

MARCH 13, 2015

CARE REVISES THE RATINGS ASSIGNED TO BANK FACILITIES OF GPT HEALTHCARE PVT LTD

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long term Bank Facilities	66.42 (reduced from 68.37)	CARE BB+ (Double B Plus)	Revised from CARE BB (Double B)
Short term Bank Facilities	0.32 (reduced from 0.49)	CARE A4+ (A Four Plus)	Revised from CARE A4 (A Four)
Total Facilities	66.74		

Rating Rationale

The revision in ratings of GPT Healthcare Pvt Ltd takes into account improvement in operating risk profile on the back of improvement in occupancy rate in FY14 & 9MFY15 due to stabilization of its newly commissioned Dum Dum unit and equity infusion from promoter and funds infused by private equity investor in 9MFY15.

The ratings are, however, continued to be constrained by capital intensive nature of business, high vulnerability to treatment-related and operating risks, weak financial risk profile, risk associated with the new project and fragmented nature of industry. The ratings, however, continues to draw comfort from the experience of promoters and association of eminent doctors and multi-specialty hospital with latest available technology. Ability of the company to improve occupancy level of Agartala unit, timely receipt of capital subsidy from government 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 81-bed hospital in Salt Lake and 112-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 FY14, GPTHPL reported a loss at PAT level of Rs.15.5 crore (loss of Rs.7.9 crore in FY13) on a total operating income of Rs.67.1 crore (Rs.43.3 crore in FY13). As per the unaudited 9MFY15 results, the company reported a PBILDT of Rs.10.9 crore on net sales of Rs.70.9 crore.

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****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.

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