



MANGAL ANALYTICS AND<sup>®</sup>  
RESEARCH CONSULTING

Delivering Excellence, Partnering Success.

# MARC Competencies Healthcare Sector

2024



# Industry Report

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# Healthcare Industry Overview

# Industry Overview

## Key Figures & Statistics

**Ayushman Bharat - NHP Scheme** is the World's largest government funded healthcare programme

 **2.1%**

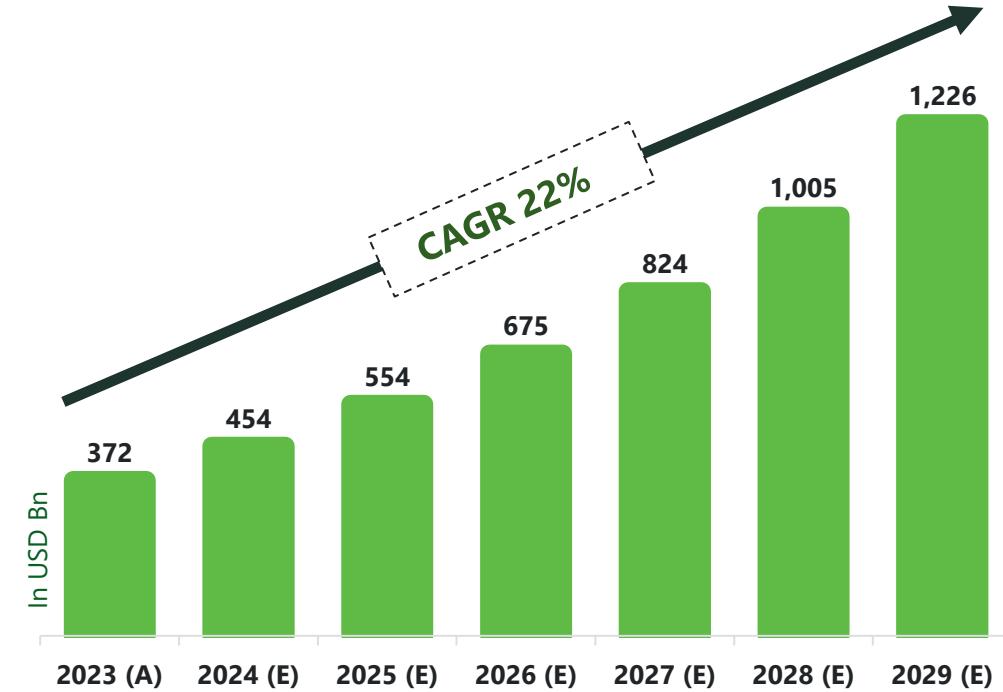
Public expenditure on healthcare as a **% of GDP** in FY23

 **7.5 Mn**

\*No. of people employed in the **Healthcare Sector** in India in 2024

A recent research report predicts that the integration of **Artificial Intelligence** (AI) within the Indian healthcare sector will create nearly **3 million new jobs** by **2028** for developers, data scientists and cybersecurity specialists.

## Indian Healthcare Industry Market Size



In the Interim Budget for FY25, **INR 90,659 Cr** was allocated to the healthcare sector, a rise of **12.5%** as compared to **INR 80,518 Cr** in the FY24 budget.

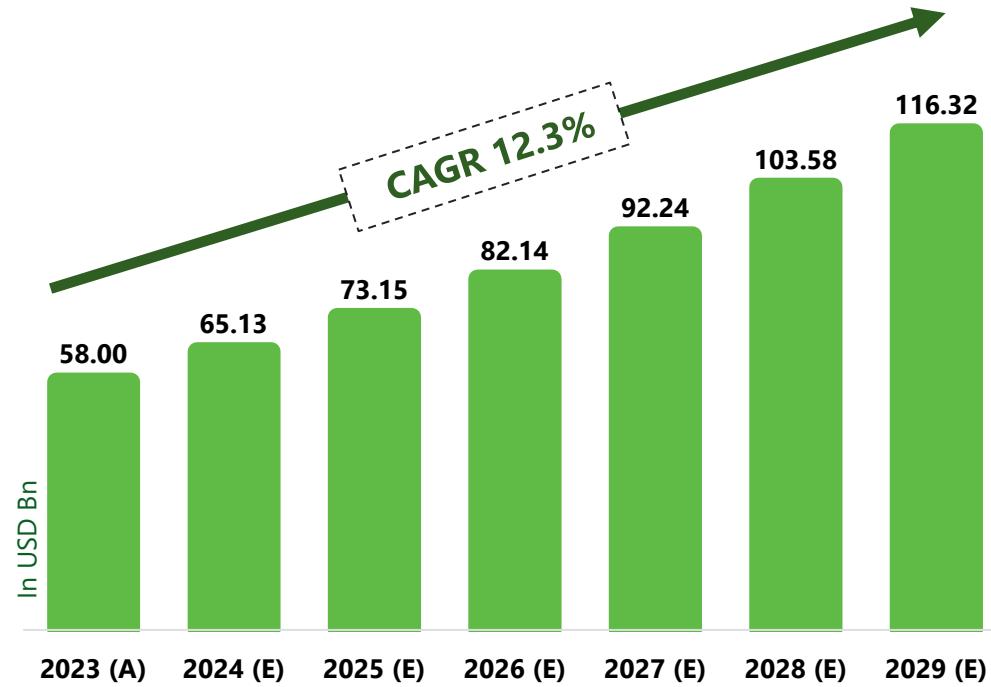
\*Note: This workforce includes various categories of health professionals such as allopathic doctors, nurses/midwives, pharmacists, dentists, and traditional medical practitioners (AYUSH)

