



IPO DETAILS

#IPOology

Yatharth Hospital and Trauma Care Services Ltd



Issue Opens

26 July, 2023 Wednesday

Issue Closes

28 July 2023, Friday

Min. Lot Size

50 Shares

Issue Price Band

₹285-₹300

Industry

Hospital & Healthcare Services

Issue Size

Fresh Issue: 16.33mn
Eq Shares: (4,900.00mn)

OFS:

6.55mn Eq Shares
(1,965.51mn)

Face Value

₹10

Listing at

NSE, BSE

Rationale

Considering the FY23 EPS of Rs 7.66 on a post issue basis, the company is going to list at a P/E of 39.16x with a market cap of Rs.25,755mn whereas its peers Apollo Hospitals Enterprise Limited, Fortis Healthcare Limited, Narayana Hrudalaya Limited, Max Healthcare Institute Limited, Krishna Institute of Medical Sciences Limited, Healthcare Global Enterprises Limited, Global Health Limited are trading at a P/E of 92.0x, 48.2x, 35.2x, 53.5x, 46.9x, 253.0x, 59.1x.

We assign "Subscribe" rating to this IPO as the company is one of the leading super-specialty hospitals in Delhi NCR; this institution boasts a diverse range of specialties and payer mix, demonstrating a track record of consistent and stable operating and financial performance, with sustained growth. Also it is available at a reasonable valuation compared to its peers.

Objectives of the issue

Repayment/ prepayment, in full or part, of certain borrowings availed by Company.

Repayment/ prepayment, in full or part, of certain borrowings availed by their Subsidiaries, namely, AKS and Ramraja.

Funding capital expenditure expenses of Company for two hospitals, namely, Noida Hospital and Greater Noida Hospital.

Funding capital expenditure expenses of their Subsidiaries, AKS and Ramraja, for respective hospital operated by them.

Funding inorganic growth initiatives through acquisition and other strategic initiatives.

General corporate purposes.

Rating

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Yatharth Hospital and Trauma Care Services Ltd

Company Overview

The Company operates three super specialty hospitals located in Delhi NCR, i.e., at Noida, Greater Noida and Noida Extension, Uttar Pradesh.

The Endless Success

Noida Extension Hospital is at the 8th largest private hospital in the National Capital Region of Delhi.

Greater Noida Hospital is at the 10th largest private hospital in the National Capital Region of Delhi.

They acquired 305-bedded multi-specialty hospital in Orchha, Madhya Pradesh near Jhansi, Uttar Pradesh.

They engaged 609 doctors and offer healthcare services across several specialties and super specialties.

The revenue derived from key service segments (i) Medicine (31% of Revenue), (ii) Orthopedics & Spine & Rheumatology (6%), (iii) Nephrology & Urology (9%), (iv) Neurosciences (10%), (v) General surgery (8%), (vi) Cardiology (10%), (vii) Pediatrics (5%), (viii) Gynecology (4%), (ix) Gastroenterology (3%), (x) Pulmonology (5%), (xi) Others (9%).



A Comprehensive Overview

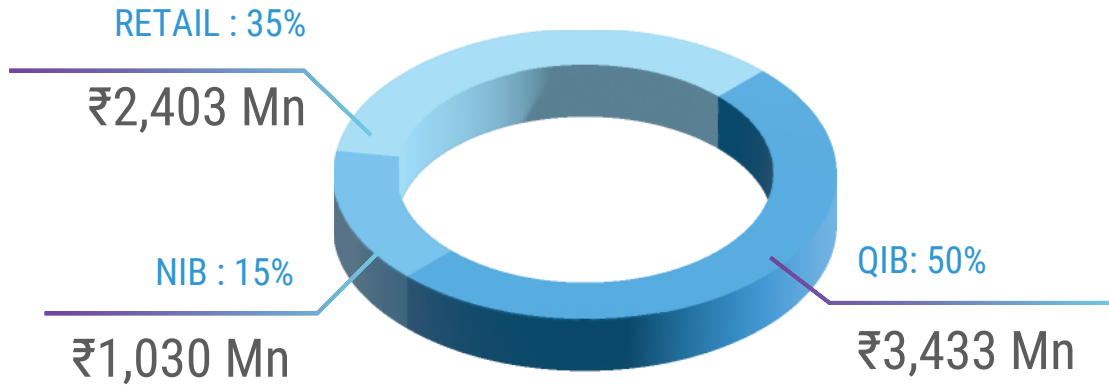
They are empanelled with several of the third-party health insurance administrators and the non-life insurance companies, many government organisations including Employees' State Insurance Corporation ("ESIC"), Central Government Health Scheme ("CGHS"), Ex-Servicemen Contributory Health Scheme ("ECHS"), as well as public sector undertakings and private enterprises.



