

Press Release

Mylo Healthcare Private Limited

March 02, 2023

Rating Assigned



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	53.00	ACUITE BB Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	53.00	-	-

Rating Rationale

Acuite has assigned its long-term rating of '**ACUITE BB**' (read as **ACUITE double B**) on the Rs.53.00 Cr bank facilities of Mylo Healthcare Private Limited (MHPL). The outlook is '**Stable**'.

Rationale for Rating

The rating assigned reflects the extensive experience of management along with established track record of operations for nearly more than five years. Further, the rating takes into consideration the corporate guarantee given by the group company (FELIX HEALTHCARE PRIVATE LIMITED) to execute the project. However, the above mentioned strengths are partly offset by competition risk and nascent stage of operations.

About the Company

Mylo Healthcare Private Limited Incorporated in 2020. Company is Promoted by Mr. Dharmendra Kumar Gupta and Mrs. Rashmi Gupta. Mylo Healthcare Private Limited registered office Address is in Noida. Company was registered as a Private Limited company by the Registrar of Companies, Delhi under the companies Act, 2013

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of MHPL to arrive at this rating.

Key Rating Drivers

Strengths

Experienced Management and Reputed Customers

MHPL is promoted by Dr. D.K. Gupta and Dr. Rashmi Gupta and Dr. Shilpi Gupta who have an experience of more than a decade each in the healthcare industry. All of the directors of the company are practicing doctors. The promoters of the company are backed by qualified doctors. FHPL has tie ups with most Third Party Administrators (TPAs) in the industry and also caters to corporate clients. Corporate clientele of FHPL includes Bharat Heavy Electricals Limited (B.H.E.L), National Thermal Power Corporation Limited (NTPC), Northern railways etc. Acuite believes that the Company will continue to derive benefit from its experienced management and corporate guarantee from FHPL over the medium term.

Weaknesses

Nascent stage of operations

MHPL's is on the nascent stage of construction and will face competition from many established hospitals in the same vicinity. The total cost of the hospital construction is Rs 70.68 crore of which Rs 53 Crore funded through bank finance and remaining through infusion by the promoter. The bank loan is already sanctioned and the promoters has already infused the funds to the tune of Rs 7 Cr till date. However, the construction has started in December 2022 only and date of commercial operation is April 2025. However, scale may improve but may remain modest over the medium term and revenue visibility is yet to be seen. Completion of the hospital on time without any cost and time overruns is a key rating sensitivity.

Regulatory and Competition Risk

The healthcare sector functions under multiples layers of regulations of government and professional bodies. In view of the Covid-19 pandemic, regulatory restrictions and state intervention in the normal operations of hospitals has increased. Additionally, the hospital faces intense competition from several players in the city from small players as well as large players.

Rating Sensitivities

- Timely launch of the hospital.

Material covenants

None.

Liquidity Position

Adequate

The liquidity position of the company is adequate as the bank loan for the construction of hospital is already disbursed and is having the moratorium till March 2025. Further, the liquidity is supported by the promoter's infusion of funds to the tune of Rs 7 Cr till date.

Outlook: Stable

Acuité believes that MHPL will maintain a 'stable' outlook over medium term on account of experienced management, reputed clientele, steady revenue growth and moderate financial risk profile. The outlook may be revised to 'Positive' in case the company achieves higher than expected improvement in its operating income and profitability while maintaining its capital structure. Conversely, the outlook may be revised to 'Negative' in case of substantial reduction in its operating income, sharp decline in its operating margins and further stretch in its working capital cycle

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	0.05	0.00
PAT	Rs. Cr.	0.03	0.00
PAT Margin	(%)	69.73	0.00
Total Debt/Tangible Net Worth	Times	1.88	0.00
PBDIT/Interest	Times	61.98	(63.90)

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:

Not Applicable

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	Term Loan	Not available	Not available	Not available	Simple	53.00	ACUITE BB Stable Assigned

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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