Source: [Investindia](#), [IBEF](#), [BusinessStandard](#)

# **Healthcare Industry & Other Subsectors**

# Pharmaceuticals Industry

## Market Size



The **Pharmaceuticals market** in India is projected to reach **USD 116.32 Billion by 2029**. The largest market within the pharma industry is **Oncology Drugs**.

Source: [imarc](#), [InvestIndia](#), [IBEF](#)

## Market Drivers



India's pharma market is experiencing a surge in demand for generic drugs like Primovir & Paxista and is poised to become a major player in the global pharmaceutical industry.



Total FDI inflows in the pharmaceutical sector has been INR 43,713 Crore during the last five years (2018-19 to 2022-23).



Pharma companies in developed countries are outsourcing the manufacturing of their drugs to India because of low labour costs and production.

## Key Figures

**USD 27.85 Bn**

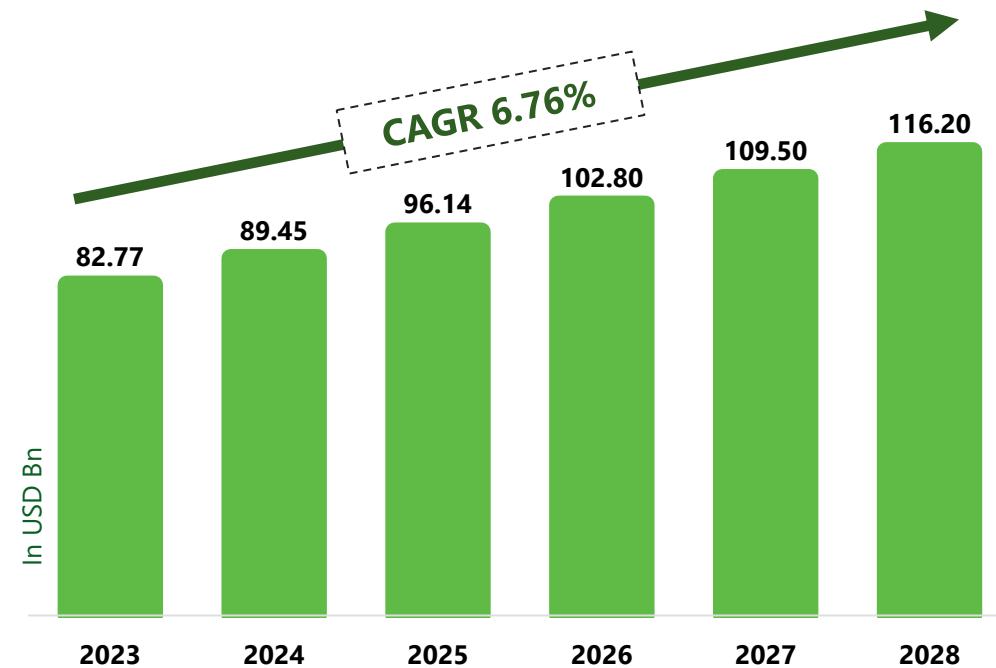
**Export of  
Pharmaceuticals  
(FY24)**

**3000+**

**Total Pharmaceutical  
Companies in India**

# Health Insurance Industry

## Market Size



Top players include Star Health and Allied Health Insurance, Aditya Birla Group, Niva Bupa Health Insurance, Bajaj Allianz Health Insurance and Bharti AXA Life Insurance.

Source: [statista](#), [MordorIntelligence](#)

## Market Drivers



Health Insurers are offering policyholders access to gym memberships, wellness apps, and preventive health screenings to encourage healthier lifestyles.



Pharmacy benefit managers negotiate lower drug prices with pharmaceutical manufacturers helping health insurers manage & control drug expenditure.



The increasing cost of treatments and hospitalization has made health insurance essential especially for advanced and critical care, where expenses can be significantly high.