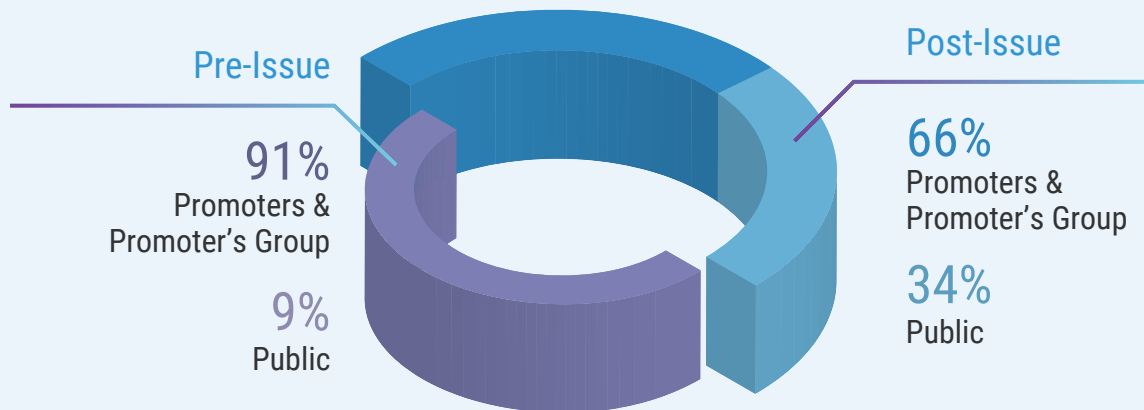
Yatharth Hospital and Trauma Care Services Ltd

Issue Details

Issue Break-Up



Shareholding Pattern



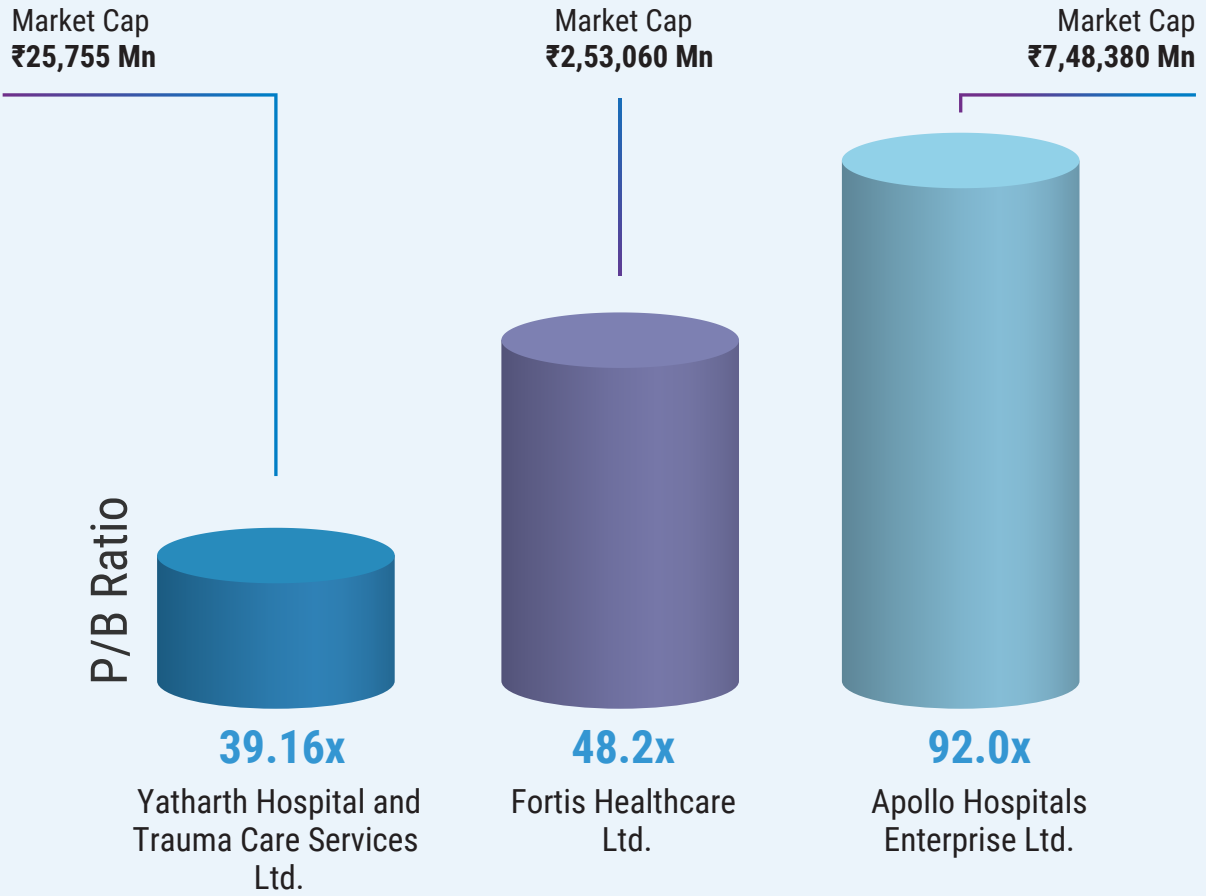
Capital Structure (in ₹)





