude, the company has 2 promoters, they have good experience in the industry in which the company operates and in the fields which help in the growth of the business. The Directors of the company have good experience in fields which help in the growth of the company.

Financial Snapshot

Profit and Loss Statement					(In Lacs)
Particulars	FY 21	FY 22	FY 23	Sep-23	
Revenue from Operations	710.09	1,242.30	3,287.84	2,360.42	
Other Income	0.37	1.46	9.57	6.28	
Total Income	710.46	1,243.76	3,297.41	2,366.70	
Expenses					
Purchase of Stock in Trade	372.61	105.16	156.03	206.07	
Change in inventories	-193.81	77.25	-2.55	0.39	
Employee benefits expense	159.03	428.86	555.62	292.37	
Finance costs	19.22	37.68	112.89	83.78	
Depreciation and Amortization expense	3.53	2.37	2.13	1.53	
Other expenses	285.46	442.42	2,204.21	1,590.16	
Total Expenses	646.04	1,093.74	3,028.33	2,174.30	
Earnings Before Interest, Taxes, Depreciation & Amortization	86.80	188.61	374.53	271.43	
EBITDA Margin	12%	15%	11%	11%	
Profit/(Loss) before tax	64.42	150.02	269.08	192.40	
Tax Expense					
Current Tax	11.00	50.00	82.50	58.00	
Deferred Tax	-1.92	-2.47	-7.50	-0.85	
Tax for earlier years	-	10.30	-0.73	-0.77	
Total Tax Expense	9.08	57.83	74.27	56.38	
Profit/(Loss) for the year	55.34	92.19	194.81	136.02	
Net Profit Margin	8%	7%	6%	6%	

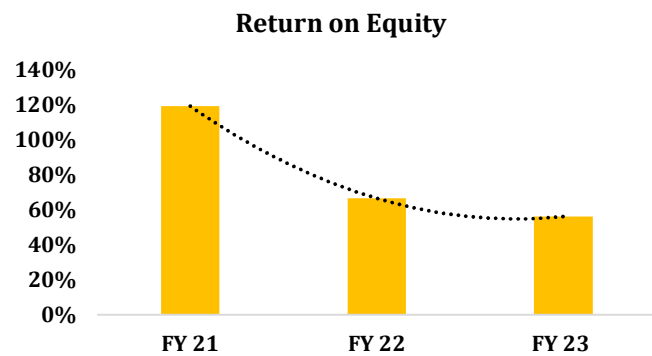
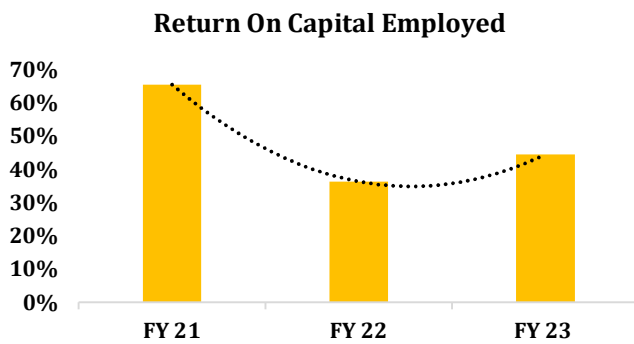
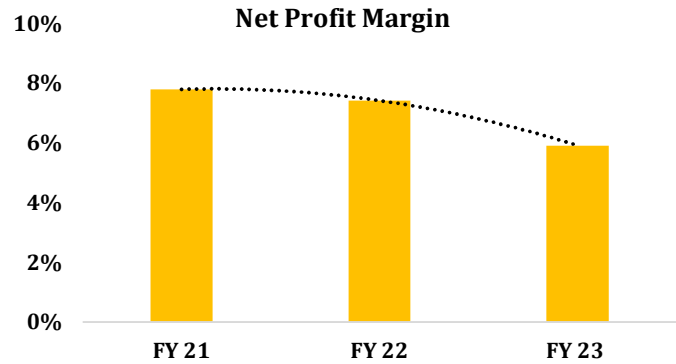
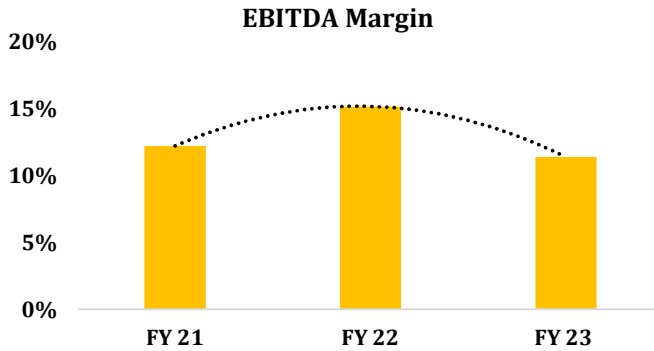
Balance Sheet					(In Lacs)
Particulars	FY 21	FY 22	FY 23	Sep-23	
EQUITY AND LIABILITIES					
1. Shareholders' funds					
Share Capital	1.00	1.00	229.32	229.32	
Reserve and Surplus	45.52	137.71	118.21	254.23	
Total Equity	46.52	138.71	347.53	483.55	
Minority Interest					
Total Equity	46.52	138.71	347.53	483.55	
2. Non-current liabilities					
Long Term Borrowings	65.89	336.64	441.50	471.85	
Deferred Tax Liabilities (Net)					
Long Term Provisions	14.92	37.71	48.84	51.21	
Total Non-current liabilities	80.81	374.35	490.34	523.06	
3. Current liabilities					
Financial Liabilities					
Short-term borrowings	39.73	147.22	406.45	339.23	
Trade payables					
Due to MSME	8.01	8.05	28.24	15.41	
Due to Others	243.26	153.25	272.88	199.45	
Other Current Liabilities	91.25	92.03	0.41	-	
Short-term Provisions	57.67	94.75	155.03	203.55	
Total Current liabilities	439.92	495.30	863.01	757.64	
Total Liabilities	520.73	869.65	1,353.35	1,280.70	
Total Equity and Liabilities	567.25	1,008.36	1,700.88	1,764.25	
ASSETS					
1. Non-current assets					

