

IPO ANALYSIS

Sector: Healthcare
Issue Price: INR 177 to INR 186
Issue Size: INR 502 to 525 Crores
Issue Opens/Closes: Feb 22 / Feb 26

IPO Basics

Promoters: GPT Sons Private Limited, Dwarika Prasad Tantia, Dr. Om Tantia and Shree Gopal Tantia
Selling Shareholders: BanyanTree Growth Capital II, LLC
Lead Managers: JM Financial
Registered Office: Kolkata
Registrar: Link Intime India Pvt Ltd
Listing: BSE and NSE

IPO Capital Structure

Fresh Issue	2,150,537 equity shares upto INR 40 Cr
Offer for Sale	26,082,786 equity shares upto INR 485 Cr
Total Issue as % of total capital (Post-Issue)	34.40%
Post Issue No. of Shares	82,054,823
Post Issue Market Cap	INR 1,454 – 1,526 Cr
Face Value	INR 10
Issue Route	Book Build Issue
<small>All values calculated at upper band</small>	

Financial Snapshot (INR in crs)

Y/E Mar	FY21	FY22	FY23
Equity Share Capital	17.94	79.90	79.90
Instruments entirely equity in nature	40.00	-	-
Reserves	75.96	78.28	85.46
Net worth	133.90	158.18	165.36
Revenue from Ops	242.75	337.42	361.04
Growth (%)	-	39.18%	6.99%
EBITDA	55.10	78.82	80.05
EBITDA (%)	22.14%	23.02%	21.83%
Net Profit	21.09	41.66	39.01
Net Profit (%)	8.48%	12.17%	10.64%
Basic EPS	2.64	5.21	4.88
Diluted EPS	2.64	5.21	4.88
RONW (%)	15.90%	26.54%	23.77%
ROCE (%)	14.48%	25.04%	26.09%
NAV (INR)	16.60	19.64	20.54
P/E (Based on Upper Band)			38.11
Average Industry P/E			56.36
P/B (Based on Upper Band)			9.06
Shareholding Pattern			
Holders	Pre-issue	Post Issue	
Promoters	67.34%	65.57%	
Public	32.66%	34.43%	
Total	100.00%	100.00%	

Particulars	Retail Category	NII bid between Rs 2 lakhs- Rs 10 lakhs	NII bid above Rs 10 lakhs
Minimum Bid Lot (Shares)	80	1,120	5,440
Minimum Bid Lot Amount (₹)	₹14,880	₹ 2,08,320	₹ 10,11,840
No of Applications for 1x	1,23,521	1,260	2,521

GPT Healthcare Limited

Feb 21, 2024

Issue Highlights:

- GPT Healthcare Ltd, also known as ILS Hospitals, is a prominent regional healthcare company in Eastern India, boasting a significant number of beds and hospitals as of Fiscal Year 2023. With a focus on secondary and tertiary care, the company operates four mid-sized full-service hospitals in Dum Dum, Salt Lake, and Howrah in West Bengal, as well as Agartala in Tripura, with a combined capacity of 561 beds.
- Led by Dr. Om Tantia, the Managing Director and founder, ILS Hospitals has been a key player in the healthcare sector since its establishment in 2000. Dr. Tantia, with over 40 years of experience in laparoscopic surgery, envisioned providing quality healthcare services in Eastern India. Under his guidance, the hospitals have expanded and gained recognition.
- ILS Hospitals started with an 8-bed facility in Salt Lake, Kolkata, in 2000, and expanding to 85 beds, including 17 in various ICUs and HDUs, as of September 30, 2023. The second hospital in Agartala, inaugurated in 2011, has seen remarkable development, reaching a capacity of 205 beds, with 66 allocated to ICUs and HDUs. The Dum Dum facility, established in 2013, holds 155 beds, including 53 in ICUs and HDUs, and is authorized for renal transplants. The latest addition in Howrah, commissioned in 2019, boasts 116 beds, with 43 in ICUs and HDUs.
- The hospitals offer a wide range of healthcare services across 35 specialties, including internal medicine, diabetology, nephrology, laparoscopic and general surgery, gynecology, obstetrics, critical care, gastroenterology, orthopedics, interventional cardiology, neurology, neurosurgery, pediatrics, and neonatology. Each hospital provides integrated diagnostic services and pharmacies.
- ILS Hospitals strategically positioned in densely populated cities such as Kolkata and Howrah, enabling easy accessibility for patients. The capital cost per bed is around ₹5.41 million, significantly lower than industry averages. The company focuses on right-sized hospitals in under-penetrated areas, achieving monthly EBITDA break-even within 9 to 10 months without relying on government schemes or corporate tie-ups.
- Accredited by various domestic and international agencies, their hospitals have received recognition for complying with standards in medical testing, NABH accreditation, and other achievements. The company continues to invest in technology, training, operational efficiencies, and a healthcare mobile application, ILS-MyHealth, expected to launch in FY2024.
- In terms of financial performance, the revenue from operations (ex-COVID) has grown at a remarkable CAGR of 53.87% from FY2021 to FY2023, with a robust ROCE of 26.09% for FY2023. The company's revenue predominantly comes from private insurance patients or walk-in cash patients, showcasing their appeal based on personal preferences. ILS Hospitals, with its geographical concentration and early-mover advantage, is well-positioned to capitalize on the expected growth in the healthcare sector in Eastern India.