## Key Figures

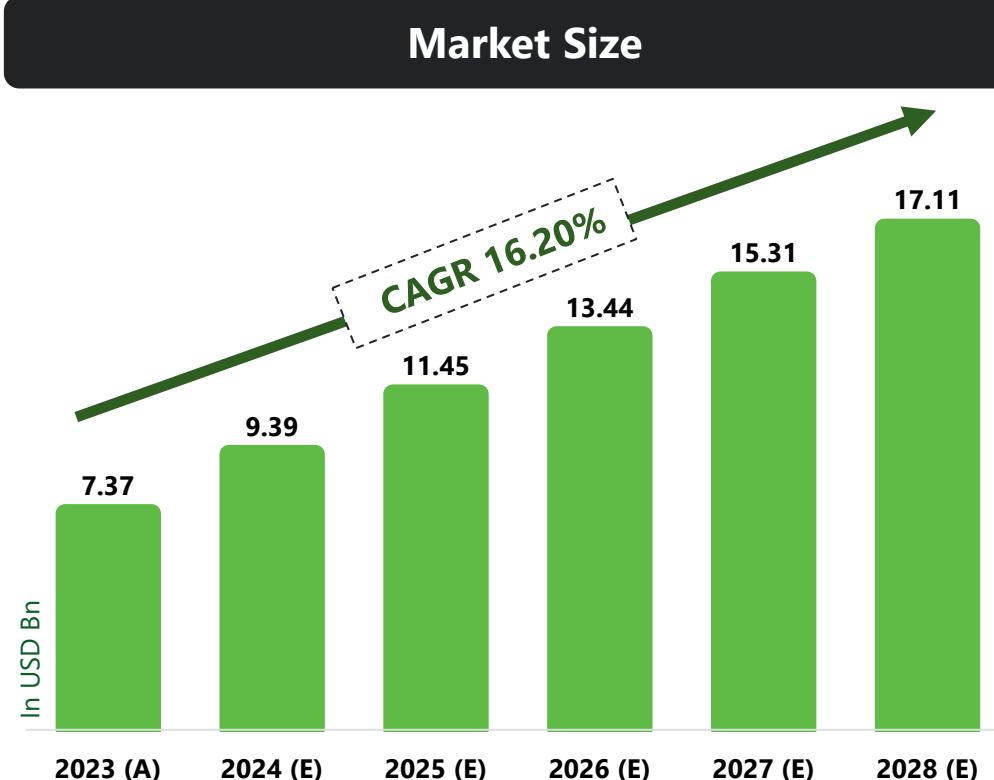
550 Mn

No. of Indians covered by Health Insurance in FY23

28

No. of Health Insurance companies in India as of 2024

# Digital Health Industry



Among the various market segments within, the largest market is projected to be **Digital Fitness & Well-Being** at **USD 15.11 bn** in **2028**. The top players include Siemens AG, GE Healthcare, Koninklijke Philips N.V and McKesson Corporation.

Source: [mordorintelligence](#)

## Market Drivers



Covid has accelerated the use of virtual health platforms, leading to a surge in online consultations. Practo, reported a 500% increase in telemedicine consultations during the pandemic.



According to a report by Deloitte, advancements in AI and ML are transforming digital health by improving diagnostics and enabling predictive analytics for better health outcomes



Various e-Government initiatives like the National Health Portal, e-Hospital, and Integrated Health Information Program (IHIP) are aiming to create a digital ecosystem.

