



# Inventurus Knowledge Solutions Ltd

**Inventurus Knowledge Solutions Ltd.**

<b>Rating</b> SUBSCRIBE	<b>Issue Opens On</b> Dec 12, 2024	<b>Issue Closes On</b> Dec 16, 2024	<b>Listing Date</b> Dec 19, 2024	<b>Price Band (INR)</b> 1,265 – 1,329	<b>Issue Size (INR Mn)</b> 23,776 – 24,979
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**Company Overview:**

**Inventurus Knowledge Solutions Limited (IKS)** is a prominent player in the healthcare operations and analytics domain, delivering comprehensive solutions to optimize revenue cycle management (RCM) and enhance operational efficiencies for its clients, primarily in the U.S. healthcare sector. The company leverages a robust technology platform, proprietary tools, and offshore delivery centers to achieve significant cost advantages and deliver measurable outcomes for healthcare providers.

A key milestone in its growth has been the acquisition of Aquity Holdings, which expanded its service portfolio and geographical footprint. IKS operates at the intersection of healthcare and technology, employing advanced analytics, automation, and artificial intelligence to address the complex needs of healthcare providers. The company's scalable business model enables it to expand operations without proportionately increasing costs, enhancing profitability.

**Outlook and Valuation:**

Inventurus Knowledge Solutions Ltd (IKS) leverages its market leadership in healthcare operations and analytics, primarily in the U.S. With a focus on revenue cycle management (RCM), telehealth, and clinical data optimization, IKS employs proprietary technology to deliver scalable, cost-efficient, and high-impact solutions. The company demonstrates strong client retention, with over 98.0% of revenue derived from repeat customers, underpinned by its "land and expand" strategy. The U.S. healthcare market's growth trajectory, combined with increasing reliance on outsourced services, offers significant expansion potential for IKS.

At the upper end of its IPO price band of INR 1,329, the company is valued at 61.6x P/E, the valuation looks attractive given the growth history, and prospects, supported by high-margin operations, robust technological differentiation, and an asset-light business model. The company's strong fundamentals, scalable solutions, and alignment with evolving healthcare needs position it as a growth-focused and sustainable investment. Hence, we assign a 'SUBSCRIBE' rating.

Particulars (In INR Mn)	FY22	FY23	FY24
Revenue	7,636	10,313	18,179
EBITDA	2,972	3,913	5,203
EBITDA Margin (%)	38.9%	37.9%	28.6%
Profit After Tax	2,330	3,052	3,705
PAT Margin (%)	30.5%	29.6%	20.4%
Net Worth	6,471	8,286	11,579
RONW (%)	36.0%	36.8%	32.0%

Source: IPO Prospectus

**OFFER STRUCTURE**

Particulars	IPO Details
No. of shares under IPO (Mn)	18.8
Fresh issue (# shares) (Mn)	-
Offer for sale (# shares) (Mn)	18.8
Price band (INR)	1,265 – 1,329
Post issue MCAP (INR Mn)	2,17,040 – 2,28,021

Source: IPO Prospectus

Issue	# Shares	INR Mn	%
QIB	14,096,633	Max. 18,734	Not less 75%
NIB	2,819,327	Min. 3,747	Not more than 15%
Retail	1,879,551	Min. 2,498	Not more than 10%
<b>Net Offer</b>	<b>18,795,510</b>	<b>24,979</b>	<b>100%</b>

Source: IPO Prospectus

Shareholding Pattern	Pre-Issue (%)	Post-Issue (%)
Promoters & Promoters Group	70%	33%
Others	30%	67%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Source: IPO Prospectus

**Objects of the Offer**

NA
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Source: IPO Prospectus

BRLM	
ICICI Securities Limited	
Jefferies India Private Limited	
JM Financial Limited	
Nomura Financial Advisory and Securities (India) Private Limited	
J.P. Morgan India Private Limited	

Source: IPO Prospectus

**Indicative Timetable**

Offer Closing Date	Monday 16 <sup>th</sup> Dec'24
Finalization of Basis of Allotment with Stock Exchange	Tuesday 17 <sup>th</sup> Dec'24
Initiation of Refunds	Wednesday 18 <sup>th</sup> Dec'24
Credit of Equity Shares to Demat accounts	Wednesday 18 <sup>th</sup> Dec'24
Commencement of Trading of Eq. shares on NSE	Thursday 19 <sup>th</sup> Dec'24