Key Risks:

- 70% of revenue comes from West Bengal hospitals
- Ishwari Prasad Tantia, a Promoter Group member, is listed as a Wilful Defaulter and NSDL has frozen her demat account due to non-compliance.
- Bed occupancy rate is lower than peers.

Particulars	No. of shares at Lower band (Cr.)	No. of shares at Upper band (Cr.)	Issue Size Amount at Lower band (Rs. Cr.)	Issue Size Amount at Upper band (Rs. Cr.)	% Of Issue
QIB	1.42	1.41	250.83	262.57	50.00%
NIB	0.42	0.42	75.25	78.77	15.00%
-NIB2 (Bid above ₹ 10 Lakhs)	0.28	0.28	50.17	52.51	-
-NIB1 (Bid between ₹ 2 to 10 Lakhs)	0.14	0.14	25.08	26.26	-
Retail	0.99	0.99	175.58	183.80	35.00%
Total	2.83	2.82	501.67	525.14	100.00%

An Indicative Timetable Post Issue Closing

Particulars	Tentative Date
Finalization of Basis of Allotment	February 27, 2023
Refunds/un-blocking of ASBA Accounts	February 28, 2023
Credit of Equity Shares to DP Ac	February 28, 2023
Trading Commences	February 29, 2023

Investors are advised to refer disclosures made at the end of the research report.

BACKGROUND**Brief Biographies of Directors**

Dwarika Prasad Tantia is the Executive Chairman of the company. He has been associated with the company since January 10, 2005. He has over 41 years of experience in infrastructure and healthcare industry. He is the founding member of ILS Hospitals and he oversees international business development, project execution and new business ventures.

Dr. Om Tantia is the Managing Director of the company. He has been associated with the company since January 10, 2005. He is a founding member of ILS Hospitals and is also the Medical Director and Head of Department of Minimal Access and Bariatric Surgery in ILS Hospitals, Kolkata. He has over 40 years of experience as a medical practitioner and has undertaken many complex laproscopic procedures and has been recognised as a surgeon of excellence by Surgical Review Corporation, USA.

Anurag Tantia is the Whole time Director of the company. He has been associated with the company since October 2, 2011. He has more than 12 years of experience and he looks after the day-to-day operations of the company.

Dr Aruna Tantia is the non-executive director of the company. She has been associated with the company since April 4, 2005. She has more than 36 years of experience as a medical practitioner.

Dr Ghanshyam Goyal is the non-executive director of the company. He has been associated with the company since April 29, 2006 and ILS Hospitals since the year 2000 and has been the Head of Department of Diabetology at ILS Hospital, Salt Lake.

Kashi Prasad Khandelwal is an independent director of the company. He has been associated with the company since September 27, 2023. He has been practicing chartered accountant for more than 45 years having experience in corporate law and taxation.

Tapti Sen is an independent director of the company. She has been associated with the company since September 15, 2021. She is a consultant breast surgeon.

Hari Modi is an independent director of the company. He has been associated with the company since September 15, 2021.

Deepak Pramanik is an Independent Director of the company. He has been associated with the company since September 27, 2023.

Amrendra Prasad Verma is an independent director of the company. He has been associated with the company since September 27, 2023.

Key Managerial Personnel

Kriti Tantia is the Chief Financial Officer of the company. She joined the company on May 1, 2011. She has over 11 years of experience in audit and accounts.

Ankur Sharma is the Company Secretary and Compliance Officer of the company, he joined the company on September 5, 2014, and was appointed as the Company Secretary with effect from October 14, 2014.

OBJECTS OF THE ISSUE

(₹ In Cr)	
Objects	Amount
Repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by the company from banks and financial institutions.	30.00
General Corporate Purposes	[•]
Total	[•]

OFFER DETAILS

Fresh Issue	No. of Shares	WACA per Equity Share (₹)
<i>Fresh Issue (₹ 40 Cr)</i>	<i>Upto 2,259,887~ - 2,150,537^ Equity Shares</i>	-
The Offer for Sale by:	Upto 26,082,786 Equity Shares	
The Investor Selling Shareholders:		
BanyanTree Growth Capital II, LLC	Upto 26,082,786 Equity Shares	15.34

(~ at lower price band and ^ upper price band;) WACA = Weighted Average Cost of Acquisition

SHAREHOLDING PATTERN

Shareholders	Pre-offer		Offer for Sale and fresh Issue of shares	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoters	53,805,600	67.34%		53,805,600	65.57%
Promoter Group	900	0.00%		900	0.00%
Total for Promoter and Promoter Group	53,806,500	67.34%		53,806,500	65.57%
Public - Investor Selling Shareholder	26,082,786	32.64%	26,082,786	0	0.00%
Public – Others*	15,000	0.02%	2,150,537	28,248,323	34.43%
Total for Public Shareholder	26,097,786	32.66%	28,233,323	28,248,323	34.43%
Total Equity Share Capital	79,904,286	100.00%		82,054,823	100.00%

* Includes 15,000 Equity Shares held by GPT Employees Welfare Trust in the Company. The Equity Shares are held under the 'Public' category and not under the 'Employee Trust' category as none of the Directors or Promoters are trustees or beneficiaries of GPT Employees Welfare Trust.

