

IPO Note: Aatmaj Healthcare Limited

Lead Manager: Nirbhay Capital Services Private Limited



Issue Dates: June 19, 2023 to June 21, 2023

Issue Type: Fixed Price Issue

Fresh Issue: 64,00,000 Equity Shares

Issue Price : Rs. 60/-

IPO Size: Rs. 3,840.00 Lakhs.

Bid size: 2,000 equity shares and in multiples thereof

Non Retail Portion: 30,39,500 Equity Shares

Retail Individual: 30,39,500 Equity Shares

Market Maker: 3,21,000 Equity Shares

Face Value: Rs 5/-

Capital Structure:

Pre Issue Equity: Rs. 810.00 Lakhs

Post Issue Equity: Rs 1,130.00 Lakhs

Listing: NSE Emerge Platform

Lead Manager: Nirbhay Capital Services Private Limited

Registrar to the Issue: Link Intime India Private Limited

Shareholding Pattern

Share Holding Pattern		
Particulars	Pre Issue	Post Issue
Promoter & Promoter Group	100%	63.72%
Public	-	36.28%
Total	100%	100%

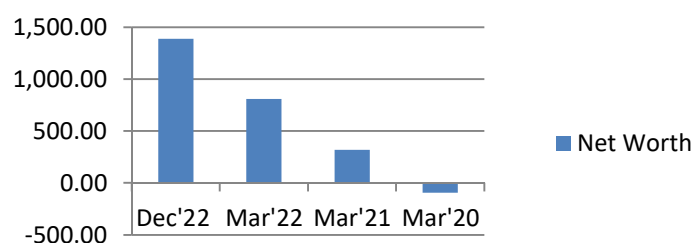
Background of the Company

Aatmaj Healthcare Limited was incorporated on March 10, 2014 located at Vadodara.

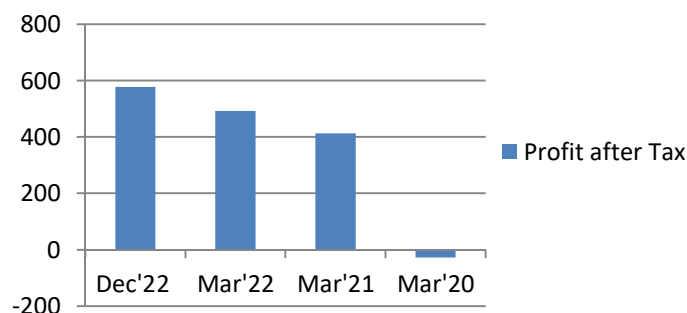
We operate multi-specialty hospitals offering world-class medical care at affordable rates. Dedication, ambition, determination, and commitment are the founding principles of our hospital. With years of experience and expertise in the healthcare sector, we have helped patients across generations. Our focus on our patient's health has assisted us to deliver top-quality outcomes constantly. Our big team of physicians, specialists and surgeons are hailed for their international experience and expertise. We are committed to delivering the best standards of healthcare. We are a growing organization providing services & facilities of Obstetrics and Gynaecology, Pediatric Services, Cardiology, Neurology, Neuro Surgery, Nephrology, Anaesthesiology, Orthopedics, Neonatology Services, Dermatology, Radiology, Surgery, E.N.T, Emergency Services, Critical Care Medicine and Internal Medicine. The main strength of the company are providing and maintaining quality standards, having experienced and professional management team and providing well diversified and specialty service offerings to its customers.

Financial Snapshot

Net Worth (Rs. In Lakhs)



Profit after Tax (Rs. In Lakhs)



For further information, please refer to the Prospectus.

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Promoters

- **Dr. Tushar Suvagiya**, aged 45 years, is the Promoter and Managing Director of the company. He holds a degree of Bachelor of Medicine and Bachelor of Surgery from the Maharaja Sayajirao University of Baroda and Diploma in Gynaecology and Obstetrics from the College of Physicians and Surgeons of Bombay. He has more than 20 years of experience in surgeries of vaginal, abdominal and laparoscopic hysterectomy and gynaec surgeries. He provides various diagnostic and healthcare services which include Treatment of Infertility, Complete Obstetric and Gynaec care, 3D-4D sonography (USG), High Risk-Delivery and C-section, Cancer Diagnosis and Treatment. He is actively involved into corporate development and new business ventures to achieve the growth and business plans of the Company and has been the driving force behind Company's success and growth.
- **Dr. Subhash Padmani**, aged 46 Years, is the Promoter of the company. He holds a degree of Bachelor of Medicine and Bachelor of Surgery from The Maharaja Sayajirao University of Baroda and Diploma in Clinical Pathology from the Saurashtra University. He possess more than 16 years of experience in laboratory medicine, with special focus on clinical pathology and laboratory management.
- **Dr. Ravi Apte**, aged 48 years, is the Promoter and Professional Non-Executive Director of the company. He holds a degree of Bachelor of Medicine and Bachelor of Surgery from the Maharaja Sayajirao University of Baroda and Diploma in Anaesthesiology from the Maharaja Sayajirao University of Baroda. He has more than 13 years of experience as Anaesthetist. He actively attends and participates in workshops and certification courses conducted by leading organisations. He provides anaesthesia assistance to the surgeons in various surgeries such as Orthopaedic Surgeries, Gynaec Surgeries, Uro Surgeries, Neuro Surgeries, General Surgeries and Onco Surgeries.