Source: IPO Prospectus

**Inventurus Knowledge Solutions Ltd.**

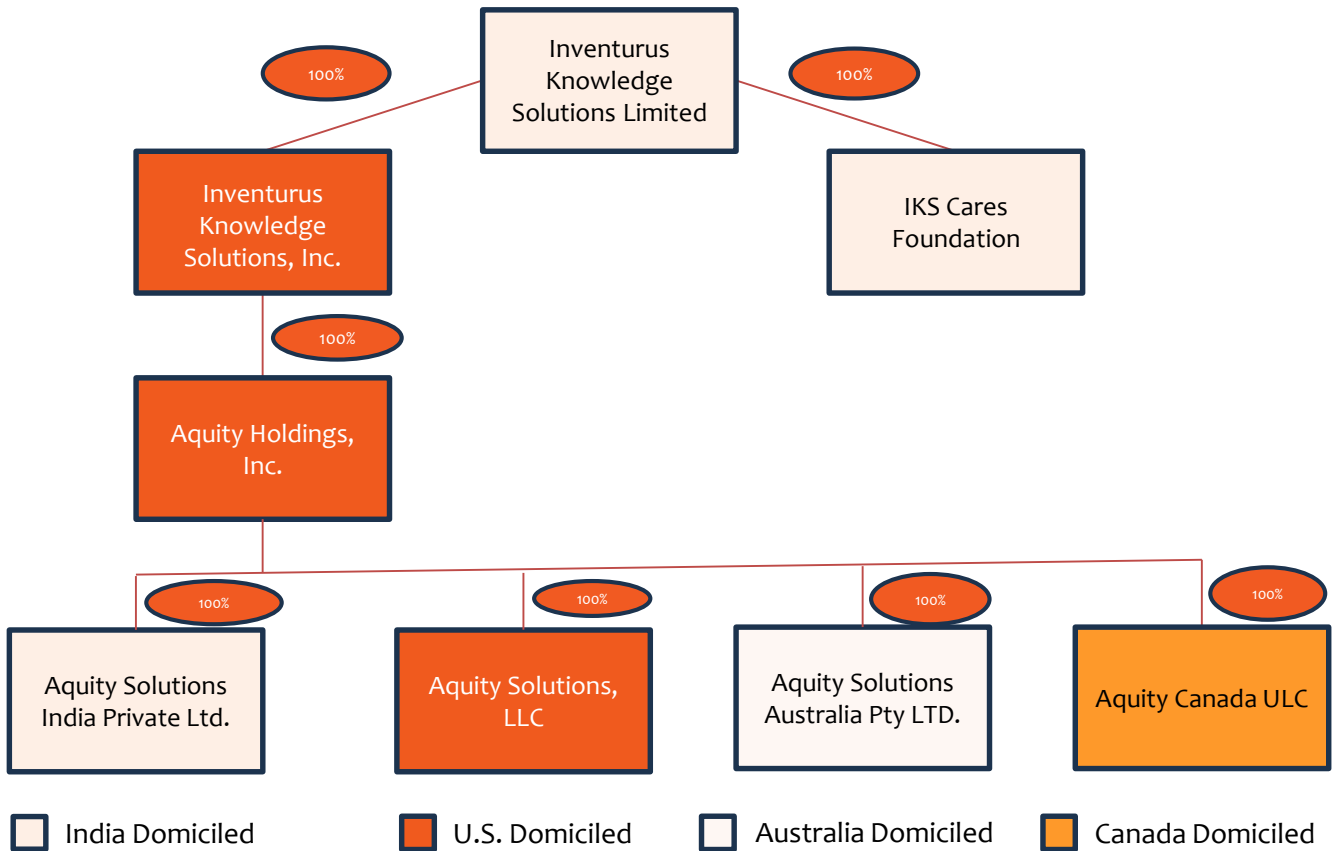
**Company Overview**

**Inventurus Knowledge Solutions Limited (IKS Health)**, established in 2006, is a leading provider of technology-enabled healthcare solutions, primarily serving outpatient and inpatient organizations in the U.S. market. Its care enablement platform empowers healthcare providers to deliver superior clinical care, enhance population health outcomes, transition to the “fee-for-value” model, and achieve operational efficiency by optimizing revenue and reducing costs.

As of September 30, 2024, IKS Health supports 778 clients, including prominent names like Mass General Brigham Inc., Texas Health Care PLLC, and The GI Alliance Management. The company leverages a global workforce of over 13,528 employees, including 2,612 clinically trained professionals, to deliver safe, cost-effective, high-quality solutions. The company’s strong presence in key markets across the U.S., Canada, and Australia underlines its commitment to client-centric innovation.

Through subsidiaries like Aquity Solutions LLC, IKS Health continues to expand its service offerings, bolstered by acquisitions such as Aquity Holdings Inc. With cutting-edge facilities in Navi Mumbai, India, and a strategic focus on combining technology and human capital, the company is poised to drive transformative healthcare solutions globally.

**Corporate Structure**



Source: IPO Prospectus, DevenChoksey Research

## Inventurus Knowledge Solutions Ltd.

### Company Overview

#### Business Model and Products Overview

The company's healthcare provider enablement platform helps healthcare providers focus more singularly on their core role of patient care while empowering healthcare organizations to thrive. The company takes on the chores of healthcare, spanning administrative, clinical, and operational services through its proprietary technology platforms so that physicians can focus on their core purpose of delivering patient care. Combining technology, dedicated resources, and clinically-trained employees, their solutions enable stronger and financially sustainable healthcare enterprises.