The revenue derived from each of the service segments stated as a percentage of the total revenue:

Service	6 months ended September 30,				Fiscal Year					
	2023		2022		2023		2022		2021	
	₹ Cr	%	₹ Cr	%	₹ Cr	%	₹ Cr	%	₹ Cr	%
Internal medicine and diabetology	35.18	17.34%	30.16	17.68%	65.94	18.42%	84.32	25.20%	71.32	29.66%
Nephrology (including renal transplants)	45.85	22.60%	32.55	19.08%	69.06	19.29%	49.19	14.70%	29.05	12.08%
Critical care	6.76	3.33%	5.29	3.10%	13.68	3.82%	20.71	6.19%	21.89	9.11%
Laparoscopic and general surgery	29.13	14.36%	25.09	14.71%	48.01	13.41%	37.98	11.35%	18.37	7.64%
Gastroenterology	14.00	6.90%	14.19	8.32%	26.74	7.47%	18.24	5.45%	12.47	5.19%
Gynaecology and obstetrics	14.02	6.91%	13.27	7.78%	27.89	7.79%	19.84	5.93%	12.50	5.20%
Interventional cardiology	8.28	4.08%	9.84	5.77%	20.58	5.75%	18.54	5.54%	10.66	4.44%
Neurosciences	9.21	4.54%	7.69	4.51%	14.89	4.16%	15.73	4.70%	9.68	4.03%
Orthopaedics and joint replacements	13.39	6.60%	10.00	5.86%	21.12	5.90%	17.53	5.24%	8.31	3.46%
Paediatrics and neonatology	7.67	3.78%	5.65	3.31%	14.18	3.96%	8.50	2.54%	4.77	1.98%

KEY FINANCIAL AND OPERATIONAL METRICS

The key highlights and operational parameters for each of the hospitals as of and for the year ended March 31, 2023:

Expenditure	GPT Healthcare	Salt Lake Hospital	Dum Dum Hospital	Howrah Hospital	Agartala Hospital
Ownership %	100%	100%	100%	100%	100%
Bed capacity	561	85	155	116	205
Operational beds	561	85	155	116	205
Bed Days Occupied	120,653	22,778	47,657	16,573	33,645
Bed occupancy rate (%)	58.92%	73.42%	84.24%	39.14%	44.96%
ALOS (days)	4.22	3.65	5.08	4.12	3.75
ARPOB (₹ per day)	29,671	27,956	32,136	23,279	30,488
Hospital revenue (₹ in Cr)	357.99	63.68	153.15	38.58	102.58
Revenue from inpatients (₹ in Cr)	294.73	53.71	131.31	33.27	76.44
Inpatient volume	28,612	6,239	9,382	4,022	8,969
Average revenue per inpatient (₹)	103,009	86,088	139,954	82,715	85,231
Revenue from outpatients (₹ in Cr)	63.26	9.97	21.85	5.31	26.13
Outpatient volume	1,525,145	32,885	525,565	145,094	525,601
Average revenue per outpatient (₹)	45,158	3,031	45,156	35,769	45,968
EBITDA (₹ in Cr)	80.05	16.28	42.76	1.01	25.18
EBITDA margin	21.83%	25.50%	27.86%	2.61%	23.98%

The selected financial data for the healthcare services for the periods indicated:

	CAGR (%) (2021-2023)	6 months ended September 30,		Fiscal Year		
		2023	2022	2023	2022	2021
Inpatient revenue	20.07%	168.83	138.70	294.73	269.96	204.44
Inpatient revenue as a % of hospital revenue (%)	Na	83.22%	81.31%	82.33%	80.68%	85.04%
Average revenue per inpatient	Na	109,132	99,325	103,009	113,331	116,776
Outpatient revenue (₹ in Cr)	32.60%	34.05	31.89	63.26	64.66	35.98
Outpatient revenue as a % of hospital revenue (%)	Na	16.78%	18.69%	17.67%	19.32%	14.96%
Average revenue per outpatient	Na	4073	4263	4158	5730	5570
Hospital revenue (₹ in Cr)	Na	202.88	170.59	357.99	334.61	240.42
Growth in hospital revenue (%)	Na	18.93%	Na	6.99%	39.18%	Na
Ex-COVID hospital revenue (₹ in Cr)	53.87%	204.18	169.96	357.35	267.66	150.93
Growth in ex-COVID hospital revenue (%)	Na	20.13%	Na	33.51%	77.34%	Na
Profit/(loss) before tax expense (₹ in Cr)	39.20%	33.64	21.64	55.97	54.08	28.88
Profit/(loss) for the year (₹ in Cr)	35.99%	23.49	16.99	39.01	41.66	21.09
EBITDA (₹ in Cr)	20.53%	46.19	32.92	80.05	78.82	55.10
EBITDA Margin	Na	22.34%	18.87%	21.83%	23.02%	22.14%
ARPOB (in ₹)	Na	32,979	29,295	29,671	29,253	24,681
Debt to equity	Na	0.32	0.49	0.39	0.60	0.92
Net worth (₹ in Cr)	Na	171.43	157.96	164.14	156.96	132.68
ROCE	Na	14.85%	9.38%	26.09%	25.04%	14.48%
ROE	Na	13.60%	10.67%	23.59%	26.34%	15.75%
Cash flow from operations (₹ in Cr)	22.90%	34.00	22.76	66.35	65.99	43.93
Cash flow from operations to EBITDA (₹ in Cr)	Na	0.07	0.07	0.08	0.08	0.08

