



**YATHARTH HOSPITAL &
TRAUMA CARE SERVICES LTD**

IPO NOTE

July 2023

ISSUE HIGHLIGHTS

- Yatharth Hospital and Trauma Care Services Limited (“Yatharth”) was incorporated on February 28, 2008. Yatharth (i.e., Noida Extension Hospital and Greater Noida) is the 8th and 10th largest private hospital in the National Capital Region of Delhi (“Delhi NCR”), respectively, in terms of number of beds in Fiscal 2023.
- Currently, they operate 3 super specialty hospitals in Delhi NCR, i.e., at Noida, Greater Noida and Noida Extension, Uttar Pradesh (“UP”). Further, they acquired a 305-bedded multi-speciality hospital in Orchha, Madhya Pradesh near Jhansi, Uttar Pradesh (“Jhansi-Orchha”) which commenced commercial operations in from April 10, 2022, and is one of the largest hospitals in Jhansi-Orchha-Gwalior region in terms of number of beds.
- With this acquisition, their total bed capacity has increased to 1,405 beds. In addition, their critical care program comprises 394 critical care beds, as of March 31, 2023. Further, their Noida Extension hospital with 450 beds is one of the largest hospitals in the Noida Extension, Uttar Pradesh region. Providing quality care treatment to their patients and their services at their hospitals located in Noida, Greater Noida, and Noida Extension, all located in Uttar Pradesh have been rated “5 Star” by Infomerics Analytics and Research Pvt Ltd in 2022.
- As of March 31, 2023, they engaged 609 doctors and offer healthcare services across several specialties and super specialties.
- All their hospitals are accredited by the NABH while their hospitals located at Greater Noida and Noida Extension are also accredited by NABL.
- They are empanelled with several of the third-party health insurance administrators and the non-life insurance companies, many government organisations including Employees’ State Insurance Corporation (“ESIC”), Central Government Health Scheme (“CGHS”), Ex-Servicemen Contributory Health Scheme (“ECHS”), as well as public sector undertakings and private enterprises.

BRIEF FINANCIAL DETAILS*

(₹ In Cr)

	As at Mar’ 31,		
	2023	2022	2021
Share Capital	65.52	65.52	16.38
Reserves	117.45	51.37	56.08
Net worth as stated	182.96	116.89	72.46
Revenue from Operations	520.29	400.94	228.67
Revenue Growth (%)	29.77%	75.34%	-
EBITDA	133.77	110.81	67.01
EBITDA Margin (%)	25.71%	27.64%	29.30%
Profit before Tax	87.68	63.11	28.12
Profit for the Year	65.77	44.16	19.59
Net Profit Margin (%) as stated	12.64%	11.01%	8.57%
EPS – Basic & Diluted (₹)	10.09	6.78	2.77
ROCE (%)	26.10%	22.93%	18.43%
ROE (%)	35.95%	37.78%	25.06%
Net Asset Value (₹)	27.93	17.84	11.06

Source:RHP, * Restated Consolidated

Issue Details

Fresh Issue of Equity shares aggregating upto ₹490 Cr and Offer for sale of 6,551,690 Equity Shares.

Issue summary

Issue size: ₹ 677 – 687 Cr

No. of shares: 23,744,672 – 22,885,023

Face value: ₹ 10/-

Price band: ₹ 285 – 300

Bid Lot: 50 Shares and in multiple thereof

Post Issue Implied Market Cap = ₹ 2,471 – 2,576 Cr

BRLMs: Intensive Fiscal Services, Ambit Pvt Ltd, IIFL Securities

Registrar: Link Intime India Pvt. Ltd.

Issue opens on: Wednesday, 26th Jul’2022

Issue closes on: Friday, 28th Jul’2022

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	02-08-2023
Refunds/Unblocking ASBA Fund	03-08-2023
Credit of equity shares to DP A/c	04-08-2023
Trading commences	07-08-2023

Issue break-up

	No. of Shares ('000)		₹ In Cr		% of Issue
	@Lower	@Upper	@Lower	@Upper	
QIB	11,872,335	11,442,510	338.36	343.28	50%
NIB	3,561,701	3,432,754	101.51	102.98	15%
-NIB1	1,187,234	1,144,251	33.84	34.33	
-NIB2	2,374,467	2,288,503	67.67	68.66	
RET	8,310,636	809,759	236.85	240.29	35%
Total	23,744,672	22,885,023	676.72	686.55	100%

NIB-1=NII Bid between ₹ 2 to 10 Lakhs

NIB-2=NII Bid Above ₹ 10 Lakhs

Category	Retail Category	NII-Bid between ₹ 2 - 10 Lakhs	NII - Bid Above ₹ 10 Lakhs
Minimum Bid	50	700	3,350
Lot (Shares)	Shares	Shares	Shares
Minimum Bid Lot Amount (₹)	₹15,000 [^]	₹2,10,000 [^]	₹10,05,000 [^]
No. of Applications for 1x	1,60,195 Applications	1,635 Applications	3,269 Applications

Listing: BSE & NSE

Shareholding (No. of Shares)

Pre issue	Post issue [~]	Post issue [^]
69,516,900	86,709,882	85,850,234

[~]@Lower price Band [^]@ Upper Price Band

Shareholding (%)

	Pre-Issue	Post-Issue
Promoters	56.37%	45.64%
Promoter Group	34.97%	20.68%
Public – Investor S/h	5.75%	4.66%
Public – Others S/h	2.91%	29.01%
Total	100.00%	100.00%

BACKGROUND

Company and Directors

The Company was incorporated as 'Yatharth Hospital & Trauma Care Services Private Limited' on February 28, 2008. Ajay Kumar Tyagi and Kapil Kumar are the Promoters of the company. The promoters currently hold 39,186,000 Equity Shares, equivalent to 56.37% of the pre-Offer issued, subscribed and paid-up Equity Share capital of the company.