**Key Offerings:** Revenue Cycle Management (RCM), Telehealth Support, Provider Credentialing, Data Analytics, Clinical Documentation Improvement (CDI).

#### Solutions and Offerings

The company's revenue optimization solutions are designed to assist healthcare organizations in generating, capturing, and optimizing revenue while improving operational efficiency and enhancing enterprise value. These solutions leverage a cost-efficient, globalized, and technology-driven framework that offers on-demand scalability. The company aims to enhance patient experiences and improve revenue claim outcomes by employing autonomous patient journey management and revenue cycle optimization solutions.

Components of revenue optimization solutions are spread across various stages of the patient's journey, as shown below:

- **Pre-Visit Stage:** The company's solutions facilitate patient scheduling, eligibility verification, insurance verification, prior authorization, and patient financial liability assessment.
- **Peri-Visit Stage:** Involves solution in assisting with coding and referral order management.
- **Post-Visit Stage:** At this stage, the company's solutions support billing, payment posting, insurance denial management, and account receivables follow-up processes.
- **In-Acute Settings stage:** These solutions are equally applicable for patients admitted to hospitals, long-term inpatient care facilities, or skilled nursing facilities.

#### Revenue optimization offering in the Pre-Visit Stage

##### Patient Scheduling

The company offers centralized scheduling services, including online self-scheduling, to maximize visit volumes, reduce revenue loss, address staffing challenges, and lower operating costs.

##### IKS EVE

IKS EVE is a multi-channel patient access solution that automates front-end revenue cycle activities like insurance verification, prior authorization, and patient interactions. It improves efficiency, reduces costs, and minimizes revenue leakages.

#### Revenue optimization offering in the Peri-Visit Stage

##### Clinical Coding Solutions

Through proprietary technology and certified professionals, the company delivers:

- **Denovo Coding:** Direct coding without physician involvement, reducing effort and ensuring accuracy.
- **Concurrent Coding:** Review physician-selected codes for compliance before billing.
- **Denials Review:** Managing coding-related denials to optimize revenue collection.

## Inventurus Knowledge Solutions Ltd.

### Company Overview

### Solutions and Offerings

#### Referral Order Management

The company's referral order management ensures timely patient scheduling with appropriate specialists or facilities by identifying nearby options with available slots and assisting patients in booking appointments.

#### Revenue optimization offering in the Peri-Visit Stage

The company manages back-office revenue cycle functions, including billing and denial management, to help clients efficiently collect payments and improve financial metrics such as cash-to-net revenue ratio and accounts receivable days.

#### IKS Optimix

IKS Optimix is a proprietary platform that optimizes revenue by maximizing payments and reducing collection costs. The company uses rules-based algorithms for inventory allocation, task tracking, and performance assessment. Key features include claims tracking, proactive cash leakage alerts, and reporting, with payer specialists ensuring optimized collections.

#### Dashboard

The company's Dashboard is a cloud-based platform that provides performance tracking, analytics, and business intelligence to improve decision-making and financial outcomes. The company offers real-time KPI tracking, custom alerts, predictive cash flow analytics, and detailed insights into revenue cycle workflows.

#### Revenue optimization offering in the In-Acute Settings Stage

The company offers revenue cycle solutions for in-acute settings, including hospital claim billing, posting, insurance denial management, and accounts receivable follow-up with insurance companies and patients.

### Clinical Support Solutions offerings in the Peri-Visit Stage

#### IKS Scribble

The company uses automation, artificial intelligence, and human expertise to assist physicians in creating medical notes. Scribble is a virtual scribe solution that combines trained physician expertise and technology to provide accurate, detailed, and clinically relevant documentation.

#### Other Clinical Support Solutions

#### IKS Stacks

Clients typically receive large volumes of paper medical records by fax or mail from external entities not connected to their EHR. These records include discharge summaries, consult notes, radiology reports, physical therapy notes, and other medical documents from healthcare organizations outside the client's electronic network.

#### IKS AssuRx

The company's proprietary AssuRx software platform streamlines prescription refills by allowing trained physicians and pharmacists to digitally set up and validate refills according to clinical protocols. This reduces prescription errors, minimizes duplicate refills, and enhances efficiency, eliminating the need for nurses and physicians to manually manage and validate refills in the EHR system.

#### IKS Migrate – Clinical Data Migration

The company's IKS Migrate solution helps clients migrate medical records from legacy EHR systems to new systems accurately and cost-effectively. It focuses on migrating critical data elements—problem lists, allergies, medications, and immunizations with high accuracy to ensure confidentiality and regulatory compliance. The solution reduces the administrative burden on healthcare staff by automating data entry and validation, ensuring a smooth transition before patient visits.

## Inventurus Knowledge Solutions Ltd.

### Company Overview

#### Clinical Support Solutions in the In-Acute Settings Stage

##### Discharge Summary

The company deploys a team of trained physicians to assist hospitalists in creating discharge summaries, which include key clinical information for the patient's primary care physician and other caregivers. This solution expedites the discharge process, allowing hospitalists to focus on providing care to incoming patients. By streamlining discharge summary creation, the company helps improve accuracy and efficiency while freeing up hospitalists' time for patient care.

