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Issue Details	
Price Band (₹)	₹285 - 300
Face Value (₹)	10
Issue Size (₹)	686.55 Cr
Issue Type	Book Building
Minimum lot	50 Shares
Issue Opens	July 26, 2023
Issue Closes	July 28, 2023
Listing on	BSE, NSE

Indicative Timeline	On or before
Finalization of Basis of Allotment	August 02, 2023
Unblocking of Funds	August 03, 2023
Credit of shares to Demat Account	August 04, 2023
Listing on exchange	August 07, 2023

Other Detail	
Book Running Lead Managers	Intensive Fiscal Services Private Limited, Ambit Private Limited, IIFL Securities Limited.
Registrar	Link Intime India Private Limited.

IPO Shareholding (%)		
Category	Pre-Issue	Post-Issue
Promoters	91.34%	66.32%
Public	8.66%	33.6%
Total	100.00%	100.00%

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Yatharth Hospital and Trauma Care Services Ltd.

Company Background

Yatharth Hospital and Trauma Care Services Limited (YHTCL) was incorporated on February 28, 2008. It is a multi-care hospital chain. It rank among the top 10 largest private hospitals in the National Capital Region of Delhi. Yatharth Hospital presently operates three super specialty hospitals situated in Delhi NCR, i.e., at Noida, Greater Noida, and Noida Extension, Uttar Pradesh. It offer healthcare services across numerous specialties and super specialties. A team of 609 doctors is engaged with the company.

Issue Details

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

Issue Objectives

1. Repayment/ prepayment, in full or part, of certain borrowings availed by the Company.
2. Repayment/ prepayment, in full or part, of certain borrowings availed by the Subsidiaries, namely, AKS Medical & Research Centre Private Limited and Ramraja Multispecialty Hospital & Trauma Centre Private Limited.
3. Funding capital expenditure expenses of the Company for two hospitals, namely, Noida Hospital and Greater Noida Hospital.
4. Funding capital expenditure expenses of the Subsidiaries, AKS and Ramraja, for respective hospitals operated by them.
5. Funding inorganic growth initiatives through acquisitions and other strategic initiatives.
6. General corporate purposes.

IPO share allotment pattern

Category	Allocation	Number of Shares at ₹300	Value at Upper Band (in ₹ Cr.)
QIB (Institutional)	50%	1,14,42,510	343.28
Non Institutional	15%	34,32,754	102.98
Retail	35%	80,09,759	240.29
Total	-	2,28,85,023	686.55

Source: Company RHP, ACMIIL Research

Outlook and Valuations

YHTCL is among the leading super specialty hospital in Delhi-NCR region with diverse specialty and payer mix. The company has advanced and high end medical equipment and technology. Further, we believe active collaborations with leading institutions and experts in different medical areas to improve their diagnostic and treatment capabilities and expansion in other geographical areas through inorganic growth to drive growth. At the upper price band of ₹300/-, stock is priced at 29.73 of its FY23 EPS of 10.09. **We recommend subscribing to the issue from a long term perspective.**

Company & 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 Infomeric 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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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.

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.

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.

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.

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.

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.

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.

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.

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.

The Key financial and operating metrics of each of YHTCL's hospitals for the periods indicated:

Particulars	Fiscal 2021				Fiscal 2022				Fiscal 2023			
	Noida	Greater Noida	Noida Extension		Noida	Greater Noida	Noida Extension	Jhansi-Orchha	Noida	Greater Noida	Noida Extension	Jhansi-Orchha
Total bed capacity	250	400	450	-	250	400	450	305	250	400	450	305
No. of operational beds	214	321	329	-	250	400	450	305	250	400	450	305
Number of census beds	179	259	269	-	215	330	390	250	215	330	390	250
Number of ICU Beds	50	83	58	-	81	112	125	76	81	112	125	76
Bed occupancy rate (%)	48.61%	39.41%	39.11%	-	72.31%	59.84%	29.31%	-	87.92%	62.37%	31.27%	8.36%
ARPOB (₹)	21,436	21,754	20,710	-	22,617	23,621	24,534	-	24,949	26,539	30,475	17,692
ALOS	4.06	4	9.11	-	6.09	4.8	4.93	-	5.77	4.35	3.14	3.79
In-patient Volume	7,816	9,322	4,218	-	9,316	15,020	8,457	-	11,957	17,255	14,186	1,960
In-patient Revenue (₹ Cr)	59.82	69.48	76.71	-	113.09	145.79	87.48	-	155.89	172.87	112.68	10.46
Out-patient Volume	44,671	82,520	8,564	-	56,799	1,16,300	49,370	-	72,906	1,37,937	1,02,278	16,639
Out-patient Revenue (₹ Cr)	8.26	11.58	2.82	-	15.25	24.46	14.87	-	16.24	26.51	22.97	2.67
Revenue from Operations (₹ Cr)	68.09	81.05	79.54	-	128.34	170.25	102.35	-	172.13	199.38	135.65	13.13

Source: Company RHP, ACMIIL Research

Financial Snapshot (Consolidated)

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

Source: Company RHP, ACMIIL Research

Comparison with Listed Peers FY23

Particulars	Yatharth Hospital & Trauma Care Services	Apollo Hospitals Enterprise	Fortis Healthcare	Narayana Hrudalaya	Max Healthcare Institute	KIMS	Healthcare Global	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	64	67	48	76	69	60	59
Average Revenue per Occupied	26,538	51,668	55,101	34,794	67,400	29,946	NA	59,098
Average Length of Stay	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

Source: Company RHP, ACMIIL Research

Risks and concerns

- YHTCL is highly dependent on doctors, nurses and other healthcare professionals and its business and financial performance will be impacted significantly if company unable to attract, retain or train such professionals.
- The Company depends on the strength of its brand and reputation. Failure to maintain and enhance those brand and reputation, and any negative publicity and allegations in the media against this, may materially and adversely affect the level of market recognition of, and trust in, the services, which could result in a material adverse impact on company's business, financial condition, results of operations and prospects.
- If Company unable to increase its hospital occupancy rates, it may not be able to generate adequate returns on its capital expenditures, which could materially adversely affect the operating efficiencies and also the profitability.

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