

Press Release

MGS Infotech Research and Solutions Private Limited

February 01, 2023



Rating Upgraded & Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	45.00	ACUITE B- Upgraded & Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	45.00	-	-

Rating Rationale

Acuite has upgraded and withdrawn the long-term rating to '**ACUITE B-**' (read as **ACUITE B minus**) from '**ACUITE D**' (read as **ACUITE D**) on the Rs.45.00 Cr. bank facilities of MGS Infotech Research and Solutions Private Limited.(MGSIRSPL).

The rating is being withdrawn on account of the request received from the company and the NOC received from the banker as per Acuite's policy on withdrawal of ratings.

Rationale for Rating Upgrade

The rating is upgraded on account of timely servicing of debt obligations by MGSIRSPL.

About the Company

Faridabad based MGS Infotech Research and Solutions Private Limited was incorporated in 2004 promoted by Dr.Pankaj Batra, Dr. Deepak Gandhi, Dr. Shalini Gandhi, Mr. Ramesh Kumar Batra and Mr. Chandan Batra.The company is setting up a multi speciality hospital having 336 beds under the name of "Batra Hospital". The hospital construction is expected to be completed commence operations from March 2023 onwards.

Analytical Approach

Acuite has considered the standalone business and financial risk profile of MGSIRSPL to arrive at the rating.

Key Rating Drivers

Strengths

>Experienced Promoters and Management

MGS Infotech Research and Solutions Private Limited was incorporated as a private company in 2004. It is promoted by Dr. Pankaj Batra, Dr. Deepak Gandhi, Dr. Shalini Gandhi, Mr. Ramesh Kumar Batra and Mr. Chandan Batra. Promoters Dr. Pankaj Batra, Dr. Deepak Gandhi and Dr. Shalini Gandhi have significant amount of experience in the medical industry. Also Mr. R.K. Batra, has an extensive experience of almost four decades spanning across various industries/ businesses like logistics, oil and gas etc..

Acuite believes that the extensive experience of the promoters is likely to benefit MGSIRSPL

over the medium term.

Weaknesses

>Nascent stage of operations.

The company is yet to commence its commercial operation and the same is expected to start from March 2023. Availability of medical and non medical staff at affordable costs provision of uninterrupted operational infrastructure, competition from other existing hospitals, technological advances in medical technology, desired occupancy levels etc are the few of the key post operational business risks. The company's ability to scale up its business will remain a key rating sensitivity factor.

>Highly Regulated Area of Operations

In India, the healthcare sector is highly regulated. Hence, regulatory challenges continue to pose a significant risk to private healthcare as they are highly susceptible to changes in the regulatory framework.

Rating Sensitivities

Not Applicable

Material covenants

None

Liquidity Position

Stretched

MGSIRSPL's liquidity is stretched considering the nascent stage of operations, significant requirement of funds to acquire new medical equipments and their pending debt tie-up.

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	0.00	0.00
PAT	Rs. Cr.	0.00	0.00
PAT Margin	(%)	0.00	0.00
Total Debt/Tangible Net Worth	Times	0.72	1.65
PBDIT/Interest	Times	1.00	1.00

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is

different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
01 Dec 2022	Cash Credit	Long Term	10.00	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	35.00	ACUITE D (Issuer not co-operating*)
07 Sep 2021	Term Loan	Long Term	35.00	ACUITE D (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE D (Downgraded and Issuer not co-operating*)
14 May 2021	Term Loan	Long Term	35.00	ACUITE B (Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE B (Issuer not co-operating*)
03 Mar 2020	Term Loan	Long Term	35.00	ACUITE B Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE B Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Punjab National Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE B- Upgraded & Withdrawn
Punjab National Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	35.00	ACUITE B- Upgraded & Withdrawn

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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