##### Risk and Quality Optimization

The company offers risk and quality optimization solutions that combine technology and professional expertise to help physicians improve the quality of patient care. These solutions normalize, aggregate, and stratify patient data, prioritize engagement, and provide data at the point of care. They are designed to accurately capture a patient's risk, medical profile, and disease severity, enabling proactive diagnosis of chronic conditions and reducing delays in care.

##### Clinical Chart Review

The company conducts clinical chart reviews using trained physicians to analyze two years of medical records. They identify additional health conditions and recommend tests, procedures, immunizations, specialist referrals, and follow-up care to improve patient outcomes.

##### HCC Coding

The company offers Hierarchical Condition Codes (HCC) coding solutions to accurately document and manage risk-adjusted codes. The solutions involve a thorough review of patient records, often spanning the past 12 months. The coding process is physician-led and technology-enabled, using proprietary and third-party tools. The company provides both retrospective and prospective HCC coding reviews, identifying unbilled or unsupported HCC conditions and offering feedback to clients. Coders work closely with physicians to address gaps and ensure accurate documentation of assessments and treatment plans.

##### Unifying Data Platform

The company's Unifying Data Platform aggregates, normalizes, and cleans clinical, financial, and administrative data into a single enterprise data warehouse. It applies cognitive processing to visualize and generate actionable insights, driving improvements across administrative, operational, and financial outcomes. The platform integrates with business systems and data visualization tools, offering extensive reporting capabilities through an intuitive interface.

## Inventurus Knowledge Solutions Ltd.

### Company Overview

#### Value Proposition

##### Bespoke IT Solutions

As of September 30, 2024, the company employs a technology team of 564 professionals who build and maintain customized IT software applications for healthcare providers and independent software vendors. These include transaction engines, workflow tools, data warehouses, dashboards, and interfaces with practice management, billing, and EHR systems. The company's digital health solutions help U.S. healthcare organizations optimize technology spending, maximize the value of technology investments, and reduce capital expenditures and operating costs.

##### Enabling physicians to deliver better, safer, and more affordable clinical outcomes.

The company is dedicated to helping physicians achieve better, safer, and more affordable clinical outcomes. Physicians operate in a demanding environment, juggling complex regulatory requirements, insurance obligations, evolving technology, and increasing patient demands. These challenges often contribute to physician burnout and make it harder to attract, retain, and motivate top talent in the healthcare industry.

To address these issues, the company's platform offers a comprehensive suite of digital solutions that alleviate the administrative burden on healthcare providers. By **automating key tasks such as clinical documentation, patient scheduling, prescription refills, data management, and clinical data migration**, the platform improves operational efficiency and supports physician wellness. With tools like pre-visit summaries and discharge summaries, the platform enables clinicians to focus on more critical, patient-facing tasks, ultimately enhancing productivity and care quality.

##### Obtain accurate and timely payments for clinical care provided.

The company's solutions are aimed at **optimizing revenue and minimizing costs within the revenue cycle**. This is achieved by maximizing collectible payments, reducing accounts receivables, limiting bad debt write-offs, and addressing underpayments from insurance companies. By improving clinical documentation, the company enhances revenue cycle performance, reducing denial rates and accounts receivable days.

Through the use of technology, the company automates key processes, such as patient financial clearance, clean claim submission, payment posting, and reconciliation. These innovations reduce inefficiencies in accounts receivable follow-up, lower payment collection costs, and drive revenue growth. Ultimately, this enables clients to offer more affordable care and allocate capital toward investments that improve clinical outcomes.

##### Help risk-bearing healthcare organizations deliver greater value to patients

The company's services empower healthcare organizations to deliver superior clinical care, improve population health outcomes, and transition smoothly to a **"Fee for Value" model**. Their value-based care solutions support risk-bearing healthcare organizations by enabling them to monitor patient health, identify care gaps, and provide proactive, preventive care.

**Key solutions include IKS Stacks for identifying care gaps**, clinical chart reviews for early detection of potential medical conditions, HCC coding for accurate disease identification, and Care and Utilization Management solutions for executing appropriate clinical interventions. Additionally, the platform automates routine administrative tasks, allowing nurses and medical assistants to focus on patient-facing care, further enhancing efficiency and outcomes.

##### Enabling healthcare organizations to leverage the full potential of digital health platforms

The US healthcare market faces challenges with fragmented systems, hindering efficiency and technology modernization. **The company addresses this by offering a digital health platform that enhances and manages clients' technology systems**. Their Unifying Data Platform (UDP) aggregates data from billing systems and EHRs into a single database, enabling better decision-making without the need for costly system migrations.

## Inventurus Knowledge Solutions Ltd.

### Industry Overview

#### Macroeconomic Scenario

In 2023, the top 5 global economies contributed approximately 55.0% of the total Global GDP, with the United States leading at 26.1%. The U.S. economy is expected to continue its dominance, with a projected 4.2% CAGR in Global GDP from 2023 to 2028.