Brief Biographies of Directors

Ajay Kumar Tyagi is the Promoter, Chairman and Whole-time Director of the company. He has been a director of the company since its incorporation. He has over 17 years of experience in the field of medical care and hospital management. He is responsible for strategic investment and overall guidance for the business of the company.

Kapil Kumar is the Promoter and Managing Director of the company. He has been a director of the company since its incorporation. He has over 17 years of experience in field of medicine and health care. He is responsible for clinical management of the company.

Yatharth Tyagi is the whole-time Director of the company. He has been associated with the company since 2019. He has approximately 4 years of experience in the field of hospital management. He is responsible for business development and brand building of the company.

Promila Bhardwaj is an Independent Director of the company. She has been a director of the company since October 22, 2022. She has over 35 years of experience in public administration.

Mukesh Sharma is the Independent Director of the company. He has been a director of the company since February 21, 2022. He has over 35 years of experience in banking and was previously associated with Bank of Baroda. Currently, he is a SARFAESI Internal Ombudsman at Bank of Baroda.

Sanjeev Upadhyaya is the Independent Director of the company. He has been a director of the company since February 21, 2022. He has over 20 years of experience in community medicines. He was previously associated with E.S.I. Hospital as house surgeon and Aga Khan Foundation Project as public health specialist.

Key Managerial Personnel

Amit Kumar Singh is the Chief Executive Officer of the company. He has been associated with the company since April 1, 2021. He has 17 years of experience in hospital management, setting up of strategic operations, planning and end-to-end delivery mechanism.

Pankaj Prabhakar is the Chief Financial Officer of the company. He has been associated with the company since February 21, 2022. He has over 16 years of experience in corporate finance of several healthcare institutions.

Ritesh Mishra is the Company Secretary and Compliance Officer of the company. He has been associated with the company since August 10, 2017. He has approximately 4 years of experience in secretarial compliance and corporate laws.

Deepak Kumar Tyagi is the President – Strategy and Finance of the company. He has been associated with the company from September 1, 2012 to April 28, 2017. Subsequently, he joined the company on July 1, 2021. He has approximately 14 years of experience in corporate finance.

OBJECTS OF THE ISSUE

The net proceeds of the Fresh Issue are proposed to be utilised as:

Objects	Amount (₹ Cr)
• Repayment/ prepayment, in full or part, of certain borrowings availed by the company.	100.00
• Repayment/ prepayment, in full or part, of certain borrowings availed by the Subsidiaries, namely, AKS Medical & Research Centre Pvt Ltd ("AKS") and Ramraja Multispeciality Hospital & Trauma Centre Pvt Ltd ("Ramraja").	145.00
• Funding capital expenditure expenses of the company for two hospitals, namely, Noida Hospital and Greater Noida Hospital.	25.64
• Funding capital expenditure expenses of the Subsidiaries, AKS and Ramraja, for respective hospital operated by them.	106.97
• Funding inorganic growth initiatives through acquisitions and other strategic initiatives.	65.00
• General corporate purposes.	[•]
Total	[•]

OFFER DETAILS

The Offer	No. of Shares	
Fresh Issue (₹ 490 Cr)	Approx. upto 17,192,982 [~] - 16,333,334 [^] Equity Shares	
Offer for Sale : Name of Selling Shareholder	Upto 6,551,690 Equity Shares	Weighted Average Cost of Acquisition per Equity Share (₹)
The Promoter Group Selling Shareholder:		
Vimla Tyagi	Upto 3,743,000 Equity Shares	4.81
Prem Narayan Tyagi	Upto 2,021,200 Equity Shares	4.55
Neena Tyagi	Upto 787,490 Equity Shares	6.34

([~] at lower price band and [^] upper price band)

SHAREHOLDING PATTERN

Shareholders	Pre-offer		No. of Shares offered	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoter	39,186,000	56.37%		39,186,000	45.64%
Promoters Group	24,308,000	34.97%	6,551,690	17,756,310	20.68%
Total for Promoter and Promoter Group	63,494,000	91.34%	6,551,690	56,942,310	66.33%
Public – Investor Shareholders	4,000,000	5.75%		4,000,000	4.66%
Public – Other Shareholders	2,022,900	2.91%		24,907,924	29.01%
Total for Public Shareholder	6,022,900	8.66%		28,907,924	33.67%
Total Equity Share Capital	69,516,900	100.00%	6,551,690	85,850,234	100.00%

Details of Pre- IPO Placement of ₹ 120 Cr

The company has undertaken a Pre-IPO Placement of **4,000,000 Equity Shares** at a price of ₹ **300/-** per share, aggregating to ₹ **120 crore** as under:

Name of the Entity	No. of Equity Shares	Amount (₹ Cr)
Plutus Wealth Management LLP	2,000,000	60.00
Think India Opportunities Master Fund LP	1,000,000	30.00
Rosy Blue Diamonds Pvt Ltd	433,334	13.00
Vikas Vijaykumar Khemani	333,333	10.00
Viraj Russell Mehta	233,333	7.00
Total	4,000,000	120.00