Yatharth Hospital and Trauma Care Services Ltd

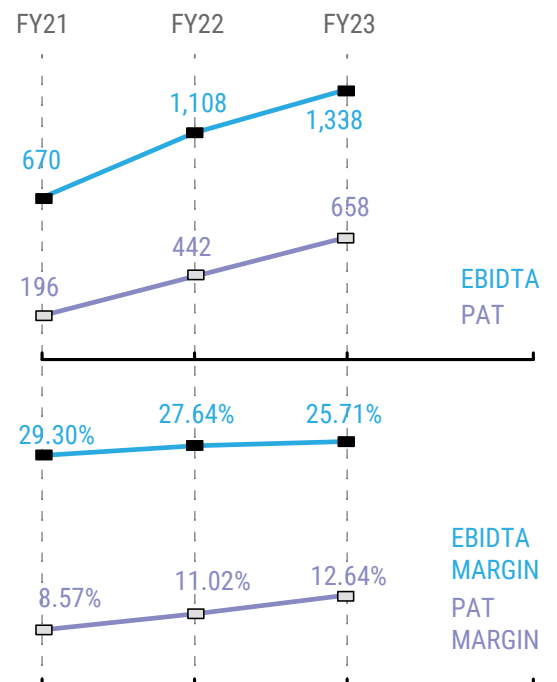
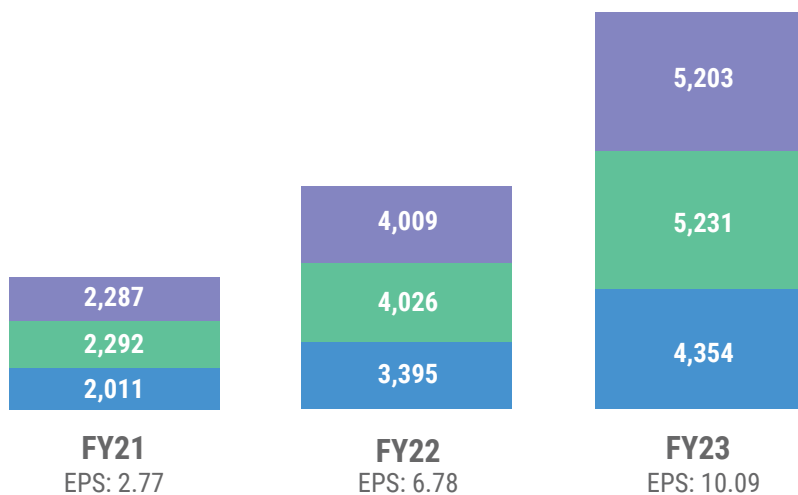
Valuations and Peer Comparison



Market Cap data of listed securities as on July 22, 2023

Financial Snapshot (in ₹ Mn)

- Revenue
- Total Income
- Total Expenses





Yatharth Hospital and Trauma Care Services Ltd

Business Insights



Competitive Strengths

- Among the leading super-specialty hospital in Delhi NCR with diverse specialty and payer mix.
- Advanced and high-end medical equipment and technology.
- Ability to attract quality doctors, nurses, paramedical, and other staff.
- Experienced and qualified professional management team with strong execution track record.
- Track record of stable operating and financial performance and growth.



Business Strategy

- Continue to improve their quality of care and operational efficiencies.
- Introduce new specialties at existing hospitals.
- Augment scale through organic and inorganic manner in current markets and expand into adjacent regions.
- Continue to attract, engage and train prominent, skilled doctors and other healthcare professionals.
- Further leverage technology to grow their operations.
- Grow their medical tourism segment to attract more international patients.



Risks

- As a healthcare provider, COVID-19 pandemic, and the stringent restrictions to slow down its spread had an adverse effect on their business, operations and their future financial performance.
- They have high fixed costs, which can adversely impact their profitability.
- Their Subsidiaries have incurred net losses in the past and may not be able to achieve or maintain profitability in the future.
- Significant portion of Net Proceeds from the Fresh Issue is earmarked for Jhansi-Orchha Hospital, which was non-operational since Fiscal 2020 until Fiscal 2022 and incurred losses in Fiscal 2023.
- They derived 33.17%, and 22.19% of their revenue from operations in Fiscal 2021 and 2022 from COVID-19 which they may not continue to earn in future that could adversely affect their business, results of operations and cash flows.

Promoters and Management Details

Ajay Kumar Tyagi - Chairman and Whole-Time Director

Kapil Kumar - Managing Director

Yatharth Tyagi - Whole-Time Director