## Key Figures

**USD 26.99**

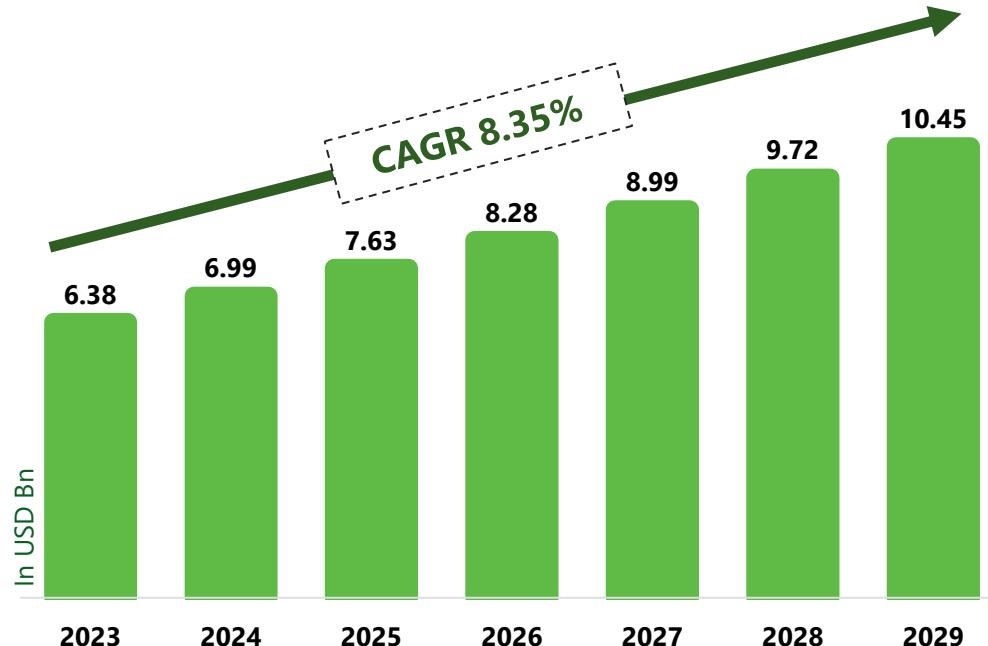
**Average Revenue per User in 2023**

**255 Mn**

**eSanjeevani telemedicine consultations**

# Medical Devices Industry

## Market Size



Some of the top Medical Device companies in India are Medtronic, Johnson & Johnson, Abbott India, Siemens Healthcare Pvt Ltd and Wipro GE Healthcare Pvt Ltd.

\*Note: Types of medical devices include diagnostic imaging (MRI, x-ray), consumables/disposables (syringes, needles), dentures, braces, artificial joints. etc.

Source: [statista](#), [IBEF](#), [Investindia](#), [Kompass](#)

## Market Drivers



The popularity of wearable devices like glucose monitors & exercise trackers is driving growth in India's medical devices industry due to their ease of use.



Partnerships between medical device manufacturers like Medikin India and local healthcare providers are driving the medical devices industry's growth by offering cost-effective solutions to patients.



On March 2024, 27 new Bulk Drug Park projects and 13 Manufacturing Plants were inaugurated for Medical Devices under the PLI Scheme.

## Key Figures

4<sup>th</sup>

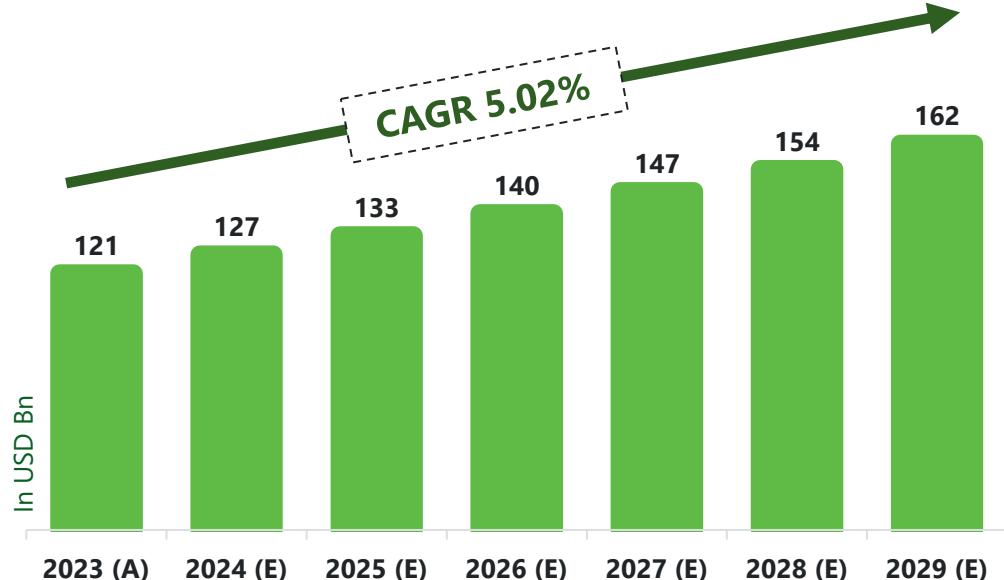
India's rank in the industry

6000+

Types of Medical Devices in India\*

# Hospital Industry (1/5)

## Indian Hospitals Market Size



According to the National Medical Council (NMC) there are 13,08,009 allopathic doctors registered with the State Medical Councils & NMC. The doctor-population ratio in the country is 1:834.

\*Note: Based on ICRA's sample size of the top 9 listed companies in India.

Source: [statista](#), [InvestIndia](#), [timesofindia](#)

## Market Drivers



India's hospitals are increasingly adopting telemedicine technology to reach patients in remote areas and improve access to healthcare.



Introduction of new policies and initiatives by the govt aimed at increasing access to hospital services like the Ayushman Bharath Scheme & National Digital Health Mission.



The adoption of electronic medical records and remote monitoring systems, is a significant market driver for the industry.

