

OCTOBER 17, 2016

CARE REVISES THE RATING ASSIGNED TO THE BANK FACILITIES NCD OF GPT HEALTHCARE PRIVATE LTD

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	6.40 (reduced from 54.16)	CARE BBB- (Triple B Minus)	Revised from CARE BB+ (Double B Plus)
Short-term Bank Facilities	-	-	Withdrawn
Total	6.40 (Rupees six crore and forty lakh)		
Non-Convertible Debenture	10.00	CARE BBB- (Triple B Minus)	Revised from CARE BB+ (Double B Plus)

Rating Rationale

The revision in rating assigned to the bank facilities and instrument of GPT Healthcare Private Ltd takes into a) account improvement in financial performance on the back of slight increase in occupancy rate and higher average revenue per bed, and b) improvement in financial risk profile in FY16 (refers to the period from April 1 to March 31) and Q1FY17 mainly due to receipt of capital subsidy and reduction in debt.

The rating continues to draw comfort from the long experience of promoters in healthcare industry. However, the rating 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. Ability of the company to improve occupancy level (particularly of Agartala unit) and successful commissioning of new hospital within the estimated cost & time would remain the key rating sensitivities.

Background

GPT Healthcare Private Ltd (GPTHPL: erstwhile known as Jibansatya Printing House Pvt Ltd) was incorporated in 1989 by Kolkata-based GPT Group. The company is engaged into healthcare business since 2005 and operates two multi-specialty hospitals in Kolkata, West Bengal (having 83-bed hospital in Salt Lake and 118-bed multi-specialty hospital in Dumdum) 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 FY16, GPTHPL reported a profit of Rs.1.64 crore (loss of Rs.14.55 crore in FY15) on total operating income of Rs.117.38 crore (Rs.96.98 crore in FY15). During Q1FY17 (Prov), the company reported a PAT of Rs.1.75 crore on total operating income of Rs.31.91 crore.

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

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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.

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