Balance Sheet					(In Lacs)
Property, Plant and Equipment					
Tangible Assets	3.33	1.49	1.57	1.25	
Intangible Assets	12.22	48.22	205.88	298.27	
Non-current Investments	-	110.00	110.00	110.00	
Deferred Tax Assets	4.47	6.93	14.43	15.28	
Long-term loans and advances	7.97	-	-	-	
Other Non-current assets	-	3.90	6.46	6.46	
Total Non-Current assets	27.99	170.54	338.34	431.26	
2. Current assets					
Current Investments	9.50	15.16	9.83	9.69	
Inventories	327.66	250.41	252.96	252.58	
Trade receivables	136.31	381.58	829.45	878.73	
Cash and Bank Balances	30.63	13.99	38.68	73.44	
Short-term loans and advances	35.17	176.67	231.61	118.55	
Other Current Assets	-	-	-	-	
Total Current assets	539.27	837.81	1,362.53	1,332.99	
Total Assets	567.26	1,008.35	1,700.87	1,764.25	

Cash Flow Statement					(In Lacs)
Particulars	FY 21	FY 22	FY 23	Sep-23	
Net Cash Flow from Operating Activities	-49.77	-205.01	-83.42	268.31	
Net Cash Flow from Investing Activities	-13.23	-152.19	-157.11	-	
Net Cash Flow from Financing Activities	84.40	340.56	265.21	255.81	

Ratio Sheet				
Particulars	FY 21	FY 22	FY 23	Sep-23*
Per Share Data				
Diluted EPS	3.15	5.24	9.13	9.16
BV per share	1.48	4.41	11.06	41.58
Operating Ratios				
EBITDA Margins	12.22%	15.18%	11.39%	11.50%
PAT Margins	7.79%	7.41%	5.91%	6.08%
Inventory days	168.42	73.57	28.08	19.58
Debtor days	70.07	112.11	92.08	68.13
Creditor days	246.14	559.86	704.41	190.81
Return Ratios				
RoCE	65%	36%	44%	30%
RoE	119%	66%	56%	22%
Valuation Ratios (x)				
EV/EBITDA	1.40	3.23	3.09	3.82
Market Cap / Sales	3.50	2.00	0.76	0.53
P/E	25.08	15.08	8.65	8.62
Price to Book Value	53.37	17.90	7.14	1.90
Solvency Ratios				
Debt / Equity	2.27	3.49	2.44	1.68
Current Ratio	1.23	1.69	1.58	1.76
Quick Ratio	0.48	1.19	1.29	1.43
Asset Turnover	1.25	1.23	1.93	1.34
Interest Coverage Ratio	4.33	4.94	3.30	3.22

*Ratio sheet for Sep-23 is annualized.

Financial Charts

Key Risk Factors

1. The Subsidiary Company have incurred losses in past for all three FY ended 2021, 2022, and 2023.
2. The Company, Directors and Promoter are involved in legal proceedings amounting to Rs. 2.43 lakhs. Any adverse outcome in such proceedings may have an adverse impact on the business.
3. The Company has negative cash flows from its operating activities for the FY ended 2021, 2022, 2023. Sustained negative cash flow could impact the growth and business.

Track Record of Lead Manager

The lead manager to the issue is Fedex Securities Private Limited. A table has been set below highlighting the details of the IPO of the last companies handled by the Lead Manager 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.	IBL Finance Limited	33.41	51.00	January 16, 2024	67.75
2.	KK Shah Hospitals Limited	8.78	45.00	November 06, 2023	70.65
3.	Committed Cargo Care Limited	24.98	77.00	October 18, 2023	59.25
4.	Sharp Chucks and Machines Limited	16.84	58.00	October 12, 2023	69.50
5.	Oneclick Logistics India Limited	9.91	99.00	October 11, 2023	76.00
6.	Kundan Edifice Limited	25.22	91.00	September 26, 2023	223.25
7.	Pramara Promotions Limited	15.27	63.00	September 13, 2023	140.25
8.	Yasons Chemex Care Limited	20.57	40.00	August 03, 2023	30.00
9.	Pattech Fitwell Tube Components Limited	12.00	50.00	April 21, 2023	62.60
10.	Lead Reclaim and Rubber Products Limited	4.88	25.00	February 21, 2023	33.30

The company has handled 16 mandates in the past three years (including the current year)

*CMP for the above-mentioned companies is taken as of 23rd January 2024.

As per the offer document, from the above-mentioned mandates 2 have opened at discounts and the remaining mandates have opened at premiums on the listing day.

Recommendation

The company has been in the industry since 2017 and has relatively less experience in the industry. The company's management overview is satisfactory. The company also faces significant competition in the industry.

The P/E on an annualized and post-IPO basis is 8.62 times which seems to be fairly priced by looking at the performance of the company.

The company has seen an increase in the top line and bottom line of its financials over the years but has seen a decrease in the profitability margins for FY 23 which is not very attractive for the company. The business segment in which the company operates is good with good potential going forward and the company has a technology-driven, asset-light & scalable business model. The company can see consistency in the growth with all the strategies implemented as provided by the company mentioned in this report under "Business Strategies". We believe this will yield good growth. Thus, at the current P/E one can **APPLY** to this IPO.

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