

January 14, 2016

CARE REAFFIRMS THE RATING ASSIGNED TO THE BANK FACILITIES AND ASSIGNS 'CARE BB+' RATING TO THE PROPOSED NCD OF GPT HEALTHCARE PRIVATE LIMITED

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	54.16 (reduced from 66.42)	CARE BB+ (Double B plus)	Reaffirmed
Short-term Bank Facilities	0.32	CARE A4+ (A Four plus)	Reaffirmed
Total Bank Facilities	54.48 (Rupees Fifty Four crore and Forty Eight Lac only)		
Non-Convertible Debenture	10.00	CARE BB+ (Double B plus)	Assigned

Rating Rationale

The ratings continued to be constrained by fragmented nature of industry, capital intensive nature of business, high vulnerability to treatment-related and operating risks, and risk associated with the setting up a new hospital. The ratings, however, continues to draw comfort from the long experience of promoters, regular fund infusion from promoters, improvement in occupancy rate, improvement in financial performance in FY15 (refers to the period April 1 to March 31) & H1FY16. Ability of the company to improve occupancy level of Agartala unit and successful commissioning of new hospital within the estimated cost & time are the key rating sensitivities.

Background

GPT Healthcare Pvt Ltd (GPTHPL) was incorporated in 1989 by Kolkata-based GPT Group. GPTHPL is engaged into healthcare business since 2005 and operates two multi-specialty hospitals in Kolkata, West Bengal (having 85-bed hospital in Salt Lake and 113-bed multi-specialty hospital in Dum Dum) and one in Agartala, Tripura (having 205-bed multi-specialty hospital & nursing school). The company also operates a 1.25 MW wind power project in Dhule, Maharashtra.

In FY15 (refers to the period April 1 to March 31), GPTHPL reported a loss of Rs.14.55 crore (loss of Rs.15.53 crore in FY14) on total operating income of Rs.96.54 crore (Rs.67.13 crore in FY14). In H1FY16, the company reported a PAT of Rs.1.68 crore on total operating income of Rs.56.88 crore.

Analyst Contact

Name: Mr. Utkarsh Nopany

Tel: 033-4018 1605

Cell: + 91 98361 86474

Email: utkarsh.nopany@careratings.com

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

CONTACT**Head Office Mumbai****Mr. Sanjay Kumar Agarwal**

Mobile: + 91 8108007676

E-mail: sanjay.agarwal@careratings.com

Mr. Amod Khanorkar

Mobile: + 91 9819084000

E-mail: amod.khanorkar@careratings.com

CREDIT ANALYSIS & RESEARCH LIMITED

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022

Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

AHMEDABAD**Mr. Mehul Pandya**32, Titanium, Prahaladnagar Corporate Road,
Satellite, Ahmedabad - 380 015

Cell: +91-98242 56265

Tel: +91-79-4026 5656

E-mail: mehul.pandya@careratings.com

BENGALURU**Mr. Dinesh Sharma**Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
No. 30, M.G. Road, Bangalore - 560 001.

Cell: +91-99000 41975

Tel: +91-80-4115 0445, 4165 4529

E-mail: dinesh.sharma@careratings.com

CHANDIGARH**Mr. Sajan Goyal**2nd Floor, S.C.O. 196-197, Sector 34-A,
Chandigarh - 160 022.

Cell: +91 99888 05650

Tel: +91-172-5171 100 / 09

Email: sajan.goyal@careratings.com

CHENNAI**Mr. V Pradeep Kumar**Unit No. O-509/C, Spencer Plaza, 5th Floor,
No. 769, Anna Salai, Chennai - 600 002.

Cell: +91 98407 54521

Tel: +91-44-2849 7812 / 0811

Email: pradeep.kumar@careratings.com

COIMBATORE**Mr. V Pradeep Kumar**T-3, 3rd Floor, Manchester Square
Puliakulam Road, Coimbatore - 641 037.

Tel: +91-422-4332399 / 4502399

Email: pradeep.kumar@careratings.com

HYDERABAD**Mr. Saikat Roy**401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
Hyderabad - 500 029.

Cell : + 91 9820998779

Tel: +91-40-4010 2030

E-mail: saikat.roy@careratings.com

JAIPUR**Mr. Rakesh Jayaraman**304, Pashupati Akshat Heights, Plot No. D-91,
Madho Singh Road, Near Collectorate Circle,
Bani Park, Jaipur - 302 016.

Cell: +91 - 76655 96136

Tel: +91-141-402 0213 / 14

E-mail: rakesh.jayaraman@careratings.com

KOLKATA**Ms. Priti Agarwal**3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
10A, Shakespeare Sarani, Kolkata - 700 071.

Cell: +91-98319 67110

Tel: +91-33- 4018 1600

E-mail: priti.agarwal@careratings.com

NEW DELHI**Ms. Swati Agrawal**13th Floor, E-1 Block, Videocon Tower,
Jhandewalan Extension, New Delhi - 110 055.

Cell: +91-98117 45677

Tel: +91-11-4533 3200

E-mail: swati.agrawal@careratings.com

PUNE**Mr. Rahul Patni**9th Floor, Pride Kumar Senate,
Plot No. 970, Bhamburda, Senapati Bapat Road,
Shivaji Nagar, Pune - 411 015.

Cell: +91-78754 33355

Tel: +91-20- 4000 9000

E-mail: rahul.patni@careratings.com

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