The selected operating data for the healthcare services:

	6 months ended Sep 30,		Fiscal Year		
	2023	2022	2023	2022	2021
Bed Days Occupied	61,518	58,232	120,653	114,384	97,409
Bed Occupancy Rate (%)	59.92%	56.72%	58.92%	56.36%	48.00%
ARPOB (₹ per day)	32,979	29,295	29,671	29,253	24,681

The details of actual capital expenditure incurred on the hospitals as at September 30, 2023:

(₹ In Cr)

Expenditure	Salt Lake Hospital	Dum Dum Hospital	Howrah Hospital	Agartala Hospital
Land and building	5.27	40.09	52.04	57.21
Medical equipment costs	16.01	34.98	29.60	46.74
Furniture and fixtures	1.06	1.90	1.70	2.64
Vehicles	0.39	0.82	0.45	1.22
Miscellaneous fixed assets	2.31	1.99	1.24	2.86
Total	25.04	79.77	85.01	110.66
Capital Expenditure per bed	0.30	0.52	0.73	0.54

REVENUE FROM OPERATIONS

(₹ In Cr)

	6 months ended Sep 30,		Fiscal Year		
	2023	2022	2023	2022	2021
Revenue from rendering healthcare services	199.30	167.56	351.76	329.79	237.23
- Operating Income from indoor patient	168.83	138.70	294.73	269.96	204.44
- Operating Income from outdoor patient	29.49	28.09	54.96	58.06	31.37
- Income from nursing school	0.98	0.78	2.08	1.78	1.42
Revenue from sale of products	4.56	4.08	8.63	6.98	4.88
- Wind power	-	0.28	0.33	0.38	0.27
- Pharmacy Sale	4.56	3.80	8.30	6.60	4.61
Other Operating revenues	0.32	0.32	0.65	0.65	0.65
- Deferred Revenue Income on Government Grant	0.32	0.32	0.65	0.65	0.65
Total	204.18	171.97	361.04	337.42	242.75

HOSPITALS



The company owns, operates and manages a network of 4 multispecialty hospitals, of which 3 hospitals are located in West Bengal and 1 hospital in Tripura. They offer a comprehensive range of healthcare services across over 35 and super specialties. Each of their hospitals also provides integrated diagnostic services and pharmacies that cater to their patients. They also provide outpatient services, including consultation for a range of ailments and preventive health screenings.

The company's hospitals are located in (i) Salt Lake, Kolkata (West Bengal), (ii) Dum Dum, Kolkata (West Bengal), (iii) Howrah (West Bengal), and (iv) Agartala (Tripura).

- Salt Lake Hospital**



The Salt Lake Hospital has 17 beds across ICUs and HDUs, 3 operation theatres equipped with diverse equipment like Surgical Robot, Yag Laser, Harmonic Scalpel etc. It also has other diagnostic and therapeutic machines like CT scan, digital X-ray, USG, ventilators etc. as of September 30, 2023. In Fiscal Years 2023, 2022, 2021 and the 9 months ended December 31, 2023, and December 31, 2022, their Salt Lake Hospital had 6,239, 5,175, 4,024, 4,527 and 4,713 aggregate inpatient admissions, respectively. The Salt Lake Hospital has been awarded the title of 'Center of Excellence in Metabolic and Bariatric Surgery', by Surgical Review Corporation, USA.

- **Agartala Hospital**



The Agartala Hospital, operational since 2011 with 205 beds, is the sole NABH accredited hospital in Agartala, Tripura, and one of eleven accredited hospitals in North-East India as of 2023. Accredited by NABL as well, the hospital, spanning 4.25 acres, strategically serves as the capital's healthcare hub. In FY2023, it recorded 8,969 inpatient admissions, excelling in internal medicine, diabetology, obstetrics, gynaecology, interventional cardiology, and gastroenterology. Featuring 8 operation theatres, a catheterization laboratory, and cutting-edge diagnostic equipment, the hospital has performed complex surgeries like congenital heart disease and cochlear implants. Notably, it received the 'Excellence in Community Engagement Award' in 2021 from the Association of Healthcare Providers (India).

- **Dum Dum Hospital**



The other hospital in Kolkata (West Bengal) is located at Dum Dum and has a capacity of 155 beds as of September 30, 2023. The Dum Dum Hospital commenced operations in the year 2013. It occupies 0.305 acres of land and is strategically located within the heart of Kolkata, capital of West Bengal. It has 53 beds across ICUs and HDUs, 4 operation theatres, 1 catheterization laboratory and other diagnostic and therapeutic equipment. The Dum Dum Hospital is NABH accredited and has also been accredited by NABL for complying with ISO 15189:2012 standards in the field of medical testing.