BUSINESS OVERVIEW

Yatharth Hospital & Trauma Care Services Ltd (“Yatharth”) (i.e., Noida Extension Hospital and Greater Noida) is the 8th and 10th largest private hospital in the National Capital Region of Delhi (“Delhi NCR”), respectively, in terms of number of beds in Fiscal 2023. Currently, they operate 3 super specialty hospitals in Delhi NCR, i.e., at Noida, Greater Noida and Noida Extension, Uttar Pradesh (“UP”). Further, they acquired a 305-bedded multi-speciality hospital in Orchha, Madhya Pradesh near Jhansi, Uttar Pradesh (“Jhansi-Orchha”) which commenced commercial operations from April 10, 2022, and is one of the largest hospitals in Jhansi-Orchha-Gwalior region in terms of number of beds. With this acquisition, their total bed capacity has increased to 1,405 beds. In addition, their critical care program comprises 394 critical care beds, as of March 31, 2023. Further, their Noida Extension hospital with 450 beds is one of the largest hospitals in the Noida Extension, Uttar Pradesh region. Providing quality care treatment to their patients and their services at their hospitals located in Noida, Greater Noida, and Noida Extension, all located in Uttar Pradesh have been rated “5 Star” by Infomerics Analytics and Research Pvt Ltd in 2022.

As of March 31, 2023, they engaged 609 doctors and offer healthcare services across several specialties and super specialties. For better and more focussed patient care, they have carved out the following super specialty as Centres of Excellence (“COE”):

<ul style="list-style-type: none"> Centre of Medicine Centre of Cardiology Centre of Neurosciences 	<ul style="list-style-type: none"> Centre of General Surgery Centre of Nephrology & Urology Centre of Paediatrics 	<ul style="list-style-type: none"> Centre of Gastroenterology Centre of Pulmonology Centre of Gynaecology Centre of Orthopaedics & Spine & Rheumatology
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Establishing COEs involves equipping these specialties with (i) advanced medical infrastructure; (ii) trained and experienced doctors, nursing, paramedical and other staff; and (iii) resources to provide a better healthcare experience to the patient and attendants. Their COEs represent their Top-10 revenue-generating specialties. They also intend to introduce new specialties at their existing hospitals, such as radiation therapy to their oncology department at their hospitals located in Noida Extension and Jhansi-Orchha.

Yatharth commenced operations in 2008 with a clinic in Noida, UP and thereafter established their 1st hospital in Greater Noida, UP in November 2010. This hospital has since grown to become a super-specialty tertiary care hospital with 400 beds, including 112 critical care beds, 9 modular and other operation theatres, as of March 31, 2023. The 2nd hospital in Noida, UP commenced operations in 2013 as a 250-bedded super-specialty tertiary care hospital. The Noida hospital has a mix of 4 modular and other operation theatres as well as 81 critical care beds. Their 3rd hospital located in Noida Extension, Uttar Pradesh is a 450-bedded tertiary care hospital with a mix of 11 modular and other operation theatres. It also has 125 critical care beds and had commenced operations in May 2019.

Further, they acquired a 305-bedded Jhansi-Orchha hospital during the last quarter of Fiscal 2022, which is one of the largest hospitals in Jhansi-Orchha-Gwalior region in terms of number of beds. The Jhansi-Orchha hospital commenced commercial operations from April 10, 2022, and is equipped with 11 modular and other operation theatres and has 76 critical care beds, as of March 31, 2023.

The current growth has been aided by the geographical advantage of being located in Noida, Greater Noida and Noida Extension. The Gautam Buddha Nagar district, the area in which their existing hospitals are situated, has witnessed strong economic growth in the last few years. These areas have developed rapidly in recent years on account of the growing real estate, economic development in these regions and increased purchasing power. Further, employment and capital invested in industries in these regions has been growing at a good rate, indicating potential for growth and economic activity. Being located in these regions allows them to serve patients from UP, Delhi, Haryana, Uttarakhand and other states as well. Their recent acquisition of the Jhansi-Orchha hospital is aimed at further expanding into new geographies and growing their presence in the regional healthcare market.

Their hospitals have been designed to comply with international quality standards. Their 3 hospitals in Delhi NCR are NABH certified. They have received NABL certification for their Noida Extension Hospital and have applied for NABL certification for their Greater Noida hospital. All their hospitals are accredited by the NABH while their hospitals located at Greater Noida and Noida Extension are also accredited by NABL.

All of their hospitals offer spacious suites along with modern deluxe and super deluxe rooms, and comfortable patient waiting areas. Their diagnostic areas are designed with the goals of providing patient-friendly, spacious, and relaxing environments. They have advanced medical equipment such as Azurion catheterization laboratory, 1.5 Tesla wholebody MRI with optical digital broadband and embedded express coil technology for minimal patient repositioning and advanced non-contrast MR Angiography, 128 slice CT scan, endo bronchial ultrasound, nerve conduction velocity (“NCV”), advanced surgical equipment including Thulium Uro laser, flexible scope, advance laparoscope, advance microscopes, Cusa set. The advanced equipments provide for better and more accurate diagnosis, as well as insight into the surgical procedure, which increases surgical success rate.

Some of their modular operation theatres are equipped with high efficiency particulate air (“HEPA”) filters and laminar flow, operating microscopes with image intensifiers. Their in-house diagnostic radiology setup and diagnostic labs are well-equipped centres with comprehensive diagnostic capabilities including, haematology, biochemistry, microbiology, molecular biology and histopathology along with 24x7 in-house pharmacy shops.

They are empanelled with several of the third-party health insurance administrators and the non-life insurance companies, many government organisations including Employees’ State Insurance Corporation (“ESIC”), Central Government Health Scheme (“CGHS”), Ex-Servicemen Contributory Health Scheme (“ECHS”), as well as public sector undertakings and private enterprises. Their number of operational beds grew at a CAGR of 34.02% from 481 as at March 31, 2019, to 864 as at March 31, 2021. Currently, they have 1,405 beds, including 305 beds at their recently acquired Jhansi-Orchha hospital.

