

Krishna Institute of Medical Sciences Ltd.
Sector Healthcare
Issue Highlights

Issue Open	June 16, 2021
Issue Close	June 18, 2021
Issue Price	Rs. 815 - Rs. 825 /Share
Total Issue Size	Rs. 2,143.7 Cr
<i>Of which</i>	
Offer for Sale	Rs. 1,943.7 Cr
Fresh Issue	Rs. 200 Cr
Face Value	Rs. 10/share
Market Lot	18 Equity Shares
Issue Type	Book Built Issue

Offer Structure

QIB Category	75%
Retail category	10%
Non-Institutional	15%

Lead Book Running Managers

- Kotak Mahindra Capital Company Ltd.
- Axis Capital Ltd.
- Credit Suisse Securities (India) Private Ltd.
- IIFL Securities Ltd.

Registrar To The Offer

- Link Intime India Private Ltd.

About the Company

Incorporated in 1973, Krishna Institute of Medical Sciences Ltd. (KIMS) is one of the largest corporate healthcare groups in AP and Telangana in terms of the number of patients treated and treatments offered. It provides multi-disciplinary integrated healthcare services, with a focus on primary, secondary & tertiary care in Tier 2-3 cities and primary, secondary, tertiary and quaternary healthcare in Tier 1 cities. KIMS operates 9 multi-specialty hospitals under the "KIMS Hospitals" brand, with an aggregate bed capacity of 3,064, including over 2,500 operational beds as of March 31, 2021, which are 2.2 times more beds than the second-largest provider in AP and Telangana. It offers a comprehensive range of healthcare services across over 25 specialties and super specialties including cardiac sciences, oncology, neurosciences, gastric sciences, orthopedics, organ transplantation, renal sciences and mother & child care. KIMS has grown from a single hospital to a chain of multi-specialty hospitals through organic growth and strategic acquisitions under the leadership of its founder and Managing Director Dr. Bhaskara Rao Bollineni, and Dr. Abhinay Bollineni, its Executive Director and CEO.

Objects of the Issue

- Repayment and/or pre-payment of debt of its company or its subsidiaries
- General corporate purposes

Valuation

The Indian healthcare industry is expected to log a CAGR of 17-18% and Rs. 7.1 trillion by FY24. This would be led by renewed impetus on Pradhan Mantri Jan Arogya Yojana (PMJAY). Also, changing demographics, increasing health awareness, medical tourism, health insurance coverage and rising income levels would be key drivers of growth for the healthcare industry. Further, 68% of hospital treatments in terms of value were carried out by private hospitals in FY20 which is expected to increase to 72% in FY24. All these factors bodes well for players like KIMS.

KIMS is well-positioned to consolidate India's large, unorganized and yet rapidly growing and underserved affordable healthcare market. Additionally, it maintains a standard of high-quality healthcare by consistently employing a diverse pool of talented doctors, nurses and paramedical professionals. The company's financial performance has been quite encouraging with healthy growth in revenue and profitability. Moreover, it has diversified revenue streams with no single specialty accounting for more than 25% of its total income in the last 3 years. Going forward, the company intends to strengthen its existing hospitals and specialties and also strategically grow its presence in adjacent markets. Further, it has also planned initiatives that would help the company achieve higher operational efficiencies. Considering healthy industry growth prospects and KIMS strong track record, we have a positive view on the company for the long term. **Key risks:** i) The pandemic has affected regular business operations which may continue if the duration and severity increases, ii) Unfavorable government policy could impact profitability.

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Statements on ownership and material conflicts of interest , compensation– Research Analyst (RA)

[Please note that only in case of multiple RAs, if in the event answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F(j) below , are given separately]

S. No.	Statement	Answer	
		Yes	No
		Tick appropriate	
		Yes	No
	I/we or any of my/our relative has any financial interest in the subject company? [If answer is yes, nature of Interest is given below this table]		No
	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance?		No
	I / we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of public appearance?		No
	I/we have received any compensation from the subject company in the past twelve months?		No
	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation for products or services other than brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation or other benefits from the subject company or third party in connection with the research report?		No
	I/we have served as an officer, director or employee of the subject company?		No
	I/we have been engaged in market making activity for the subject company?		No

Nature of Interest (if answer to F (a) above is Yes :

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Name(s) with Signature(s) of RA(s).

[Please note that only in case of multiple RAs and if the answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F(j) above , are given below]

SS.No.	Name(s) of RA.	Signatures of RA	Serial Question of question which the signing RA needs to make a separate declaration / answer	Yes	No.

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