- **Howrah Hospital**



The company's hospital at Howrah (West Bengal) is a multispecialty hospital that commenced operations in the year 2019 and has a total of 116 beds as of September 30, 2023. It occupies 0.409 acres of land and is strategically located in the densely populated Howrah region, close to Kolkata (West Bengal). It is also located in close proximity to Howrah station, one of India's busiest railway stations. It has 43 beds across various ICUs and HDUs, 3 operation theatres, 1 catheterization laboratory and other state of the art diagnostic and therapeutic equipment.

The Financial and Operational Data of Hospitals:

	6 months ended Sep 30,		Fiscal Year		
	2023	2022	2023	2022	2021
Salt Lake Hospital					
Bed capacity	85	85	85	85	85
Inpatient volume	3,128	3,016	6,239	5,175	4,024
Revenue from inpatients (₹ in Cr)	27.86	26.36	53.71	45.14	32.38
Outpatient volume	16,685	16,699	32,885	26,892	17,014
Revenue from outpatients (₹ in Cr)	4.76	5.12	9.97	12.51	7.34
Bed occupancy rate (%)	61.95%	72.29%	73.42%	65.34%	51.78%
ARPOB (₹ per day)	33,856	27,995	27,956	28,436	24,730
Agartala Hospital					
Bed capacity	205	205	205	205	205
Inpatient volume	5,647	4,300	8,969	8,420	6,724
Revenue from inpatients (₹ in Cr)	45.04	37.06	76.44	82.69	58.38
Outpatient volume	30,636	25,985	52,601	40,650	28,923
Revenue from outpatients (₹ in Cr)	14.60	13.20	26.13	23.42	17.72
Bed occupancy rate (%)	52.63%	43.56%	44.96%	49.34%	41.64%
ARPOB (₹ per day)	30,206	30,758	30,488	28,739	24,425
Dum Dum Hospital					
Bed capacity	155	155	155	150	150
Inpatient volume	4,300	4,690	9,382	7,387	4,244
Revenue from inpatients (₹ in Cr)	73.61	60.99	131.31	106.70	79.69
Outpatient volume	26,732	25,556	52,565	36,887	17,152
Revenue from outpatients (₹ in Cr)	11.18	11.04	21.85	21.61	10.18
Bed occupancy rate (%)	79.11%	81.80%	84.24%	75.55%	51.82%
ARPOB (₹ per day)	37,783	31,045	32,136	31,018	31,673
Howrah Hospital					
Bed capacity	116	116	116	116	116
Inpatient volume	2,507	1,846	4,022	2,838	2,515
Revenue from inpatients (₹ in Cr)	22.32	14.29	33.27	35.43	33.98
Outpatient volume	9,550	6,566	14,094	8,410	1,500
Revenue from outpatients (₹ in Cr)	3.52	2.53	5.31	7.12	0.74
Bed occupancy rate (%)	45.68%	35.07%	39.14%	37.37%	51.52%
ARPOB (₹ per day)	26,637	22,591	23,279	26,887	15,917

The operational data of Hospitals:

Metric	Salt Lake Hospital		Agartala Hospital		Dum Dum Hospital		Howrah Hospital	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Inpatient volume	4,527	4,713	8,471	6,692	6,327	7,130	3,781	2,871
Outpatient volume	24,357	24,747	44,247	39,187	38,913	38,453	14,426	10,110
Bed occupancy rate (%)	62.41%	73.57%	53.19%	44.50%	77.78%	83.89%	44.96%	36.83%

COMPANY'S GREENFIELD AND BROWNFIELD EXPANSION

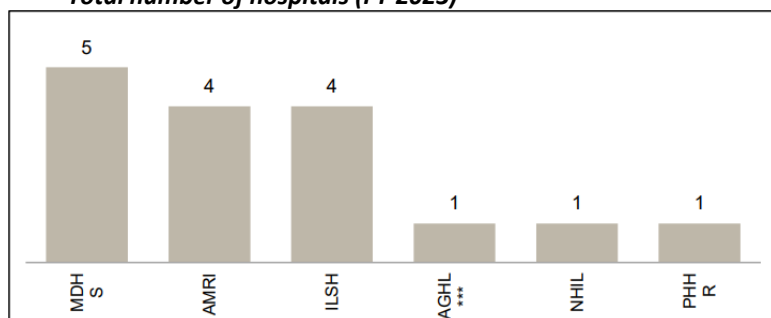
The company is strategically targeting medical value travelers, leveraging the upward trend in India where medical tourism increased from 2.20% (0.11 million tourists) in 2009 to 6.38% (0.62 million tourists) in 2019. Positioned in Eastern India, the company aims to draw patients from Bangladesh, Nepal, and Bhutan, offering competitive pricing, accessibility, and a reputation for excellence in specialties like cardiac and neurosurgery. With support from government initiatives, the company's well-connected hospitals are poised to become preferred destinations for medical value travelers, focusing on quality healthcare services and regional pricing advantages to drive growth.