Adopting technologies to assist their patient care Yatharth has introduced ‘Mitra Robot’, an artificial intelligence humanoid, in their Noida Extension hospital, to interact and engage with patients, conduct video calls with their family members or hold consultation sessions with psychiatrists. They also provide access to healthcare services to public through their service provider using telemedicine technology.

Yatharth is empanelled with several of the third-party health insurance administrators and the non-life insurance companies, many government organisations including Employees’ State Insurance Corporation (“ESIC”), Central Government Health

Scheme (“CGHS”), Ex-Servicemen Contributory Health Scheme (“ECHS”), as well as public sector undertakings and private enterprises. Their number of operational beds grew at a CAGR of 27.52% from 864 as of March 31, 2021, to 1,405 as of March 31, 2023. Currently, they have 1,405 beds, including 305 beds at their Jhansi-Orchha hospital.

Yatharth is led by a family of doctors, Dr. Ajay Kumar Tyagi and Dr. Kapil Kumar, each of whom have over 17 years of experience in the medical profession. Their success is attributable to their brand equity that they have created in a relatively short period of time led by their cost-effective quality services and the experience of their promoters as medical professionals themselves and their personal interactions with their patients. Their experience has allowed the Yatharth to command a greater level of patient trust. This strategy has proven to be cost effective and offers better brand recall value and is reflected in the year-on-year growth of their revenue.

The gross capital expenditure per operational bed was ₹ 3.91 million, ₹ 3.72 million and ₹ 3.07 million in Fiscal 2021, 2022, 2023, respectively. The capital expenditure per bed has decreased with the increase in the number of operational beds over time. Relevant key operational figures for the periods indicated:

	Fiscal 2023	Fiscal 2022	Fiscal 2021
Bed Occupancy Rate (%)	45.33%	49.97%	41.63%
Average Revenue per Occupied Bed (“ARPOB”) (₹)	26,538.09	23,510.67	21,286.74
Average Length of Stay (“ALOS”) (Days)	4.32	5.20	5.03

KEY FINANCIAL AND OPERATING METRICS

KPIs	CAGR (Fiscal 2019 to 2023) (%)	As of and for the year ended March 31,		
		2023	2022	2021
Total bed capacity	13.02%	1,405	1,100	1,100
- Greater Noida	-	400	400	400
- Noida	-	250	250	250
- Noida Extension	-	450	450	450
- Jhansi Orchha	-	305	-	-
Number of operational beds	27.52%	1,405	1,100	864
Number of operational census beds	29.46%	1,185	935	707
Number of ICU beds	43.63%	394	318	191
In-patient Volume	45.74%	45,358	32,793	21,356
In-patient Revenue (₹ Cr)	48.11%	451.90	346.36	206.01
Out-patient Volume	55.86%	329,760	222,829	135,755
Out-patient Revenue (₹ Cr)	73.73%	68.39	54.58	22.66
Revenue from operations (₹ Cr)	50.84%	520.29	400.94	228.67
EBITDA (₹ Cr)	41.29%	133.77	110.81	67.01
EBITDA Margin	-	25.71%	27.64%	29.30%
ROCE (%)	-	26.10%	22.93%	18.43%
ROE (%)	-	35.95%	37.78%	25.06%
Capital Expenditure Per Operational Bed (₹ Million)	-	3.07	3.72	3.91

The Key financial and operating metrics of each of their hospitals for the periods indicated:

Particulars	Fiscal 2023				Fiscal 2022				Fiscal 2021			
	Noida	Greater Noida	Noida Extension	Jhansi-Orchha	Noida	Greater Noida	Noida Extension	Jhansi-Orchha	Noida	Greater Noida	Noida Extension	Jhansi-Orchha
Total bed capacity	250	400	450	305	250	400	450	305	250	400	450	-
No. of operational beds	250	400	450	305	250	400	450	305	214	321	329	-
Number of census beds	215	330	390	250	215	330	390	250	179	259	269	-
Number of ICU Beds	81	112	125	76	81	112	125	76	50	83	58	-
Bed occupancy rate (%)	87.92%	62.37%	31.27%	8.36%	72.31%	59.84%	29.31%	-	48.61%	39.41%	39.11%	-
ARPOB (₹)	24,949	26,539	30,475	17,692	22,617	23,621	24,534	-	21,436	21,754	20,710	-
ALOS	5.77	4.35	3.14	3.79	6.09	4.80	4.93	-	4.06	4.00	9.11	-
In-patient Volume	11,957	17,255	14,186	1,960	9,316	15,020	8,457	-	7,816	9,322	4,218	-
In-patient Revenue (₹ Cr)	155.89	172.87	112.68	10.46	113.09	145.79	87.48	-	59.82	69.48	76.71	-
Out-patient Volume	72,906	137,937	102,278	16,639	56,799	116,300	49,370	-	44,671	82,520	8,564	-
Out-patient Revenue (₹ Cr)	16.24	26.51	22.97	2.67	15.25	24.46	14.87	-	8.26	11.58	2.82	-
Revenue from operations (₹ Cr)	172.13	199.38	135.65	13.13	128.34	170.25	102.35	-	68.09	81.05	79.54	-

REVENUE FROM OPERATIONS

The split of revenue from operations between the hospitals:

Particulars	Fiscal					
	2023		2022		2021	
	Revenue (₹ in Cr)	% of Revenue (%)	Revenue (₹ in Cr)	% of Revenue (%)	Revenue (₹ in Cr)	% of Revenue (%)
Greater Noida	199.38	38.32%	170.25	42.46%	81.05	35.44%
Noida	172.13	33.08%	128.34	32.01%	68.09	29.77%
Noida Extension	135.65	26.07%	102.35	25.53%	79.54	34.78%
Jhansi- Orchha	13.13	2.52%	-	-	-	-
Total Revenue from Operations	520.29	100.00%	400.94	100.00%	228.67	100.00%