## Key Figures

**1.2 Beds/1,000 people**

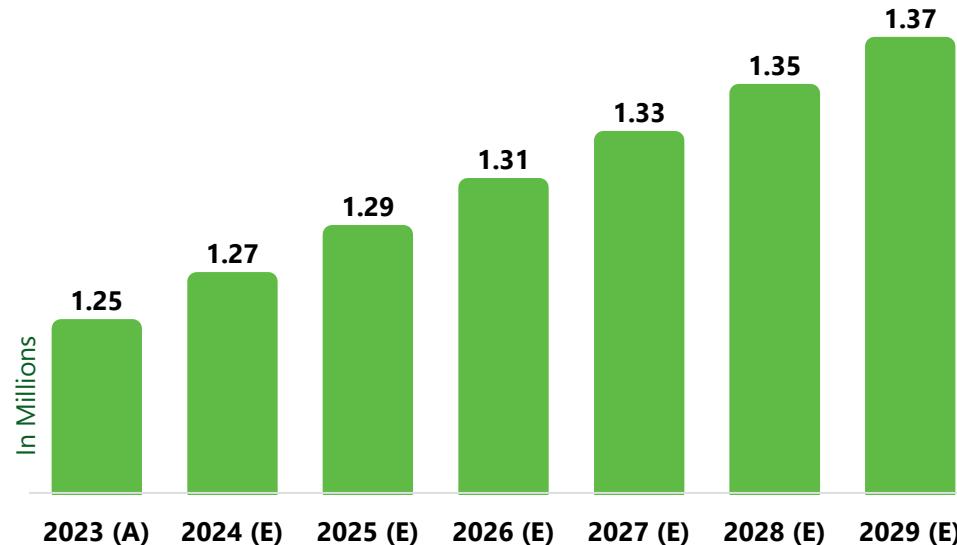
**INR 49,800**

**Bed to Population Ratio in India in 2024**

**\*Average Revenue per Occupied Bed (ARPOB)**

## Key Statistics (2/5)

Growth in number of Hospital Beds

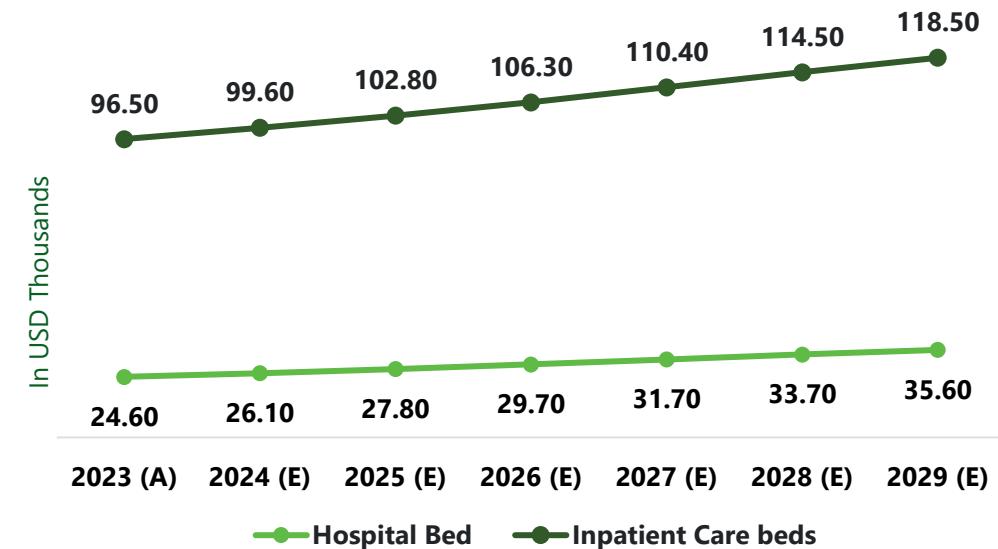


The number of **hospital beds** is projected to reach **1.37 million** by **2029** due to a significant rise in chronic diseases like heart disease, diabetes and cancer which often require prolonged hospital stays.

*\*Note: A hospital bed is any bed that is located in a hospital and is available for use by patients whereas an inpatient care bed specifically refers to a bed designated for patients who are admitted to the hospital and require overnight or longer stays.*

Source: [mordorintelligence](#)

Average Revenue Per Hospital Bed



The **Average Revenue per Hospital bed** is projected to reach **USD 118.50 thousand** by **2029**, and the **Average Revenue per Inpatient Care bed** is projected to reach **USD 35.60 thousand** by **2029**.

## Top M&A Deals – 2023 (3/5)

Date	Acquirer	Acquiree	Deal Value (in USD millions)	Deal Type	Deal details
Dec 2023	Asia Healthcare Holdings	Asian Institute of Nephrology and Urology	73	Majority Stake (N.A.)	The acquisition marks AHH's foray into the urology and nephrology segment.
Oct 2023	Quality Care India Ltd	KIMSHEALTH Management	402	Majority Stake (80%)	The strategic move allows minority shareholders to divest their shares.
Sep 2023	Manipal Health Enterprises Ltd	AMRI Hospitals	280	Majority Stake (84%)	The acquisition is part of Manipal Hospitals' strategy to expand its footprint in eastern India and strengthen its presence.
Sep 2023	ASG Hospital Pvt Ltd	Vasan Eye Care	64	Acquisition (100%)	The strategic acquisition would strengthen ASG's position in the healthcare industry and enhance its market presence.
Aug 2023	IHH Healthcare Bhd- Gleneagles Development Pvt Ltd	Ravindranath GE Medical Associates Pvt Ltd	90	Increasing Stake to 100%	With this transaction, IHH will strengthen its leading position as a tertiary and quaternary care platform, including multi-organ transplants, in India and across its key markets.