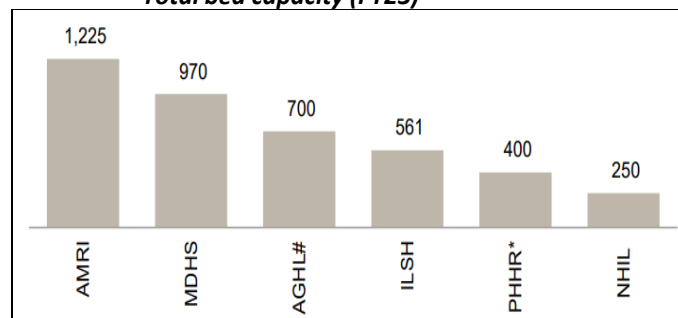
COMPETITIVE STRENGTHS

Strategic Dominance in Under-Penetrated and Densely Populated Healthcare Markets: The company is one of the key regional corporate healthcare companies in Eastern India in terms of number of beds and hospitals in FY2023. As of September 30, 2023, they operate 4 full-service hospitals under the brand, with an aggregate bed capacity of 561. The company has over 20 years of expertise in providing healthcare services in Eastern India since opening their 1st hospital in Salt Lake, Kolkata (West Bengal) in the year 2000.

Total number of hospitals (FY 2023)



Total bed capacity (FY23)



Strategic Hospital Positioning for High Returns on Capital: The company strategically operates "right-sized" hospitals, facilitating a high return on capital. Utilizing long-term leases and low-cost land terms, such as 999-year and 99-year leases for Salt Lake Hospital and Agartala Hospital, respectively, helps avoid high fixed rental costs.

Diversified Specialty Mix and Location Presence: The company has a strong foothold in Eastern India, operating mid-sized hospitals with beds ranging from 85 to 205. They offer over 35 specialties and super specialties, positioning themselves as a one-stop destination for diverse healthcare needs in multiple economic segments.

Attracting, Training, and Retaining Quality Medical Professionals: Maintaining high standards of healthcare, the company engages a diverse pool of doctors, nurses, and paramedical professionals. With a multi-disciplinary approach, a focus on teaching and research, and various engagement models, they ensure a holistic expertise pool.

Proven Track Record of Growth and Financial Performance: The company has consistently expanded operations, increasing bed capacity from 8 in July 2000 to 561 as of September 30, 2023. Their super-specialty offerings minimize concentration risk, and the expansion strategy emphasizes quick break-even, profitability, and high return on capital.

Professional Management and Leadership: Led by Dwarika Prasad Tantia and Dr. Om Tantia, the Chairman and Managing Director, the senior management team boasts extensive healthcare industry experience. With a second line of management across hospitals, they ensure stability and efficiency in daily operations.

Investment in Infrastructure and Clinical Excellence: The company invests in infrastructure, processes, and clinical excellence to deliver affordable and value-driven healthcare services. Digitalizing IT back-end services enhances patient experience through a physical and digital ecosystem, enabling personalized healthcare services based on data patterns and trends. This commitment has established them as a key regional corporate healthcare entity in Eastern India.

KEY BUSINESS STRATEGIES

Strategic Expansion and Capability Enhancement: The company aims to fortify existing hospitals by diversifying specialty offerings, emphasizing advanced areas like urology, neurology, interventional cardiology, and oncology. Plans include expanding organ transplantation services, upgrading medical equipment, and acquiring advanced tools like neurosurgical microscopes.

Strategic Growth in Adjacent Markets: Expanding presence in Raipur and Ranchi, the company adopts an asset-light model, signing MoUs and long-term lease agreements. Further plans encompass tier-II cities with low bed densities such as Varanasi, Patna, Guwahati, Kanpur, and Cuttack, with a focus on attracting medical value travelers.

Flexible and Asset-Light Expansion for Quick Break-even: Leveraging strong brand recognition, the company eyes rapid growth in new markets. Exploration of asset-light models, revenue-sharing arrangements, management fees, and potential acquisitions are part of their strategy.

Initiatives to Improve Operational Efficiencies: Prioritizing operational efficiency and profitability, the company plans integrated healthcare network improvements, continuous investment in cutting-edge medical technologies, and leveraging an integrated IT platform for streamlined functions.

INDUSTRY OVERVIEW

The healthcare delivery market in India is expected to grow at a CAGR of 9%-11% between Fiscal Years 2024 and 2028 and reach ₹ 9.2-9.3 trillion in Fiscal Year 2028. The share of treatments (in value terms) by private players is expected to increase from 64% in Fiscal Year 2018 to nearly 70% in Fiscal Year 2028. According to CRISIL, East and North-East states in India have a population of approximately 388 million people, contributing to 28% of India's population as of Fiscal Year 2022. The East and North-East region of India also contributed ~ 15.3% to India's GDP in Fiscal Year 2022 and has witnessed GSDP growth at a CAGR of 5.1% from Fiscal Year 2012 to Fiscal Year 2022. Given the geographical concentration of their Hospitals in Eastern India.

COMPETITION

The company faces competition from players which operate in the same region and localities. They face competition mainly from other providers who offer secondary and tertiary healthcare services across specialties. The principal competitors in West Bengal include international and national players with multiple facilities, **Apollo Gleneagles Hospital (or Apollo Multispecialty Hospital)**, **AMRI Hospitals (Manipal)**, **Peerless Hospitex Hospital and Research Center Ltd** and **Medica Superspecialty Hospital**, each of which has a strong presence in Kolkata. In Agartala, they face limited competition as there are only 15 hospitals, with no significant private player. Accordingly, the only key hospitals in Agartala are Indira Gandhi Memorial Hospital and GB Pant Hospital, both of which are government hospitals.

COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2023)

Name of the Company	Consolidated / Standalone	Face Value	Total revenue Fiscal 2023 (₹ Cr)	Closing price (NSE) as on Jan' 29, 2024 (₹)	EPS		NAV (₹)	P/E	RoNW (%)
					Basic	Diluted			
GPT Healthcare Ltd	Consolidated	10	361.04	-	4.88	4.88	20.54	38.11	23.77%
Peer Group									
Global Health Ltd	Consolidated	2	2,694.25	1135.00	12.58	12.57	89.65	90.29	13.56%
Krishna Institute of Medical Sciences Ltd	Consolidated	10	2,197.68	2080.95	42.036	42.03	206.47	49.51	20.35%
Jupiter Life-Line Hospitals Ltd	Consolidated	10	892.54	1058.45	13.95	12.95	64.70	81.73	19.94%
Yatharth Hospital & Trauma Care Services	Consolidated	10	520.29	379.95	10.09	10.09	27.84	37.66	36.06%
Kovai Medical Center & Hospital Ltd	Consolidated	10	1,019.75	3166.45	105.80	105.80	656.65	29.93	16.11%
Shalby Ltd	Consolidated	10	804.92	307.30	6.31	6.27	85.54	49.01	7.33%

Source: RHP, P/E for GPT Healthcare is calculated on upper price band

Comparison of Key Performance Indicators with Listed Industry Peers

(in ₹ Cr)

Particulars	GPT Healthcare			Global Health			KIMS			Jupiter Life-Line		
	September 23	March 23	March 22	September 23	March 23	March 22	September 23	March 23	March 22	September 23	March 23	March 22
Revenue from Operations	204.18	361.04	337.42	1,616.98	2,694.25	2,166.59	1,258.51	2,197.68	1,650.83	506.40	892.54	733.12
EBITDA	46.19	80.05	78.82	432.94	677.12	489.76	340.31	629.88	536.05	123.00	211.74	157.41
EBITDA Margin (%)	22.34%	21.86%	23.02%	26.09%	24.54%	22.20%	26.91%	28.33%	32.08%	23.87%	23.45%	21.35%
PAT	23.49	39.01	41.66	227.17	326.08	196.20	187.97	365.81	343.80	87.68	72.91	51.13
PAT Margin (%)	11.36%	10.64%	12.17%	13.69%	11.82%	8.89%	14.86%	16.45%	20.57%	17.01%	8.07%	6.94%
ROE (%)	13.60%	23.59%	26.34%	8.56%	13.43%	12.14%	9.02%	18.88%	24.37%	8.11%	20.03%	17.73%
ROCE (%)	14.85%	26.09%	25.04%	12.48%	20.41%	14.49%	9.12%	18.91%	29.50%	12.19%	22.68%	17.26%
Debt to Equity	0.32	0.39	0.60	0.17	0.35	0.52	0.31	0.28	0.11	0.00	1.29	1.72
Operating Cash Flow	34.00	66.35	65.99	282.60	644.52	311.26	270.88	432.09	324.03	71.62	176.40	136.97
Bed Capacity	561	561	556	2,725	2,697	2,404	3,975	3,940	3,064	Na	1,194	Na
ARPOB	32,979	29,671	29,253	62,011	59,098	54,547	31,406	29,946	25,323	53,075	50,990	48,711
Bed Occupancy (%)	59.92%	58.92%	56.36%	61.50%	58.80%	60.50%	73.40%	69.30%	79.80%	62.30%	62.61%	53.96%
ALOS (Days)	3.98	4.22	4.80	3.17	3.30	3.76	4.13	4.10	4.80	3.89	4.02	4.30
Outpatient Volume	83,603	152,145	112,839	1384,907	2274,651	1971,260	795,407	1462,439	1013,759	Na	730,981	610,796
Outpatient Revenue	34.05	63.26	64.66	Na	434.00	359.80	Na	Na	Na	Na	170.59	150.19
Impatient Volume	15,470	28,612	23,820	78,934	135,161	102,359	97,320	177,181	13,6731	Na	42,956	34,650
Impatient Revenue	168.83	294.73	269.96	Na	2,163.59	1,740.60	Na	Na	Na	Na	710.14	576.00