After a strong post-pandemic recovery, the U.S. grew by 10.7% in 2021 and 9.1% in 2022, stabilizing at 6.3% growth in 2023. The IMF forecasts that the U.S. GDP will reach USD 33.5 Tn by 2028, driven by sustained growth.

#### Macro Trends Impacting the U.S. Landscape and Driving Demand for Healthcare

**Increasing life expectancy:** Rising life expectancy in the U.S. driven by lifestyle and medical advancements will increase demand for specialized healthcare workers due to age-related chronic illnesses.

**Growing elderly population:** The U.S. population aged 65+ has steadily increased since 2005 and is projected to reach 26.7% by 2025, up from 18.6% in 2000. This shift highlights a growing need for healthcare services, particularly geriatric care, and potential adjustments to healthcare policies.

**Surging chronic medical conditions:** Chronic conditions, affecting 7 in 10 Americans, account for 70% of deaths and 75% of healthcare spending. By 2025, over 164 Mn Americans are projected to have a chronic disease, with cancer, diabetes, mental illness, heart disease, and respiratory diseases leading to higher mortality and healthcare costs.

**Growth in health insurance coverage:** Health insurance coverage in the U.S. is projected to rise from 86.3% in 2000 to 92.5% by 2025, driving an increase in patient visits and admissions from 62.7 Mn to 90.4 Mn. Greater insurance access has led to more healthcare utilization.

**Pandemic's strain on health services:** The COVID-19 crisis caused millions of deaths, strained healthcare services, and underscored the need for reforms to ensure affordable, universal access to care.

**Deferred treatment:** COVID-19 caused delays in noncritical care, with 41.0% of U.S. adults avoiding medical treatment in 2020. Hospital stays increased by 9.9% in 2021 and 19.0% by 2022 compared to pre-pandemic levels, reflecting ongoing healthcare system challenges.

**Increased physician stress:** Increased patient volume and extended hours have caused significant burnout among U.S. physicians. By 2025, the U.S. is projected to face shortages of 446,000 home health aides, 95,000 nursing assistants, 98,700 medical professionals, and 29,000 nurse practitioners.

**Increased cost per service:** U.S. healthcare spending reached USD 4 Tn in 2020, averaging USD 12,530 per person. By 2031E, it is projected to rise to USD 7.2 Tn (USD 20,425 per capita), driven by the surge in severe COVID-19 cases and increasing healthcare costs.

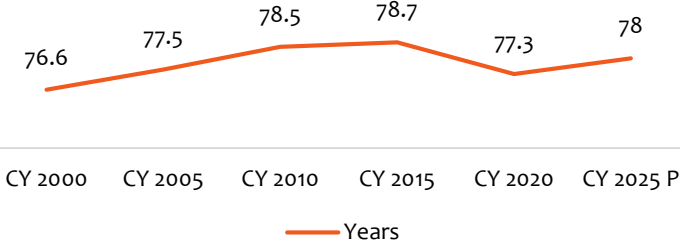
**Home-based care:** Home care organizations collaborated with COVID-19 facilities to discharge stabilized patients, offering both clinical care and personal assistance. The home care market is projected to reach USD 272 Bn by 2026E, driven by demographic aging.