Competitive Strength

Quality standards

Quality plays one of the most vital role in the success of any organization. We are committed to delivering the best standards of healthcare.

Experienced and professional management team

We believe that our qualified and professional management team provides us a competitive advantage and enables us to function effectively and efficiently. Our management team, starting from the Promoters of our Company has very rich experience and professionalism in the healthcare industry.

Well diversified and specialty service offerings

Our operations encompass various levels of healthcare services from primary to tertiary and position us to be a one-stop destination for patients' needs once they enter our hospital.

Ability to attract, train and retain quality doctors, consultants and medical support staff

We maintain our standard of quality healthcare by consistently employing a diverse pool of talented doctors, nurses and paramedical professionals. Our multi-disciplinary approach, combined with our cost for treatment, a tertiary care model, has helped us attract and retain high quality doctors and other healthcare professionals. Many of our specialists, physicians and surgeons have been trained in premier medical institutions.

Object of the Issue

Objects of the Issue	
Particulars	Estimated Amount (Rs. In Lakhs)
Repayment/Prepayment in full or part of existing secured debt of the Company	900.00
Funding the Working Capital Requirements of the Company	600.00
Purchase of medical equipment's for hospitals of our Company and/or newly acquired or set up hospitals	913.11
Our inorganic growth initiatives through acquisitions and other strategic initiatives	620.00
General Corporate Expenses	496.89
Issue Expenses	310.00
Total	3,840.00

For further information, please refer to the Prospectus.

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Income Statement (Rs. In Lakhs)

Particulars	For the period ended December 31, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations	2,045.09	2,180.88	1,725.89	435.69
Other income	2.64	-	0.36	1.13
Total Revenue	2,047.73	2,180.88	1,726.25	436.82
Expenses				
Cost of Materials Consumed	111.26	136.65	193.37	17.15
Purchases of Stock-in-Trade	47.90	285.08	230.17	64.46
Changes in Inventories of Finished Goods, work-in-progress and Stock-in-Trade	1.73	(20.00)	(6.59)	(3.30)
Employee Benefits Expense	317.14	394.42	153.77	68.41
Finance costs	50.92	24.15	44.29	50.37
Depreciation and Amortization Expense	52.46	43.45	39.11	36.29
Other Expenses	667.14	632.53	626.40	221.25
Total Expenses	1,248.55	1,496.28	1,280.53	454.64
Profit Before Tax	799.18	684.60	445.73	(17.81)
Tax expense:				
Current tax	209.49	175.00	25.15	-
Deferred tax	12.20	17.53	8.39	9.21
Profit/(loss) for the period	577.49	492.07	412.19	(27.03)
Earnings per equity share:				
Basic	3.56	9.11	7.63	(0.50)
Diluted	3.56	9.11	7.63	(0.50)

Key Accounting Ratios

Particulars	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Current Ratio	1.38	0.79	0.51	0.41
Debt-Equity Ratio	0.14	0.09	1.03	(7.20)
Debt Service Coverage Ratio	0.04	0.03	0.11	0.11
Return on Equity Ratio	0.42	0.61	1.29	0.29
Net profit ratio (in %)	28.24	22.56	23.88	(6.20)
EBITDA (in %)	34.02	28.29	20.99	(23.98)
Net Asset Value	8.57	60.07	23.62	(6.91)
Return on Net Worth	41.59	60.68	129.28	(28.96)
Return on capital employed (in %)	44.13	69.84	55.99	(18.06)

For further information, please refer to the Prospectus.

Balance Sheet (Rs. In Lakhs)