Source: [The Economic Times](#)

## KPI's in comparison (4/5)

Particulars	 Apollo HOSPITALS TOUCHING LIVES	 MAX Healthcare	 Fortis HOSPITALS	 medanta	 Narayana Health
<b>Market Capitalization (as of June 2024)</b>	<b>INR 87,819 Cr</b>	<b>INR 78,040 Cr</b>	<b>INR 35,479 Cr</b>	<b>INR 32,871 Cr</b>	<b>INR 25,709 Cr</b>
<b>Revenue from Operations FY23</b>	<b>INR 16,445 Cr</b>	<b>INR 4,489 Cr</b>	<b>INR 6,213 Cr</b>	<b>INR 2,683 Cr</b>	<b>INR 4,491 Cr</b>
<b>Debt to Equity Ratio</b>	<b>0.41</b>	<b>0.09</b>	<b>0.04</b>	<b>0.35</b>	<b>0.36</b>
<b>Return on Capital Employed (ROCE)</b>	<b>8.6%</b>	<b>8.2%</b>	<b>5.7%</b>	<b>9.2%</b>	<b>18.1%</b>
<b>No. of Hospitals</b>	<b>48</b>	<b>17</b>	<b>29</b>	<b>5</b>	<b>23</b>
<b>No. of Beds</b>	<b>9,957</b>	<b>3,504</b>	<b>4,500</b>	<b>2,697</b>	<b>6,076</b>
<b>Occupancy</b>	<b>64%</b>	<b>76%</b>	<b>67.1%</b>	<b>59%</b>	<b>48.5%</b>
<b>ARPOB per day</b>	<b>Rs 51,668</b>	<b>Rs 67,400</b>	<b>Rs 55,101</b>	<b>Rs 59,098</b>	<b>Rs 35,482</b>

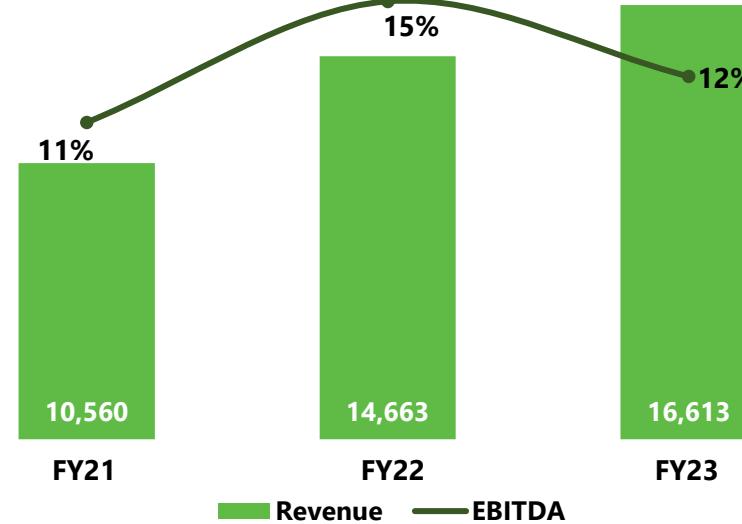
Note: ARPOB – Average Revenue Per Occupied Bed

Source: Annual Reports FY23, Moneycontrol

# Profit & Loss Snapshot – Apollo Hospitals Ent Ltd (5/5)

Particulars (in Crores)	Actuals			Common Size		
	FY23	FY22	FY21	FY23	FY22	FY21
Revenue from Healthcare Services	8,636	7,959	4,950	52%	54%	47%
Revenue from Digital Health & Pharmacy	6,622	5,296	4,859	40%	36%	46%
Revenue From Retail Health & Diagnostics	1,187	1,281	658	7%	9%	6%
Other Operating Income	168	127	93	1%	1%	1%
<b>Total Income</b>	<b>16,613</b>	<b>14,663</b>	<b>10,560</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Expenses						
Cost of Goods Sold	8,574	7,574	5,684	52%	52%	54%
Employee Benefit Expenses	2,144	1,787	1,601	13%	12%	15%
Retainer Fees to Doctors	1,199	1,024	562	7%	7%	5%
Other Expenses	2,646	2,094	1,575	16%	14%	15%
<b>Total Expenses</b>	<b>14,563</b>	<b>12,479</b>	<b>9,422</b>	<b>88%</b>	<b>85%</b>	<b>89%</b>
<b>EBITDA</b>	<b>2,050</b>	<b>2,184</b>	<b>1,138</b>	<b>12%</b>	<b>15%</b>	<b>11%</b>
Finance Costs	381	379	449	2%	3%	4%
Depreciation	615	601	573	4%	4%	5%
Other Income	90	78	45	1%	1%	0%
<b>EBT</b>	<b>1144</b>	<b>1282</b>	<b>161</b>	<b>7%</b>	<b>9%</b>	<b>2%</b>