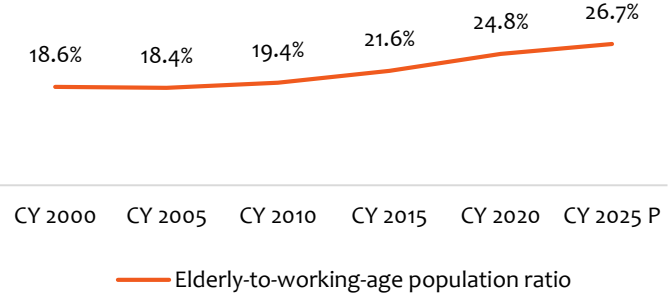
**Inventurus Knowledge Solutions Ltd.**

**Industry Overview**

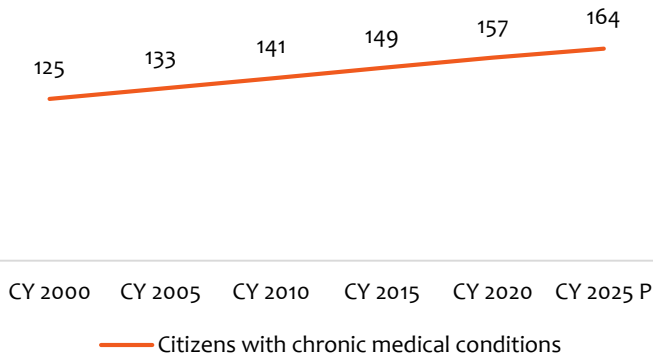
**Increasing Life Expectancy (in Yrs)**



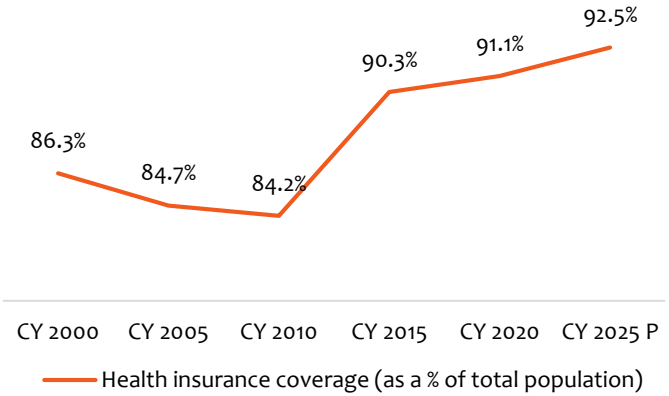
**Increasing share of elderly population**



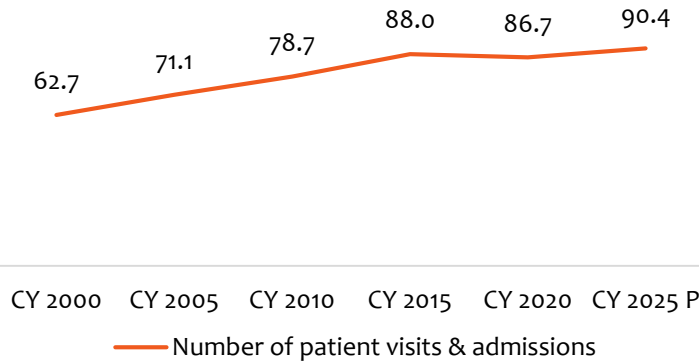
**Surging Chronic Medical Patients (in Mn)**



**Health insurance growth**



**Rising patient visits & admissions (in Mn)**



Source: IPO Prospectus, DevenChoksey Research

## Inventurus Knowledge Solutions Ltd.

### Industry Overview

#### Outsourced market for Healthcare Provider-centric technology solutions

The outsourced services market in the technology-enabled healthcare provider space is growing rapidly as providers seek to boost efficiency and streamline operations. By leveraging technology-enabled service providers to handle workflows like billing, revenue cycle management, patient engagement, and data analytics, healthcare organizations can focus on core patient care activities and achieve higher-quality care while maintaining operational excellence.

**Revenue Cycle Management** – RCM represents the largest segment within the tech-enabled outsourced healthcare provider services with a Total Addressable Market ("TAM") of USD 18 Bn in 2023. Accounting for 18.0% of the overall RCM market, RCM outsourcing is projected to grow at a CAGR of 13.0%, from 2023 to 2028E. This segment continues to be critical for ensuring seamless financial operations within healthcare systems, from managing claims to facilitating the smooth flow of revenue.

**Clinical Services** – Clinical Services outsourcing, which supports essential aspects of patient care and clinical decision-making, has a TAM of USD 7.7 Bn. With a third-party penetration of 11%, this segment is expected to grow steadily at a CAGR of 10% from 2023 to 2028E, reflecting ongoing investments in outsourcing for enhanced healthcare delivery and coordination.

**Value-Based Care** – Value-Based Care shows significant dynamism within the outsourced sectors, having a TAM of USD 4.3 Bn and an outsourced market share of 13.0%, growing at a CAGR of 10.0%, from 2023 to 2028E.

**Scribe and Medical Transcription Solutions** – Scribe and Medical Transcription Services are emerging as a significant space within the outsourced market for Provider-centric technology solutions, holding a TAM of USD 2.7 Bn and an outsourcing component of 27% of its overall addressable market. Projected to grow at a rate of 10%, from 2023 to 2028, these services enhance the efficiency of healthcare providers by minimizing the time spent on administrative tasks and allowing more focus on patient care.

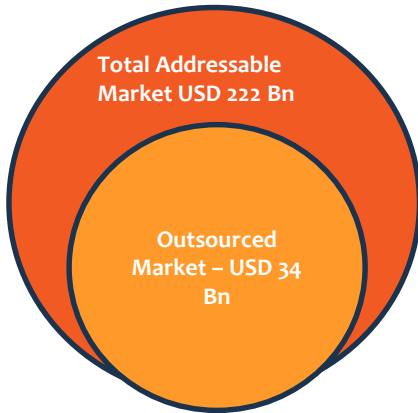
**Coding** – Coding Services hold a TAM of USD 1.4 Bn with the highest third-party penetration in its addressable market, at 29%. Despite a relatively lower CAGR of 9%, from 2023 to 2028, these services are pivotal in ensuring accurate medical billing and compliance, underlining their importance in healthcare administration.

The various segments within provider-enabled technology solutions – such as Revenue Cycle Management, Clinical Services, Value-Based Care, Scribe and Transcription Solutions, and Coding Services – demonstrate robust growth and significant market potential, with an overall projected CAGR of 11.7% from 2023 to 2028. Revenue Cycle Management leads the market with a TAM of USD 18 Bn, while Scribe and Coding Services show high market penetration. IKS Health's current market penetration remains limited compared to the projected total addressable market in 2027, indicating a significant untapped market opportunity for providers of healthcare provider enablement solutions like IKS Health to ride this wave of growth.