The revenue derived from the key service segments:

Particulars	Fiscal					
	2023		2022		2021	
	Revenue (₹ in Cr)	% of Revenue (%)	Revenue (₹ in Cr)	% of Revenue (%)	Revenue (₹ in Cr)	% of Revenue (%)
Medicine	163.67	31.46%	200.82	50.08%	128.68	56.27%
- COVID-19	0.00	0.00%	85.12	21.23%	73.96	32.34%
- Non-COVID- 19	163.67	31.46%	115.70	28.85%	54.72	23.93%
Orthopaedics & spine & rheumatology	29.52	5.67%	23.17	5.78%	10.85	4.74%
Nephrology & urology	47.28	9.09%	25.20	6.29%	14.34	6.27%
Neurosciences	50.87	9.78%	31.08	7.75%	18.56	8.12%
General surgery	44.22	8.50%	26.06	6.50%	14.89	6.51%
Cardiology	50.89	9.78%	26.67	6.65%	16.33	7.14%
Paediatrics	26.49	5.09%	14.80	3.69%	6.10	2.67%
Gynaecology	23.04	4.43%	12.78	3.19%	7.15	3.13%
Gastroenterology	15.78	3.03%	8.33	2.08%	2.95	1.29%
Pulmonology	24.17	4.65%	11.34	2.83%	2.53	1.11%
Others*	44.37	8.53%	20.69	5.16%	6.29	2.75%
Total Revenue from Operations	520.29	100.00%	400.94	100.00%	228.67	100.00%

* Others comprises all other specialties.

The revenue-wise split from various payer categories:

Particulars	Fiscal					
	2023		2022		2021	
	Revenue (₹ in Cr)	% of Revenue (%)	Revenue (₹ in Cr)	% of Revenue (%)	Revenue (₹ in Cr)	% of Revenue (%)
Central, State and Local Government Bodies under Government Schemes	193.41	37.17%	117.66	29.35%	73.25	32.03%
Insurers acting through third party administrators	138.09	26.54%	122.73	30.61%	66.93	29.27%
Self-payers and others	188.79	36.28%	160.54	40.04%	88.49	38.70%
Total Revenue from Operations	520.29	100.00%	400.94	100.00%	228.67	100.00%

HOSPITALS

Yatharth operates 3 fully functional super specialty hospitals located in Delhi NCR i.e., in Noida, Greater Noida and Noida Extension, Uttar Pradesh, with a total capacity of 1,100 beds. Further, they have also acquired the 305-bedded hospital in Orchha, Madhya Pradesh, which commenced commercial operations in in Fiscal 2022 with effect from April 10, 2022, and is one of the largest hospital in Jhansi-Orchha-Gwalior region in term of number of beds and is equipped with 11 modular and other operation theatres and 76 critical care beds, as of March 31, 2023. All their hospitals are accredited by the NABH while their hospitals located at Greater Noida and Noida Extension are also accredited by NABL.

Greater Noida Hospital

Yatharth established their 1st hospital in Delhi-NCR in Greater Noida, Uttar Pradesh in November 2010. This hospital has since become a super-specialty tertiary care hospital in Delhi NCR with 400 beds which include 112 critical care beds, nine modular and other operation theatres as of March 31, 2023.

It occupies 5,627.80 square metres of land and in Fiscal 2023, it treated 17,255 IPD patients and 137,937 OPD patients. The hospital provides a wide spectrum of super speciality services in the field of cardiology, cardiovascular and thoracic surgery, neurology, neurosurgery, urology, nephrology, oncology, gastroenterology and surgical gastroenterology, orthopaedics including spine surgery, joint replacement and sports medicine, plastic and reconstructive surgery, pulmonology, comprehensive mother and child-care including advanced in vitro fertilisation. In addition, their process-driven critical care services, along with advanced diagnostic and imaging facilities, provide the necessary backbone for patient care for holistic, comprehensive, and contemporary care to their patients. They intend to develop this hospital as Centre of Excellence for Human Organ Transplant and as a major centre for medical tourism. Further, they have also been allotted 1,885.15 sq. mtr. of land adjacent to their Greater Noida hospital with the intention to expand the bed capacity.

Noida Hospital

The 2nd hospital in Delhi-NCR was established in Noida, Uttar Pradesh and commenced its operations in 2013 and is a 250-bedded super-specialty tertiary care hospital. It occupies 2,000.00 sq. mtr. of land and in Fiscal 2023, it treated 11,957 IPD patients and 72,906 OPD patients. The hospital has a mix of 4 high-end modular and other operation theatres, emergency resuscitation and observation unit, 81 critical care beds, a dedicated endoscopy unit and an advanced dialysis unit.

They are a tertiary care hospital equipped with 128 Slice CT scan, 1.5 Tesla MRI and modern Cath Lab. As of March 31, 2023, they offer services across 30 specialties, including cardiac sciences, orthopaedics, nephrology, urology, neurosciences, gastroenterology, obstetrics and gynaecology, paediatrics and neonatology and advanced laparoscopic surgeries.

Noida Extension Hospital

The 3rd hospital in Delhi-NCR was established in Noida Extension, Uttar Pradesh which commenced operations in May 2019 and is a 450-bedded tertiary care hospital with a mix of 11 modular and other operation theatres and 125 critical care beds. It occupies 5,555.00 sq. mtr of land and in Fiscal in 2023, it treated 14,186 IPD patients and 102,278 OPD patients. It is located on spacious premises and houses many of their Centres of Excellence for cardiology, orthopaedics, spine and rheumatology, oncology, neurosciences, nephrology and urology, gastroenterology, general surgery, as well as capabilities for other surgical procedures such as ear, nose, throat and cochlear implant surgery, advanced laparoscopic surgery, cosmetic and plastic surgery, and others.

