

## SECTION - 1

### INTRODUCTION / REFERENCE

State Bank of India, SME Burdwan Branch vide their mail dtd 25<sup>th</sup> June 2021 has advised M/s. C Ghosh Consultancy Services Pvt. Ltd, to conduct a Techno Economic Vetting of the Hospital Project. The infrastructure is being constructed on the land situated at Plot 307, JL-19, KH-386/1, Mouza – Usufabad, Village - Fagupur, Nawabghat, near Gurudwara, Bardhaman - 713104, West Bengal.

This Hospital has been set up by 9 entrepreneurs who are the Directors of the Company of which one of them is a Doctor of repute namely- Dr. Aminul Islam. The other directors are Mr. Mohamedhusain Alamsha Shiekh, Mr. Arsad Ali Mallick, Mr. Mahammad Rahaman Mafijur, Sekh Rabiul Haque, Mr. Salman Mohammad Shaikh, Mr. Naiyer Alam, Mr. Motiar Rahman and Mr. Hasib Alam

The Cost of the Project is calculated by the Company at Rs. 2897.04 Lacs, proposed to be funded by (a) Bank Term Loan of Rs. 1350 Lacs, Promoters Contribution of Rs. 1547.04 Lacs.

Further the unit opts for a Working Capital Loan from SBI to the tune of Rs. 100 Lacs towards against dues outstanding from Corporate Debtors and stock of Medicines and allied Kits

The unit also intends to opt for a Bank Guarantee Limit of Rs. 50 Lacs towards Electricity Connection from WBSEDCL (West Bengal State Electricity Development Corporation Limited).



- This TEV conducted by C Ghosh Consultancy Services Pvt.. Ltd. has focused on the following critical factors :
  - o Reasonableness of Project Cost including all cost components, its implementation schedule, envisaged by the unit
  - o Intra Industry Cost with comparable data
  - o Basis of assuming Project costs and Pre operative Expenses
  - o Sources and availability of Buyers in the area
  - o Demand supply scenario
  - o Assessment of projected revenue realization and other financial parameters in relation to servicing of Bank Loan
  - o Arrangement of source of funds / equity to be brought in to maintain the projected debt-equity ratio
  - o Status of statutory approvals
  - o Technical Feasibility / Economic Viability



Detailed Cost of the Project & the Means of Finance as under:

Particulars	As per the unit	As per our estimate
	Rs. in lacs	
LAND	99.29	99.29
LAND DEVELOPMENT	12.10	12.10
CIVIL CONSTRUCTION Including Roof Shed	828.39	828.39
PERIPHERALS	45.85	45.85
ELECTRICAL INSTALATION with Generator	440.22	520.70
ELECTRIC CONNECTION - WBSEDCL	--	10.35
LIFT	37.60	53.85
OTHER FIXED ASSTES	1074.25	1074.81
AMBULANCE	30.94	30.94
COMPUTER	11.48	11.48
FURNITURE & FIXTURE	159.62	152.10
PREOPERATIVE EXPENSES	123.97	78.97
<b>TOTAL FIXED COST</b>	<b>2863.71</b>	<b>2918.83</b>
Working Capital Margin	33.33	34.76
<b>TOTAL PROJECT COST</b>	<b>2897.04</b>	<b>2953.59</b>

The reason for the variations has been adequately explained in the appropriate sections of this report.

Means of Finance :	As per the unit	As per our estimate
	Rs. in lacs	
Promoters Equity & Unsecured Loan	1547.04	1603.59
Term Loan from SBI	1350.00	1350.00
<b>TOTAL</b>	<b>2897.04</b>	<b>2953.59</b>
Debt to Equity Ratio	0.87:1	0.84:1

While commenting on the Financials in the different section of the report, the projections have been modified as and where necessary to match with the altered projection as per our perception and understanding.

Promoters' Contribution would be brought in through influx of Share Capital and as Quasi Equity as under :

- Through influx of Share Capital of Rs. 970 Lacs by the FY 2021-22 thus totaling the Share Capital to Rs. 1,000 Lacs
- Introduction of Fresh Unsecured Loan of Rs. 588.44 Lacs thus totaling to Rs. 616.09 Lacs.





- The construction is proposed to be completed within October 2021 and the Hospital is expected to run commercially with at 45% capacity from November 2021 (operable for 5 months for the FY 21-22)
- Term Loan shall be availed in phased manner till March 2022 and Moratorium period has been considered till September 2022
- Interest on Term Loan and Cash Facility has been considered at 9% as against the proposal wherein Interest rate was assumed at 9.5% pa.
- State Bank of India intends to finance the Movable Fixed Assets of the Hospital i. e. the Machineries, Equipment and Furniture at the Hospital including its Pathological and Diagnostic Services including financing its prime operational systems like Fire protection, Air-conditioning, Oxygen supplies and connection, Medical Furniture, Cathlab, CT Scan, Electrical items, Lift and various Furniture & Fixture related to the hospital, medical equipment including ancillary equipment etc, with a maximum assistance upto Rs. 1350 Lakhs.
- Contingency has not been built in the project to take care of the price escalations for the following reasons :
  - Project cost based on Old Quotations and price enquiries which has already expired their validity periods. We suggest that the costs be immediately confirmed and finalised to cover any cost overrun.
  - As civil construction is almost complete, firm orders have to be considered for Machineries/ equipment/ furniture & fixtures
  - Certain quotations require transportation charges and other allied charges to be borne by the unit which has not been considered.