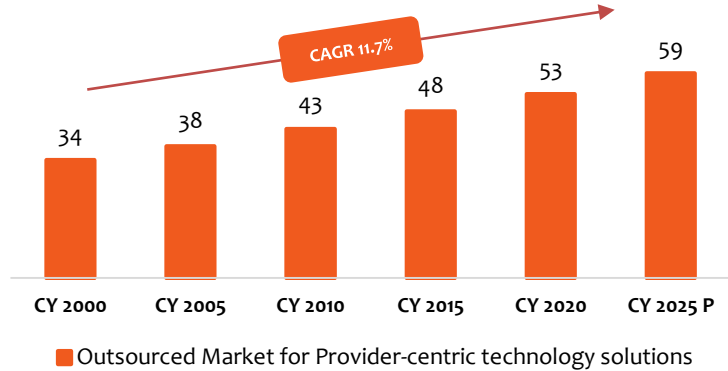
Currently, IKS Health holds less than 1% of the provider-enabled technology solutions market, underscoring a vast untapped potential. As a premier provider of healthcare enablement solutions, IKS Health is strategically positioned to significantly grow its market share and capitalize on the industry's immense expansion opportunities.

## Inventurus Knowledge Solutions Ltd.

### Industry Overview



Estimated Outsourced Market for Provider-Centric technology solutions across CY 2023-28



Total Addressable Market and Total Outsourced Services Market for Provider-centric technology solutions

Source: IPO Prospectus, DevenChoksey Research

### Key Strategies

#### Asset-Light and Scalable Model

- Inventurus Knowledge Solutions Ltd employs an asset-light and scalable business model designed to optimize financial efficiency while supporting operational expansion.
- Key strategies include cross-selling additional products and services to existing clients, leveraging proprietary technology like Optimix to reduce delivery costs and enhance operational metrics, and driving employee productivity through advanced e-learning modules and training methods.
- The company further emphasizes client-centric collaboration by engaging U.S.-based domain experts to identify and implement process improvements.

#### Revenue Maximization via Repeat Clients

- A cornerstone of the company's growth strategy is its focus on generating consistent revenues from existing clients.
- **Repeat Business:** Achieved 98.57% to 100% of revenue from repeat clients across multiple fiscal periods.
- **Cross-Selling:** Tailors solutions to client-specific requirements, creating opportunities for cross-selling and up-selling additional services, enhancing revenue per client.

#### Strategic Focus on Large Healthcare Enterprises

- Targeting large-scale healthcare organizations enables the company to capture high-value contracts and achieve economies of scale.
- **Enterprise-Level Solutions:** Delivers integrated services tailored to the complex needs of large clients, ensuring sustained revenue growth.
- **High-Impact Partnerships:** Positions itself as a strategic partner, fostering long-term engagements with top-tier healthcare entities.

#### Plug-and-Play Scalability

- The company supports its clients' growth trajectories through scalable and standardized service models.
- **Delivery Expansion:** Employs a plug-and-play approach, seamlessly integrating new client operations and acquisitions.
- **Knowledge Institutionalization:** Converts client-specific operational knowledge into standardized, technology-enabled processes to ensure scalability and efficiency.

#### Integration of Advanced Technologies

- Investments in AI/ML-driven automation serve as a key differentiator in the company's service delivery.
- **Automation and Efficiency:** Enhances operational workflows through advanced technologies, reducing reliance on manual processes.
- **Competitive Edge:** Positions the company as a leader in delivering innovative, cost-effective solutions in a highly competitive market. These strategies collectively underscore the company's ability to drive revenue growth, enhance operational efficiency, and create long-term shareholder value, ensuring a resilient and scalable business model.

**Inventurus Knowledge Solutions Ltd.**

**SWOT Analysis**



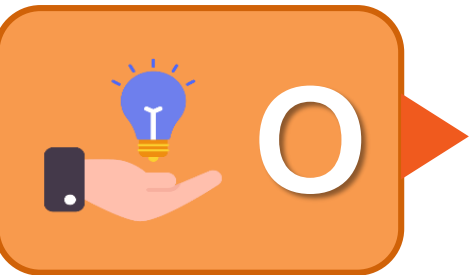
**Strengths:**

1. **Experienced Leadership Team:** A significant portion of revenue is secured through multi-year contracts with healthcare providers and institutions, ensuring financial stability.
2. **Operational Efficiency:** Leveraging cost-effective offshore delivery centers to maintain competitive margins and pricing.
3. **Experienced Leadership Team:** A seasoned management team with deep expertise in healthcare outsourcing and technology solutions enhances strategic execution.
4. **Scalable Business Model:** The company’s technology-driven platform is scalable, allowing for rapid expansion without proportionate increases in cost.
5. **Brand Reputation:** Known for reliability and high-quality service delivery in the healthcare outsourcing sector



**Weaknesses:**

1. **Concentration of Revenue:** A significant percentage of revenue is derived from a few large clients, posing a client-concentration risk..
2. **Limited Diversification in Offerings:** Current services are highly specialized in healthcare, limiting exposure to other high-growth industries.
3. **High Attrition Rates:** Attrition among skilled professionals could increase recruitment and training costs, impacting operational continuity.
4. **Debt Levels:** Potential financial leverage or reliance on debt financing could affect profitability ratios, such as interest coverage and net margins.



