



Press Release
Mylo Healthcare Private Limited
October 31, 2024
Rating Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	98.50	ACUITE BB+ Stable Upgraded	-
Total Outstanding Quantum (Rs. Cr)	98.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded its long-term rating to ‘**ACUITE BB+**’ (read as **ACUITE double B plus**) from ‘**ACUITE BB**’ (read as **ACUITE double B**) on the Rs. 98.50 Cr. bank facilities of Mylo Healthcare Private Limited (MHPL). The outlook is ‘**Stable**’.

Rationale for Rating

The rating 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 Felix Healthcare Private Limited against the term loans taken for construction of hospital and the increase in shareholding by them making it the holding company of MHPL. However, the above mentioned strengths are partly offset by project execution risk.

About the Company

Mylo Healthcare Private Limited Incorporated in 2020. Company is Promoted by Mr. Dharmendra Kumar Gupta and Mrs. Rashmi Gupta. MHPL has registered office in Noida. The company is currently undertaking a project to run a 300 bed multi speciality hospital in Noida.

Unsupported Rating

ACUITE BB/ Stable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of Mylo Healthcare Private Limited. While arriving at the rating of MHPL, Acuite has taken into account a strong level of support from Felix Healthcare Private Limited (FHPL) which has a significant stake in MHPL and has also provided corporate guarantee to the bank loan of MHPL.

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 ~53.90% 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. Acuite 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. 131.36 Cr. for the project of 300 bed multi speciality hospital by way of sanctioned debt of Rs. 98.15 Cr. and rest of the amount has been funded by the promoter's contribution bringing down the funding risk to minimum. The company has already incurred ~20.5% of total project cost.

Weaknesses

Execution risk

The construction of the hospital is expected to be completed in March 2026 and will get operationalized in April 2026. There is 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.

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 19.65 Cr. as equity and Rs. 0.79 Cr. as unsecured loan as on 31st March 2024. Felix Healthcare Private Limited also has given the corporate guarantee on the loan availed by the company which provides further comfort to the lenders. Acuité believes that going forward the liquidity position of the company will remain adequate backed by corporate guarantee.

Outlook: Stable**Other Factors affecting Rating**

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	0.00	0.18
PAT	Rs. Cr.	(0.01)	0.04
PAT Margin	(%)	0.00	23.02
Total Debt/Tangible Net Worth	Times	0.26	0.25
PBDIT/Interest	Times	(1.84)	9.98

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

Not Applicable

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>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité'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
04 Aug 2023	Term Loan	Long Term	53.00	ACUITE BB Stable (Reaffirmed)
	Term Loan	Long Term	45.50	ACUITE BB Stable (Assigned)
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	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.35	Simple	ACUITE BB+ Stable Upgraded (from ACUITE BB)
Punjab National Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2038	53.00	Simple	ACUITE BB+ Stable Upgraded (from ACUITE BB)
Punjab National Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2038	45.15	Simple	ACUITE BB+ Stable Upgraded (from ACUITE BB)

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr. No	Name of the companies
1	Felix Healthcare Private Limited
2	Mylo Healthcare Private Limited

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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