**Revenue - EBITDA Comparison  
(Apollo Hospital Ent Ltd)**



Source: FY23 Annual Report, [medium](#)

- Apollo Hospital Ent Ltd's revenue increased from INR 14,663 crore in FY22 to INR 16,613 crore in FY23, Case mix\* and pricing improvements aided revenue growth at existing hospitals.
- COGS decreased to 52% in FY23 and FY22 as compared to 54% in FY21 improving EBITDA.
- Employee Benefit Expenses have increased from INR 1,787 crore in FY22 to INR 2,144 crore in FY23 as a result of annual compensation increases for the employees, and the additions of new hospitals during the year.
- EBITDA Margin for FY23 decreased to 12% from 15% in FY22 primarily due to addition in other expenses.

\*Note: Case mix is the different types of medical conditions and procedures performed. Apollo treated a greater proportion of high revenue cases.

# Case Studies

# Case Study 1 – Due Diligence Report

## Objective

MARC was approached by ABC Company to create a due diligence report for the acquisition of two targets:

- Target 1, which had research and pathology labs conducting clinical trials of vaccines for global pharmaceutical companies.
- Target 2, a diagnostic center based in Mumbai serving both B2C and B2B clientele.

ABC Company aimed to gain a comprehensive understanding of the financial health, operational efficiency, and potential risks associated with these targets.

The objective was to ensure informed decision-making and strategic alignment of the proposed acquisition.

The report included a comprehensive analyses of the cap structure, analyses of the individual and consolidated financial statements, quality of earnings analyses, key deal issues, revenue and cost analyses, key legal and compliance issues among others.



## MARC's Process

Collect comprehensive data on the target entity, including financial records, legal documents, and operational details.

Examine the collected information to verify its accuracy, assess risks, and identify any potential issues or red flags.

Compile the findings into a detailed report, providing insights and recommendations for decision-makers.

# Case Study 2 – Detailed Project Report and Fundraising

## Objective

MARC was approached by a group of reputed doctors to facilitate their vision of establishing a hospital by raising necessary funds through a combination of crowdfunding from high-net-worth individuals (HNIs) with a minimum ticket size and securing a bank loan, supported by a comprehensive techno-economic viability (TEV) study. The TEV study comprised of:

- Technical Feasibility: Land use, infrastructure, skilled manpower, capacity.
- Market Potential: Market scenarios, demand-supply analysis, competition.
- Financial Viability: Cash flows, financial projections, profitability, sensitivity analysis.
- Management Capabilities: Management assessment, SWOT analysis.



## MARC's Process

Identify and engage potential HNI's for crowdfunding, ensuring compliance with the minimum investment requirement.

Conduct a detailed TEV study, incorporating thorough research and analytics, to support the bank loan application.

Submit the completed TEV report to the bank, along with necessary documentation, to secure the required financing.

# Case Study 3 – Organizational Structuring for JV

## Objective

MARC was approached by XYZ Hospital to prepare the company and structure the transaction for a joint venture with Shalby Hospitals, renowned for performing the world's largest number of knee replacement surgeries.

It included the development of internal controls and processes, establishment of robust Management Information Systems (MIS), and restructuring of the organization to optimize for mergers and acquisitions (M&A).

This internal structuring aimed to ensure seamless integration, operational efficiency, and paved the way for a successful joint venture (JV).



## MARC's Process

Develop and implement internal controls and processes to ensure compliance and efficiency across the organization.

Create detailed SOP's for all departments to standardize operations and enhance service delivery.

Design and deploy MIS to streamline data management, reporting, and decision-making within the hospital.

# Case Study 4 – Feasibility Study

## Objective

MARC was approached by Hospital X to evaluate the feasibility of setting up neonatal ICUs, a dialysis center, and cardiac cath labs in Goa by conducting a comprehensive feasibility study.

This study aimed to assess the technical aspects such as site analysis, infrastructure requirements, and availability of skilled personnel.

It also included a financial analysis projecting costs, revenue, profitability, and return on investment.

Additionally, the study evaluated operational feasibility by analyzing market demand, potential patient volume, and the competitive landscape to ensure the new facilities meet the highest standards of healthcare delivery and align with the hospital's strategic goals.