**Opportunities:**

1. **Healthcare Reform Initiatives:** Opportunities to support compliance with evolving regulations such as HIPAA or value-based care reimbursement models.
2. **Digital Transformation:** Rising adoption of cloud-based and SaaS (Software as a Service) models in healthcare aligns with the company's tech capabilities.
3. **Inorganic Growth through Acquisitions:** Acquiring complementary businesses to diversify offerings and gain market share in untapped regions.
4. **Emerging Technologies:** Investments in advanced analytics, telehealth, and robotic process automation (RPA) could enhance service offerings and improve margins.
5. **Government Incentives:** Benefiting from incentives and subsidies for healthcare service providers and technology enablers.



**Threats:**

1. **Cybersecurity Risks:** High sensitivity of healthcare data makes the company a target for cyberattacks, potentially leading to reputational damage and financial penalties.
2. **Technology Obsolescence:** Failure to innovate or adapt to new technologies could erode the company’s competitive edge..
3. **Litigation Risks:** Exposure to legal disputes, particularly around client contracts or intellectual property, may lead to unforeseen liabilities.

**Inventurus Knowledge Solutions Ltd.**
**Financials:**

Income Statement (INR Mn)	FY22	FY23	FY24
<b>Revenue</b>	<b>7,636</b>	<b>10,313</b>	<b>18,179</b>
Operating Expenditure	4,665	6,400	12,976
<b>EBITDA</b>	<b>2,972</b>	<b>3,913</b>	<b>5,203</b>
<b>EBITDA Margin %</b>	<b>38.9%</b>	<b>37.9%</b>	<b>28.6%</b>
Other Income	208	289	400
Depreciation	233	246	585
Interest	64	54	601
<b>PBT</b>	<b>2,883</b>	<b>3,903</b>	<b>4,417</b>
Exceptional Items	197	309	0
Tax	356	541	712
<b>Profit after Tax</b>	<b>2,330</b>	<b>3,052</b>	<b>3,705</b>
<b>PAT Margin (%)</b>	<b>30.5%</b>	<b>29.6%</b>	<b>20.4%</b>
Reported EPS	14.0	18.1	22.2

Cash Flow (INR Mn)	FY22	FY23	FY24
CFFO	2,331	2,880	2,098
CFFI	-824	-1,560	-11,413
CFFF	-585	-1,522	7,804
Net Increase/(Decrease) in Cash	921	-202	-1,511
<b>Cash at beginning</b>	<b>534</b>	<b>1,457</b>	<b>1,236</b>
Forex	2	-19	40
Working Capital loan			1,673
<b>Cash at the end</b>	<b>1,457</b>	<b>1,236</b>	<b>1,438</b>

Balance sheet (INR Mn)	FY22	FY23	FY24
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	265	203	521
Right-of-use assets	489	374	1,041
Other non-current assets	2,515	2,325	19,735
<b>Current Assets</b>			
Trade receivables	956	1,606	3,619
Cash and cash equivalents	1,457	1,236	1,438
Bank balances other than cash and cash equivalents	2,013	3,993	1,880
Other current assets	181	146	2,041
<b>Total Assets</b>	<b>7,875</b>	<b>9,883</b>	<b>30,275</b>
<b>Equity &amp; Liabilities</b>			
Equity share capital	168	168	169
Other equity	6,303	8,118	11,409
<b>Total Equity</b>	<b>6,471</b>	<b>8,286</b>	<b>11,579</b>
<b>Non-Current liabilities</b>			
Borrowings	-	-	8,123
Lease liabilities	512	393	945
Other non-current liabilities	64	54	1,728
<b>Current liabilities</b>			
Borrowings	0	0	3,811
Lease Liability	140	130	232
Trade payables	97	217	677
Other current liabilities	592	802	3,180
<b>Total Equity and Liabilities</b>	<b>7,875</b>	<b>9,883</b>	<b>30,275</b>

Source: IPO Prospectus, Deven Choksey Research

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KRChoksey Shares and Securities Pvt. Ltd.

CIN-U67120MH1997PTC108958

Registered Office: 1102, Stock Exchange Tower, Dalal Street, Fort, Mumbai – 400 001.

Phone: 91-22-6633 5000; Fax: 91-22-6633 8060

Corporate Office: 701-702, DLH Plaza, Opp Shoppers Stop, S V Road, Andheri (W), Mumbai 400 058

Phone: 91-22-66535000

Compliance Officer: Varsha Shinde

Email: [varsha.shinde@krchoksey.com](mailto:varsha.shinde@krchoksey.com)