They have received approval for kidney transplant and have started bone marrow and kidney transplant operations. Further, they have also received approval for liver transplant and expect to start liver transplant operations going forward. In addition, they have the required infrastructure in terms of isolation room, HDU and Critical Care beds and also plan to develop this hospital as a Centre of Excellence for oncology treatment and robotic surgeries. In addition, they have recently started a Children Care Development Centre at the Noida Extension Hospital.

Further, they have emerged as the highest bidder to lease 3,660.00 sq. mtr of land adjacent to their Noida Extension hospital with the intention to expand the bed capacity. However, the process to enter into definite agreements with the authorities is currently in process and no such agreements have been entered to date.

Jhansi-Orchha Hospital

The 4th hospital is located in Orchha, Madhya Pradesh which occupies 43,180 sq. mtr of land, and is a recent acquisition by them. It is a 305-bedded hospital which includes 76 critical care beds. The hospital commenced commercial operations in the current Fiscal with effect from April 10, 2022 and in the Fiscal 2023, treated 1,960 IPD patients and 16,639 OPD patients. They have obtained QCI NABH accreditation for the Jhansi Orchha hospital and have already been empanelled with Pradhan Mantri Jan Arogya Yojana. They are also in the process of obtaining empanelment's with TPAs/ insurance companies, government bodies and others which are pending at various stages. This hospital has infrastructure to operate all the major super specialties and they intend to introduce a fully functional oncology treatment unit in Fiscal 2025.

Details of patients treated by Hospitals:

Hospitals	IPD Patients			POD Patients		
	Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2023	Fiscal 2022	Fiscal 2021
Greater Noida	17,255	15,020	9,322	137,937	116,300	82,520
Noida	11,957	9,316	7,816	72,906	56,799	44,671
Noida Extension	14,186	8,457	4,218	102,278	49,730	8,564
Jhansi- Orchha	1,960	-	-	16,639	-	-

COMPETITIVE STRENGTHS

- ***Among the leading super-specialty hospital in Delhi NCR with diverse specialty and payer mix***

As of March 31, 2023, Yatharth engaged 609 doctors led by experienced clinical department directors and offer a range of healthcare services across their specialties and super specialties, which include their Centres of Excellence such as the Centre of Medicine, Centre of Cardiology, Centre of Neurosciences, Centre of General surgery, Centre of Nephrology & Urology, Centre of Paediatrics, Centre of Gastroenterology, Centre of Pulmonology, Centre of Gynaecology and Centre of Orthopaedics & Spine & Rheumatology and other specialties.

Their operations encompass all levels of healthcare services from primary to tertiary and position them to be a one-stop destination for patient needs in the respective micro markets. They have successfully completed 4,535, 8,218, and 16,165 surgeries and 9,132, 10,114 and 15,359 dialysis procedures in Fiscal 2021, 2022 and 2023, respectively. Diversification of revenue in terms of specialties, hospital and customer mix allows them to grow their business whilst maintaining a relatively de-risked business proportions and allows them to impose differential pricing and marketing strategies more effectively to attract the customers and the patients.

- ***Advanced and high-end medical equipment and technology***

Yatharth is designed to assist their practitioners in providing timely, efficient, and quality healthcare. Their hospitals are equipped with machines and devices with sophisticated technology. They also equip their hospitals with advanced medical technology and equipment and diagnostic instruments. They continuously strive to introduce cutting-edge medical technology and state-of-the-art equipment and facilities across each aspect of their healthcare services, from out-patient to in-patient.

- ***Ability to attract quality doctors, nurses, paramedical, and other staff***

Yatharth's success can be partially attributed to their highly qualified medical professionals and other staff, and their ability to attract such quality professionals and staff. As at March 31, 2023, they engaged 3,303 individuals, which included 609 doctors, of which 267 were consultant doctors, 178 were resident medical officers and 164 were visiting doctors. Their staff included 799 nurses, 379 paramedical, and 1,516 corporate and support staff. Many of their specialists, physicians and surgeons are regular faculties and attendees at some of the premier medical conferences.

- ***Experienced and qualified professional management team with strong execution track record***

Yatharth is continues to be led by a highly qualified, experienced, and reliable management team. To ensure that they are led by a right mix of professionals from various fields, their corporate setup has been appropriately balanced to include healthcare and other management professionals. The credibility associated with their Promoters, coupled with their experience and medical acumen has contributed towards their growth and brand name. In addition, their Board is composed of individuals with diverse experience in the sectors of hospitality, medicine, finance, banking and economics, and general administration. The mix of able promoters/doctors and a Board including independent directors from diverse field will help their business grow and implement higher standards of corporate governance.

- ***Track record of stable operating and financial performance and growth***

Yatharth has demonstrated stable operating and financial performance and growth over the past 3 fiscals. Their growth in revenue and profitability can be credited to their strong operational efficiency, which they achieve by streamlining their clinical and administrative functions, continually introducing process innovations, and ensuring that they maintain economies of scale. While they invest a significant amount of capital expenditure in creating and increasing bed capacity and opening new hospitals, they strive to incur lower capital expenditure by making optimal use of the available area in their hospitals and working better with equipment suppliers. They have acquired land on a long-term leasehold basis and a building civil structure on their own, which has helped them to keep their capital expenditure per operational bed lower.