Particulars	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
EQUITY AND LIABILITIES				
Shareholder's Funds				
Share capital	810.00	135.00	135.00	135.00
Reserves and surplus	578.40	675.92	183.85	(228.34)
A.)	1,388.40	810.92	318.85	(93.34)
Non-Current Liabilities				
Long-term borrowings	188.18	72.49	328.30	671.97
Deferred Tax Liabilities (Net)	76.07	63.87	46.34	37.96
Other Long term liabilities	-	-	-	-
Long-term provisions	-	-	-	-
B.)	264.25	136.37	374.64	709.93
Current Liabilities				
Short - Term Borrowings	1,030.22	445.03	105.09	204.29
Trade payables	153.01	163.77	169.77	106.83
Other Current Liabilities	5.88	9.38	6.09	1.90
Short - Term Provisions	190.18	154.16	5.53	3.21
C.)	1,379.29	772.34	286.48	316.23
TOTAL (A+B+C)	3,031.94	1,719.62	979.97	932.82
ASSETS				
Non-Current Assets				
Property, Plant and Equipment's				
Tangible assets	1,087.17	1,081.23	817.61	798.42
Intangible assets	4.39	6.23	3.04	4.06
Capital work-in-progress	-	-	-	-
Intangible assets under development	-	-	-	-
Non-current investments	-	0.30	-	-
Long-term loans and advances	-	-	-	-
Other non-current assets	36.02	25.12	14.04	0.39
D.)	1,127.58	1,112.88	834.69	802.86
Current Assets				
Inventories	38.77	40.50	20.50	13.91
Trade receivables	1,579.69	509.61	57.05	98.22
Cash and cash equivalents	187.44	18.07	54.87	1.93
Short-term loans and advances	98.40	38.50	12.85	10.00
Other current assets	0.06	0.06	-	5.89
E.)	1,904.36	606.75	145.28	129.95
TOTAL (D+E)	3,031.94	1,719.62	979.97	932.82

Industry Overview

Summary

Our Company operate in a healthcare sector. The Indian healthcare sector is expected to record a three-fold rise, growing at a CAGR of 22% between 2016 -2022 to reach US\$ 372 billion in 2022 from US\$ 110 billion in 2016. As of February 20, 2023, more than 220.63 crore COVID-19 vaccine doses have been administered across the country. By FY22, Indian healthcare infrastructure is expected to reach US\$ 349.1 billion. India climbed to the 63rd rank among 190 countries in the World Bank's 'Ease of Doing Business' rankings in 2020. As of 2021, the Indian healthcare sector is one of India's largest employers as it employs a total of 4.7 million people. The sector has generated 2.7 million additional jobs in India between 2017-22 over 5,00,000 new jobs per year. Rising income levels, an ageing population, growing health awareness and a changing attitude towards preventive healthcare is expected to boost healthcare services demand in the future. 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. Conducive policies for encouraging FDI, tax benefits, and favorable Government policies coupled with promising growth prospects have helped the industry attract private equity (PE), venture capitals (VCs) and foreign players. The Union Budget 2023 has allocated a whopping Rs. 88,956 crores to health expenditure, Rs 2,350 crores hikes to 2.71 per cent from Rs 86,606 crores in FY23.

Global Overview

Global growth is projected to fall from an estimated 3.4 percent in 2022 to 2.8 percent in 2023, then rise to 3.0 percent in 2024. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7 percent in 2022 to 1.3 percent in 2023. In a plausible alternative scenario with further financial sector stress, global growth declines to about 2.5 percent in 2023 with advanced economy growth falling below 1 percent. Global headline inflation in the baseline is set to fall from 8.7 percent in 2022 to 7.0 percent in 2023 on the back of lower commodity prices but underlying (core) inflation is likely to decline more slowly. Inflation's return to target is unlikely before 2025 in most cases.

Overview of India's healthcare ecosystem

The Indian healthcare sector is expected to record a three-fold rise, growing at a CAGR of 22% between 2016 -2022 to reach US\$ 372 billion in 2022 from US\$ 110 billion in 2016. As of February 20, 2023, more than 220.63 crore COVID-19 vaccine doses have been administered across the country. By FY22, Indian healthcare infrastructure is expected to reach US\$ 349.1 billion. India climbed to the 63rd rank among 190 countries in the World Bank's 'Ease of Doing Business' rankings in 2020. As of 2021, the Indian healthcare sector is one of India's largest employers as it employs a total of 4.7 million people. The sector has generated 2.7 million additional jobs in India between 2017-22 over 5,00,000 new jobs per year.

Government Initiatives as per Union Budget 2023

The Union Budget 2023 has allocated a whopping Rs. 88,956 crores to health expenditure, Rs 2,350 crores hikes to 2.71 per cent from Rs 86,606 crores in FY23. Initiatives for Health-sector segments as provided in Union Budget 2023 presented by Nirmala Sitharaman on February 01, 2023 are as follows:

1. For Nursing Colleges.
2. For Sickle Cell Anaemia Elimination Mission.
3. For Medical Research.
4. For Pharma Innovation.
5. For Multidisciplinary courses for medical devices.

The Government aims to develop India as a global healthcare hub, and is planning to increase public health spending to 2.5% of the country's GDP by 2025.

Nirbhay Capital Services Private Limited

(Merchant Banker)



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This document may contains certain forward-looking statements. These forward-looking statements can generally be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "shall", "will", "will continue", "will pursue" or other words or phrases of similar meaning. Similarly, statements that describe strategies, objectives, plans or goals are also forward-looking statements. **AHL** cannot assure investors that the expectation reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

THANK YOU