## MARC's Process

Conduct a thorough technical assessment for neonatal ICUs, dialysis centers, and cardiac cath labs. Fortis Cathlab was constituted after thorough due diligence and partner search

Perform a detailed financial analysis, projecting costs, revenue, profitability, and return on investment for each proposed facility.

Analyze the findings to determine overall feasibility and compile them into a report with recommendations for decision-makers.

# Our Team

# Directors & Sector Experts



**Ashutosh Kharangate**

Founder & Managing Director

- Part of PWC, Financial Advisory Division for 4 years.
- Expert in Due Diligence and Valuations in M & A across sectors.
- Member of the Institute of Chartered Accountants of India (ICAI).



**Satish Shinde**

Co-founder and Director

- MD of Astra Metals Group.
- Leading the Marketing and Finance Division of Astra Metals Group.
- Over 30 years of experience in the manufacturing arena
- Structural Engineer



**Anita Ganti**

Director

- Former Senior Vice President at Wipro for over 4 years.
- Ex Texas Instruments and Flex Executive.
- Finance Major, MBA at The Wharton School of the University of Pennsylvania.



**Dr. Tejas Kamat**

Diabetologist

- Over 12 years of experience in diagnosing, managing, and treating patients with diabetes and related metabolic disorders.
- Medical advisor at GSK and Glenmark Pharmaceuticals Ltd.

# Our Success Stories

# Some of our Accolades



25 Fastest Growing BFSI Companies  
of India



Top 25 Most Promising Financial  
Consultants



Manager of the Year



CFO Excellence Award



Best Emerging Company of the year  
2019 – Business Advisory Category



Runner up in Financial Services Startup



Best Business Consultancy



Best Enterprise of the Year  
(Consultancy)



Young Entrepreneur of the  
Year

## Our Clients



# Testimonials From Our Clients



**Deepak Tripathi**  
President, Tulip  
Diagnostics Pvt Ltd.

"We had the opportunity to meet Ashutosh and utilize the services of MARC for a due diligence and internal audit. It was a good experience. MARC brings a unique blend of big 4 exposure with a local lineage. That gives him a unique perspective and insight to add value to Goan corporates. Best wishes to MARC! "



**Anand Chatterjee**  
GM, Planet Hollywood  
Beach Resort, Goa.

"We appointed MARC to execute two very diverse tasks. One was into market research and the other was a premium inventory assessment and valuation. We were immensely satisfied with the attention to detailing in both the assignments. The team on both jobs were highly sensitive to our needs, very flexible and result oriented. We are happy to have such expertise at our doorstep."



**Dale Menezes**  
Director, CMM Group.

"We have worked with MARC on several occasions, and they have consistently surpassed our expectations with their analytical, professional and thorough approach delivered on time and within budget."



**Shaunak J Dave**  
MD & CEO, Optel Group ,India

"We appointed MARC to assist us to prepare comprehensive report for Goa Investment Promotion Board to start our manufacturing facility in Goa, India. They successfully managed the same in stipulated time frame and provided guidance and directions. MARC also was a great help us to obtain all the relevant permissions and licenses to start commercial operations in Goa. We appreciated their guidance and help to begin our venture in Goa. We were indeed happy with their response time, personalised service and the quality of deliverable. We wish them all the best for all their future endeavours to help international and domestic companies who desire to set up operation in Goa & India."

# Testimonials From Our Clients



**Rakesh Parikh**  
Managing Director  
Pivot Capital LLC

"Marc is highly experienced and professional in the transaction advisory space. They have provided us with the ability to scale quickly, meet and exceed client deadlines and expectations. Ashutosh has been a great team member on call willing to go an extra mile for the client."



**Cesar Viana Teague**  
Director  
NextLevel Consulting

"I am very happy with the market research report prepared by the team at MARC for our Technical Staff Augmentation project. This was on identifying current trends, key industries to target, as well as specific Partners to work with. I recommend them highly for gaining deeper insights to support strategic planning work."



**Michael Conniff**  
Managing Director  
The Accelerator with Michael Conniff

"MARC Global did an amazing job on my market research project. They were fast, friendly, and responsive. Most importantly of all the team was willing to go back and supplement the data based on my suggestions. I could not be happier, and thanks to MARC my business development plans leaped ahead at least six months."



**Philip Stoten**  
Founder of SCOOP and Contributor at Forbes

"We have worked with MARC Glocal on a number of research projects and have been very impressed with the service and the results! They are efficient, experienced and nice people to work with. We plan to continue to rely on them for all of our research needs going forward. They offer excellent value and provide services that also add value to our own customer-facing work."



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# Contact



+91-9359628675



[contact@marcglocal.com](mailto:contact@marcglocal.com)



[www.marcglocal.com](http://www.marcglocal.com)



2<sup>nd</sup> floor, CMM bldg. Rua de Ourem,  
Panaji Goa 403001