KEY BUSINESS STRATEGIES

- ***Continue to improve the quality of care and operational efficiencies***

Yatharth intends to strengthen their super-specialties by on-boarding new reputable and experienced doctors skilled in their respective fields of practice, further balancing their specialty mix, deepening their expertise in select specialties and adding capabilities and super-specialties to their various departments. They intend to focus on building capabilities for new, more advanced specialties which have high demand in the respective micro markets and deliver a higher ARPOB. They attentively monitor their costs of pharmaceuticals and consumables, human resources costs and other administrative costs, as it forms a substantial part of their operating expenses.

- **Introduce new specialties at existing hospitals**

Yatharth is intending to introduce new specialties at their existing hospitals such as radiation therapy to their oncology department at their hospitals located in Noida Extension and Jhansi-Orchha.

Radiation Therapy for Oncology Unit: Their existing oncology treatment includes medical and surgical oncology which are available at 3 of their 4 existing hospitals which are in the Delhi-NCR. They aspire to make the Noida Extension hospital as their centre of excellence for complete oncology treatment, while the Noida and Greater Noida hospitals will continue to provide the existing oncology services for the treatment of cancer.

Human Organ Transplant Unit: Yatharth has started bone marrow and kidney transplant operations at their hospital located at Noida Extension and Greater Noida hospital. Further, they have also received requisite approvals to start liver transplant at their Noida Extension hospital. They also plan to introduce an additional specialty of human organ transplant and intend to develop their Greater Noida hospital as their Organ Transplant centre.

- **Augment scale through organic and inorganic manner in current markets and expand into adjacent regions**

The hospital continually looks for value-accretive opportunities while strengthening their presence in their key growth markets by expanding the network of hospitals owned and operated by them through brownfield or greenfield projects, strategic acquisitions, and arrangements with third party service providers.

Further, they also intend to expand the size and scope of their existing hospital and to that extent have been allotted 1,885.15 sq. mtr of land adjacent to their Greater Noida hospital with the intention to expand the bed capacity. Further, they have emerged as the highest bidder to lease 3,660.00 sq. mtr of land adjacent to their Noida Extension hospital with the intention to expand the bed capacity. However, the process to enter into definite agreements with the authorities is currently in process and no such agreements have been entered. They also intend to explore opportunities for expansion via asset-light models or models involving no ownership of assets. In addition, they hope to increase their bed capacity and expand geographically through inorganic growth such as acquisition of new hospitals.

- **Continue to attract, engage and train prominent, skilled doctors and other healthcare professionals**

Yatharth attributes a key component of their success to the quality of their medical professionals and staff. They select their super specialists and aim to engage them in a mutually rewarding relationship on a long-term basis. This helps in the stability of their operations, quality of care and scope of super specialty services provided. In addition, the association of super specialist to their hospital brand and vice versa increases the attractiveness of their brand and improves the reputation. They also plan to increase their communications and collaborations with leading institutions and experts in different medical areas to improve their diagnostic and treatment capabilities.

- **Further leverage technology to grow the operations**

Robotic surgery or robot assisted surgery is one of the minimally invasive methods of surgical procedure and is one of the fastest developing segments in the global healthcare space. Yatharth also intends to employ new technology, machines and treatments by analysing complementariness of cutting-edge medical developments and technologies. They plan to use robots for robotic surgeries which may be used for surgeries in the field of gynaecology, urology, cardiology, pulmonology, and oncology, amongst others. They intend to continue regularly updating their existing machines and equipment to meet its intended purpose and operational demands.

- **Grow the medical tourism segment to attract more international patients**

Medical tourism has gained momentum over the years and India is fast emerging as a major medical tourist destination, given the relatively low cost of surgery and critical care in India. Yatharth's strategic location and proximity to the proposed Noida International Airport increases their accessibility for medical tourists. Currently, they have established ties with several medical tourism firms. They have also made contact with local embassy officials to promote themselves as an eligible service provider.

INDUSTRY OVERVIEW

Key Financial Parameters (FY23)

Key Financial Parameters (FY23)	Operating Income (₹ Cr)	2 Year CAGR (Mar 21 – Mar 23)	YOY Growth (%)	EBITDA (OPBDIT) (₹ Cr)	2 Year CAGR (Mar 21 – Mar 23)	YOY Growth (%)	PAT (₹ Cr)	2 Year CAGR (Mar 21 – Mar 23)	YOY Growth (%)
AHEL	16,612.5	25.4%	13.2%	2,049.6	33.9%	(7.0)%	844.6	148.6%	(23.8)%
FHL	6,297.6	25.8%	11.3%	1,101.3	78.1%	9.1%	633.0	NA	(19.9)%

Key Financial Parameters (FY23)	Operating Income (₹ Cr)	2 Year CAGR (Mar 21 – Mar 23)	YOY Growth (%)	EBITDA (OPBDIT) (₹ Cr)	2 Year CAGR (Mar 21 – Mar 23)	YOY Growth (%)	PAT (₹ Cr)	2 Year CAGR (Mar 21 – Mar 23)	YOY Growth (%)
GHL	2,694.2	36.0%	23.8%	619.8	72.8%	33.0%	326.1	236.5%	66.2%
HGEL	1,694.4	29.2%	21.2%	298.7	52.9%	25.3%	17.6	NA	(54.7)%
KIMS	2,197.7	28.4%	32.1%	604.0	27.1%	14.2%	365.8	33.4%	6.4%
MHIL	5,904.0	27.5%	13.1%	1,636.0	60.4%	17.7%	13,28.0	NA	58.7%
NHL	4,524.8	32.2%	22.0%	965.8	119.1%	42.6%	606.6	NA	77.3%
YHTC	520.3	50.8%	29.8%	133.8	41.3%	20.7%	658	83.2%	48.9%

