



Press Release
Mylo Healthcare Private Limited
August 04, 2023
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	45.50	ACUITE BB Stable Assigned	-
Bank Loan Ratings	53.00	ACUITE BB Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	98.50	-	-

Rating Rationale

Acuite has reaffirmed 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). Also, assigned its long-term rating of '**ACUITE BB**' (read as **ACUITE double B**) on the Rs.45.50 Cr bank facilities of Mylo Healthcare Private Limited. 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 and full fund tieup for the project. However, the above mentioned strengths are partly offset by project 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. The company is currently undertaking a project to run a 300 bed multi speciality hospital in Noida.

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 and is currently running Felix Hospital under Felix Healthcare Private Limited (FHPL). FHPL has ~20% stake in MHPL and has given corporate guarantee for the debt taken by MHPL. The promoters of the company are supported by qualified panel of doctors in the hospital. 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. Acuité believes that the Company will continue to derive benefit from its experienced management and corporate guarantee from FHPL over

the medium term.

Minimum Fund Tie Up Risk

The company has tied up entire funds of Rs. 131.34 Cr. for the project of 300 bed multi speciality hospital by way of sanctioned debt of Rs. 98.50 Cr. and rest of the amount will be funded by the promoter's contribution bringing down the funding risk to minimum.

Weaknesses

Nascent stage of construction posing execution risk

MHPL's is in the nascent stage of construction as the construction has started in December 2022 the construction will be completed in next 2 years and 8 Months and hence has a risk of implementation of project in a time bound manner as any external factor such as weather, natural calamity or delay in procurement of machinery & equipment or delay in civil construction etc. or any other unforeseen circumstances can impact the completion timeline. Any delay in completion may result into cost and time overruns and hence remain a key rating sensitivity.

Demand Risk

As several small and large players are available in the city hence the demand of the hospital remains a key monitorable. However the risk is mitigated by the locational advantage to the project along with the demography of the catchment area. The hospital has catchment area with 1.5 lac residential flats with 5-7 lac high paying capacity population. In addition to the same the vicinity has several corporate offices and business park. Further, the proposed World-Class Interstate bus terminal will be adjacent to the hospital. The Jewar Airport will be located with travel time of less than 30 minutes from the hospital. It will allow easy access to domestic and international patients to reach the Hospital.

Regulatory 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.

Rating Sensitivities

- Timely completion of project as per the scheduled commercial operation date of 1st April 2026.
- Sufficient occupancy and fund flow enabling company to make repayment as per schedule.

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 sanctioned and is having the moratorium till March 2027. Further, the liquidity is supported by the promoter's infusion of funds to the tune of Rs 3.69 Cr. as equity and Rs. 14.09 Cr. as unsecured loan as on 22 May 2023.

Outlook: Stable

Acuité believes that MHPL will maintain a 'stable' outlook over medium term on account of experienced promoter, minimal funding risk, steady growth in construction and finalization of vendors for construction. The outlook may be revised to 'Positive' in case the company achieves higher than expected completion of project resulting into lower project execution risk. Conversely, the outlook may be revised to 'Negative' in case of substantial delay in its construction resulting into overrun cost.

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 23 (Provisional)	FY 22 (Actual)
Operating Income	Rs. Cr.	0.20	0.05
PAT	Rs. Cr.	0.06	0.03
PAT Margin	(%)	29.05	69.73
Total Debt/Tangible Net Worth	Times	0.25	1.88
PBDIT/Interest	Times	13.60	61.98

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

None

Any other information

None

Applicable Criteria

- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.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
02 Mar 2023	Term Loan	Long Term	53.00	ACUITE BB 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	Term Loan	Not available	Not available	Not available	Simple	53.00	ACUITE BB Stable Reaffirmed
Punjab National Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	45.50	ACUITE BB Stable Assigned

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Sushant Kumar Mishra Senior Manager-Rating Operations Tel: 022-49294065 sushant.mishra@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.