Particulars	Yatharth Hospital			Kovai Medical Center			Shalby		
	September 23	March 23	March 22	September 23	March 23	March 22	September 23	March 23	March 22
Revenue from Operations	325.79	520.29	400.94	577.33	1,019.75	906.00	473.47	804.92	698.95
EBITDA	91.56	136.57	112.46	164.12	284.50	269.34	105.77	159.26	132.35
EBITDA Margin (%)	27.72%	26.11%	27.93%	27.92%	27.47%	29.35%	21.88%	19.25%	18.61%
PAT	46.64	65.77	44.16	74.46	115.77	104.26	48.40	67.68	53.97
PAT Margin (%)	14.12%	12.57%	10.97%	12.67%	11.18%	11.36%	10.01%	9.33%	8.18%
ROE (%)	5.78%	35.95%	37.78%	9.53%	16.10%	17.11%	5.02%	4.29%	7.30%
ROCE (%)	15.02%	30.53%	26.18%	10.57%	17.79%	17.53%	7.32%	5.58%	9.54%
Debt to Equity	0.01	1.44	2.21	0.45	0.66	0.84	0.13	0.14	0.15
Operating Cash Flow	(4.40)	63.78	59.94	140.61	262.91	262.51	30.66	67.78	18.92
Bed Capacity	1405	1405	1100	Na	2,097	1,854	Na	Na	2,112
ARPOB	2,783.30	26,538	23,511	Na	17,442	21,144	Na	34,842	31,347
Bed Occupancy (%)	54.00%	45.33%	49.97%	Na	55.18%	48.66%	Na	46.00%	45.60%
ALOS (Days)	4.79	4.32	5.20	Na	4.30	4.21	Na	3.92	4.55
Outpatient Volume	160,896	329,760	222,829	Na	1099,537	814,689	Na	450,924	318,455
Outpatient Revenue	41.00	68.39	54.58	Na	275.26	232.52	Na	Na	Na
Impatient Volume	24,420	45,358	32,793	Na	90,124	72,395	Na	46,512	40,603
Impatient Revenue	284.80	451.90	346.36	Na	676.18	644.04	Na	Na	Na

DISCLAIMER

The information and opinions contained herein have been compiled or arrived at based on the information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy completeness or correctness. This document is for information purposes only. This report is based on information that we consider reliable; we do not represent that it is accurate or complete and one should exercise due caution while acting on it. Description of any company(ies) or its/their securities mentioned herein are not complete and this document is not and should not be construed as an offer or solicitation of an offer to buy or sell any securities or other financial instruments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. All opinions, projections and estimates constitute the judgment of the author as on the date of the report and these, plus any other information contained in the report, are subject to change without notice. Prices and availability of financial instruments are also subject to change without notice. This report is intended for distribution to institutional investors.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject to SSSIL or its affiliates to any registration or licensing requirement within such jurisdiction. If this report is inadvertently sent or has reached any individual in such country, especially USA, the same may be ignored and brought to the attention of the sender. Neither this document nor any copy of it may be taken or transmitted into the United States (to U.S. persons), Canada, or Japan or distributed, directly or indirectly, in the United States or Canada or distributed or redistributed in Japan or to any resident thereof. Any unauthorized use, duplication, redistribution or disclosure of this report including, but not limited to, redistribution by electronic mail, posting of the report on a website or page, and/or providing to a third party a link, is prohibited by law and will result in prosecution. The information contained in the report is intended solely for the recipient and may not be further distributed by the recipient to any third party.

SSSIL generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, SSSIL generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that they cover. Our salespeople, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein. Our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. The views expressed in this research report reflect the personal views of the analyst(s) about the subject securities or issues and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. The compensation of the analyst who prepared this document is determined exclusively by SSSIL; however, compensation may relate to the revenues of the Systematix Group as a whole, of which investment banking, sales and trading are a part. Research analysts and sales persons of SSSIL may provide important inputs to its affiliated company(ies).

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations which could have an adverse effect on their value or price or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies, effectively assume currency risk. SSSIL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on the basis of this report including but not restricted to fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

SSSIL and its affiliates, officers, directors, and employees subject to the information given in the disclosures may: (a) from time to time, have long or short positions in, and buy or sell, the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation (financial interest) or act as a market maker in the financial instruments of the company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential material conflict of interest with respect to any recommendation and related information and opinions. The views expressed are those of the analyst and the company may or may not subscribe to the views expressed therein.

SSSIL, its affiliates and any third party involved in, or related to, computing or compiling the information hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of this information. Without limiting any of the foregoing, in no event shall SSSIL, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind. The company accepts no liability whatsoever for the actions of third parties. The report may provide the addresses of, or contain hyperlinks to, websites. Except to the extent to which the report refers to website material of the company, the company has not reviewed the linked site. Accessing such website or following such link through the report or the website of the company shall be at your own risk and the company shall have no liability arising out of, or in connection with, any such referenced website.

SSSIL will not be liable for any delay or any other interruption which may occur in presenting the data due to any technical glitch to present the data. In no event shall SSSIL be liable for any damages, including without limitation, direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with the data presented by SSSIL through this presentation.



SSSIL or any of its other group companies or associates will not be responsible for any decisions taken on the basis of this report. Investors are advised to consult their investment and tax consultants before taking any investment decisions based on this report.

Systematix Shares and Stocks (India) Limited:

Registered and Corporate address: The Capital, A-wing, No. 603 – 606, 6th Floor, Plot No. C-70, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
CIN - U65993MH1995PLC268414 | BSE SEBI Reg. No.: INZ000171134 (Member Code: 182) | NSE SEBI Reg. No.: INZ000171134 (Member Code: 11327) | MCX SEBI Reg. No.: INZ000171134 (Member Code: 56625) | NCDEX SEBI Reg. No.: INZ000171134 (Member Code: 1281) | Depository Participant SEBI Reg. No.: IN-DP-480-2020 (DP Id: 34600) | PMS SEBI Reg. No.: INP000002692 | Research Analyst SEBI Reg. No.: INH200000840 | Investment Advisor SEBI Reg. No.: INA000010414 | AMFI: ARN - 64917