## SECTION – 2

### APPROACH / STEPS FOLLOWED / SCOPE OF TEV

On receipt and in terms of the mandate and the scope of work, our team followed the following steps in sequence: -

- ❑ Preparation of a check list seeking information or documents for database required from the unit to aid the process of such study. Check lists are designed for understanding the basis of projections incorporated in the report.
- ❑ Interactions with the Company representatives & Site Manager of the unit
- ❑ Visit of the proposed site on 16<sup>th</sup> July, 2021
- ❑ Critical Review & Appraisal of the documents received from the unit including the initial \concept and Project Report forwarded
- ❑ Understanding the activity step wise / process wise
- ❑ Assessing core strength of the Directors, Managers and Supervisors of the proposed Site
- ❑ Business Environment and Marketing
- ❑ Choice of technical process and / or appropriate technology
- ❑ Size and scale of operations
- ❑ Location aspects of the project and availability of infrastructural facilities.
- ❑ Approach / Initiatives undertaken for the execution of the project
- ❑ Determination of project cost estimates, profitability projections, etc



## SECTION – 3

### DOCUMENTS RECEIVED & RELIED UPON

The photocopy of the following documents has been received from the unit, which have been relied upon for preparation of the Techno-Economic viability report of the project.

1. Articles and Memorandum of Association of the Company
2. Details of the Directors and their Financials
3. Brief Profile of the unit including its current business operation
4. Project Report for the Proposed Expansion
5. Engineers Estimate
6. Quotations and Estimates
7. Ledgers and bank Statements in support of cost already incurred
8. Soil test Report
9. Land Deed
10. Land Conversion
11. Civil Estimate
12. Land Porcha, Khazana,
13. Clearance from Burdwan Development Authority
14. Approved Site Plan
15. Permission from National Highway Authority
16. Fire Certificate
17. Provisional certificate of Registration for Trade and Specified Nature





## SECTION – 4

### SHORT WRITE UP ABOUT THE COMPANY AND ITS DIRECTORS

AHAD MULTISPECIALITY HOSPITAL PRIVATE LIMITED, CIN - U85100WB2015PTC206248, was on 06<sup>th</sup> May 2015 having its Registered office at C/O Md. Idrish, T 53, Fagupur, Nawabghat, Near Gurdwara, Bardhaman - 713104.

The company plans to build a prestigious 100 bedded Hospital & Health care unit where patient will have access to well-equipped and modern facilities.

The Company was previously known by the name "M/s. Ruhab Traders Pvt Ltd" and the name was changed to Ahad Multispeciality Hospital Pvt Ltd with effect from 16<sup>th</sup> February 2018 (as per ROC site)

The Authorised Share Capital of the Company is Rs. 950 Lacs divided into 95 lacs Equity Shares of Rs. 10 each. Subscribers of the Memorandum for 3 Lac Shares are as under :

Sekh Rabiul Haque	– 90,000 Equity Shares
Dr Aminul Islam	- 60,000 Equity Shares
Mr Kamal Hossain Sheikh	- 60,000 Equity Shares
Mr. Hasib Alam	- 90,000 Equity Shares



The Memorandum of Association of the Company was altered 18<sup>th</sup> January 2018 and altered its primary Objective as under (downloaded from ROC site):

" To own, establish, run, manage, and maintain, hospitals, research centers, diagnostic centers, blood bank service centers, immunisation centers, medical and other research centers, nursing homes, health centers, rehabilitation centers, clinics, polyclinics, laboratories and to apply or provide utility articles and services to patients, attendants and others and to provide aids to medical personnel for research and development and to act and work as consultants in medical profession in India and abroad"

Thus the above main clause of the Company allows the main objective of setting up the hospital and provide medical facilities.

Clause 14 of the Memorandum of Association includes an clause which may be detrimental to the interest of the Company :

"to employ agents in multi level marketing system for the expansion and conduct of business for the achievement of the main object" – it involve statutory challenges.

The Company proposes to increase its Share Capital by Rs. 970 Lacs i.e. from 30 Lacs to Rs. 1000 Lacs by the FY 2021-22.





## TEV Report of Ahad Multispeciality Hospital Pvt. Ltd

In pursuance of the same Private Placement Offer in Form PAS – 5 was filed with ROC dated 9<sup>th</sup> July 2021 for a total amount of Rs. 900 Lacs. The Offer letter was circulated on 06<sup>th</sup> March 2021 to the undermentioned persons :

Details of the Persons	Amount of Offer (Rs.)
Mr Aminul Islam	99,00,000
Mr. Arsad Ali Mallick	180,00,000
Mr. Habib Alam	117,00,000
Md. Mafjur Rahaman	54,00,000
Mohammad Salman Shaikh	90,00,000
Mohammad Taiab Ali Shaikh	72,00,000
Mohmedhusain Alamsha Sheikh	63,00,000
Mr. Motiar Rahaman	54,00,000
Mr. Naiyer Alam	45,00,000
Sekh Rabiul Haque	108,00,000
Mr Waliullah Siddiqui	18,00,000
<b>Total</b>	<b>9,00,00,000</b>

Offer for another 70 Lacs has to be circulated and filed with ROC to raise Share Capital to a total of 1,000 Lacs. As understood, Fresh Shares are yet to be issued and Share Capital not as yet increased.