Key Financial Parameters (FY23)	Operating Income FY23 (₹ Cr)	Operating Margin (%)	Net Profit Margin (%)	ROCE (%)	Interest Coverage (times)	Gearing (times)	OPBDIT/ CFO	CFO / OPBDIT	Working Capital Days	Asset Turnover Ratio
AHEL	16,612.5	12.3%	5.1%	17.9%	5.5	0.5	0.8	1.2	(22.7)	1.2
FHL	6,297.6	17.5%	10.1%	24.1%	9.7	0.2	0.5	1.8	(136.9)	0.8
GHL	2,694.2	23.0%	20.1%	18.6%	8.8	0.3	0.8	1.3	(76.7)	0.7
HGEL	1,694.4	17.6%	1.0%	11.0%	3.0	0.6	0.5	2.2	(138.5)	0.8
KIMS	2,197.7	27.5%	16.6%	28.9%	21.2	0.3	1.7	0.6	(80.5)	0.9
MHIL	5,904.0	27.7%	22.5%	37.6%	16.5	0.2	1.1	0.9	(171.7)	0.9
NHL	4,524.8	21.3%	13.4%	33.8%	14.8	0.4	1.0	1.0	(182.1)	1.2
YHTC	520.3	25.7%	12.6%	29.9%	6.4	1.8	3.7	0.3	15.0	1.2

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

Name of the Bank	Consolidated/ Standalone	Face Value	Total Income FY 2023 (₹ Cr)	EPS		NAV	P/E	RoNW (%)
				Basic	Diluted			
Yatharth Hospital and Trauma Care Services Ltd	Consolidated	10	523.10	10.09	10.09	27.93	[•]	35.95%
Apollo Hospitals Enterprise Ltd	Consolidated	5	16,702.79	56.97	56.97	431.02	89.44	13.22%
Fortis Healthcare Ltd	Consolidated	10	6,359.35	7.80	7.80	95.93	40.36	8.13%
Narayana Hrudayalaya Ltd	Consolidated	10	4,590.21	29.85	29.85	104.30	33.29	28.44%
Max Healthcare Institute Ltd	Consolidated	10	4,701.84	11.38	11.36	76.32	52.66	14.89%
Krishna Institute of Medical Sciences Ltd	Consolidated	10	2,223.55	42.03	42.03	208.62	42.44	20.14%
Healthcare Global Enterprises Ltd	Consolidated	10	1,707.62	2.11	2.10	61.86	151.02	3.41%
Global Health Ltd	Consolidated	2	2,759.16	12.58	12.57	90.54	52.44	13.43%

Source:RHP; The closing market price of equity shares on BSE on June 30, 2023.

Comparison of Debt-to-Equity Ratio and EBITDA Margin with Listed Industry Peers:

	Debt to Equity Ratio			EBITDA Margin (%)		
	2023	2022	2021	2023	2022	2021
Yatharth Hospital and Trauma Care Services Ltd	1.44	2.21	2.57	25.71%	27.64%	29.30%
Apollo Hospitals Enterprise Ltd	0.44	0.47	0.54	12.34%	16.96%	10.77%
Fortis Healthcare Ltd	0.10	0.16	0.19	17.83%	19.12%	11.22%
Narayana Hrudayalaya Ltd	0.36	0.37	0.47	21.35%	17.66%	7.05%
Max Healthcare Institute Ltd	0.08	0.12	0.16	27.19%	24.07%	8.84%
Krishna Institute of Medical Sciences Ltd	0.32	0.12	0.31	27.48%	31.24%	27.89%
Healthcare Global Enterprises Ltd	0.46	0.47	0.59	17.48%	16.74%	12.09%
Global Health Ltd	0.35	0.52	-	22.72%	20.82%	-

Comparison of KPIs with the listed peers (for Fiscal 2023):

	Yatharth Hospital & Trauma Care Services	Apollo Hospitals Enterprise	Fortis Healthcare	Narayana Hrudalaya	Max Healthcar Institute	KIMS	Healthcare Global Enterprises	Global Health
Number of operational beds	1,405	9,957	4,500	6,186	3,504	3,142	1,415	2,697
Bed Occupancy Rate (%)	45.33%	64	67	48	76	69	60	59
Average Revenue per Occupied Bed ("ARPOB") (₹)	26,538	51,668	55,101	34,794	67,400	29,946	NA	59,098
Average Length of Stay ("ALOS")	4.3	3.4	3.7	4.5	4.3	4.1	2.3	3.3
In-patient Volume	45,358	540,881	290,000	229,000	NA	177,181	NA	135,161
In-patient Revenue (₹ Cr)	451.9	NA	4,455.2	NA	NA	NA	NA	2,236.2
Out-patient Volume	329,760	1,879,171	2,830,000	2,363,000	2,281,000	1,462,439	NA	2,274,651
Out-patient Revenue (₹ Cr)	68.4	NA	703.3	NA	NA	NA	NA	458.0
Revenue from operations (₹ Cr)	520.29	16,612.45	6,297.63	4,524.77	4,562.60	2,197.68	1,691.41	2,694.25
EBITDA(₹ Cr)	133.77	2,049.61	1,123.18	965.82	1,240.53	604.01	295.65	612.21
EBITDA Margin (%)	25.71%	12.34%	17.83%	21.35%	27.19%	27.48%	17.48%	22.72%
ROCE (%)	26.10%	17.64%	10.65%	30.07%	15.50%	22.22%	12.43%	23.20%
ROE (%)	35.95%	13.22%	8.13%	28.44%	14.89%	20.14%	3.41%	13.43%
Debt to equity (Ratio)	1.44	0.44	0.10	0.36	0.08%	0.32	0.46	0.35

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