Press Release
MYLO HEALTHCARE PRIVATE LIMITED
April 01, 2025
Rating Reaffirmed

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Total Withdrawn Quantum (Rs.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

Rating Rationale

Acuité has reaffirmed its long-term rating at **'ACUITE BB+' (read as ACUITE double B plus)** on the Rs. 98.50 Cr. bank facilities of Mylo Healthcare Private Limited (MHPL). The outlook is **'Stable'**.

Rationale for Rating
The rating reaffirmation factors in the continued risk associated with ongoing capex as it is still in initial stages of construction with ~26 per cent completed as on February 2025, leading to susceptibility of time and cost overrun. The rating draws support from extensive experience of management along with established operational track record couple with moderate financial risk profile and adequate liquidity position of the group. However, the rating is constrained by the working capital intensive nature of operations and the risk associated with regulatory framework for healthcare sector along with reputational risk.

About the Company

Noida based, Mylo Healthcare Private Limited (MHPL), incorporated in 2020 by Dr. Dharmendra Kumar Gupta and Dr. Rashmi Gupta. The company is currently setting up a 250 bed multi-speciality hospital in Noida which is expected to be operational in April 2026. MHPL became a wholly owned subsidiary (100 per cent stake) of Felix Healthcare Private Limited w.e.f. 24th August 2024.

About the Group

Noida-based Felix Healthcare Private Limited (FHPL) was incorporated in 2011 by Dr. Dharmendra Kumar Gupta and Dr. Rashmi Gupta. The company is engaged in running a 200 Bed multi-specialty hospital in Noida. FHPL's operations began in 2015 and currently the hospital has team of 130 qualified doctors. Besides regular specialties, FHPL has a varied range of super specialty services, modular operation theatre complex with HEPA filter laminar flow and hermetically sealed doors, well equipped critical care units and haemodialysis facilities. The hospital is accredited by both NABH and NABL. The Felix group has started polyclinics at certain locations in and around Noida to provide medical services to the customers for a wider reach, it includes diagnostic centres, pharmacy and OPD.

Currently, FHPL is in the process of an expansion by addition of 350 beds in its tower 2 with new specialty services of IVF, Nephrology etc would be introduced. The facility is expected to commence operations in December 2025, Additionally, they have acquired a running hospital from Sanjeevani trust which is under renovation with an increase in the capacity by 130 beds which is expected to be operational in July 2025.

Unsupported Rating
Not Applicable

Analytical Approach

Extent of Consolidation
• Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has considered consolidated financial and business risk profiles of Felix Healthcare Private Limited (FHPL) and Mylo Healthcare Private Limited (MHPL) which is a wholly owned subsidiary of FHPL. The consolidation is on account of common line of business, common management, strong operational and financial linkage wherein corporate guarantee is extended by FHPL to MHPL.

Key Rating Drivers

Strengths

Experienced Management and long operational track record
Felix group is promoted by Dr. Dharmendra Kumar Gupta and Dr. Rashmi Gupta who have an experience of more than a decade each in the healthcare industry. The management is ably supported by their daughter and Dr. Shilpi Gupta. All of the directors of the company are practicing doctors. The promotors of the company are backed by team of 130 qualified doctors. FHPL has tie ups with most Third-Party Administrators (TPAs) in the industry and 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 group will continue to derive benefit from its experienced management and established operational track record in the medium to long term.

Improvement in operating performance
The revenue of the group has increased to Rs.174.02 Crore in FY2024 as against Rs.133.33 Crore in FY2023 and Rs.102.32 Crore in FY2022. Further, the group has achieved the revenue of Rs.153.03 Crore in 9MFY2025. The growth is driven on account of increased occupancy and revenue per bed in FHPL as MHPL is expected to commence operations in April 2026. The operating margin of the group increased to 27.85 per cent in FY2024 against 20.45 per cent in FY2023. The PAT margin also rose to 17.11 per cent in FY2024 against 10.97 per cent in FY2023. Acuite believes that the operating performance of the group is expected to improve in the medium to long term on the back of ongoing expansion and addition of new services.

Moderate Financial Risk Profile
The financial risk profile of the group is marked by moderate net worth base, improving gearing ratio and above average debt protection metrics. The tangible net worth of the group stood at Rs.79.83 crore as on 31st March, 2024 as compared to Rs.50.00 crore in the previous year. this was on account of accretion to reserves, further, in FY2025, the group has infused equity capital of Rs.1.45 crore in FHPL.

The gearing (debt equity ratio) improved and stood at 0.90 times as on March 31, 2024 as compared to 1.28 times over the previous year. The total debt of Rs.71.77 crore as on March 31, 2024 includes long term debt of Rs.39.95 crore, unsecured loans from directors of Rs.12.71 crore, short term debt of Rs.10.16 crores and current portion of long term debt of Rs.8.95 crore. The Total Outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 1.26 times as on March 31, 2024, as against 1.89 times as on March 31, 2023. The debt protection metrics stood above average with Interest coverage ratio (ICR) stood at 11.19 times in FY2024 as against 6.74 times in FY2023. However, the Debt Service Coverage Ratio (DSCR) stood moderate at 2.71 times in FY2024 as against 1.90 times in FY2023. The Net Cash Accruals to Total Debt (NCA/TD) stood at 0.49 times in FY2024. The group has an ongoing capex for expansion of its current capacity of 200 beds to ~1000 beds as an extension to the existing hospital in FHPL and setting up new hospital in MHPL with a total cost of ~ Rs.270 crore which would be funded through term loans of ~ Rs. 200 crore and rest through own funds.

Acuité believes that, notwithstanding the benefits derived due to debt funded capex, the financial risk profile of the group would remain moderate in the medium term on account of the steady accruals and infusion of funds from promoters.

Weaknesses

Working Capital intensive nature of operations
The working capital operations of the group remained working capital intensive in nature marked by high Gross Current Asset (GCA) of 165 days as on March 31, 2024 as against 168 days as on March 31, 2023. The high GCA days are on account of the high debtor period. The debtor's days stood high at 128 days as on March 31, 2024 as compared to 119 days as on 31st March 2023. The debtor's days are stretched due to delayed payments from government agencies registered with TPAs. However, the inventory period stood comfortable at 5 days in March 31, 2024 as against 8 days as on March 31, 2023. The fund-based limit utilisation of FHPL stood low at 54.82

percent over the last six months ended February, 2024.

Project risk associated with timely completion and commercialisation of ongoing capex
The group is undertaking a capex for new hospital adjacent to Felix healthcare in which there is a modification in the building structure for which group has received approvals from the authority. Earlier both the towers were to be kept separate but post modification both old and the new tower will be connected to improve the service and better connectivity. Post modification, total number of beds have been increased to 350 beds from previous envisaged 300 beds. Further, due to this modification there is a cost escalation wherein the overall cost has increased to Rs.134.9 crore (from Rs.91.50 crore) which is funded through term loan of Rs.101.9 Cr. (from existing Rs.68.50 Cr.) and own funds of Rs.33 Cr. (from existing Rs.23 Cr.). The project is still in under initial construction stage with ~35 per cent completed which is expected to be completed by December 2025. In addition, the Felix Hospital has acquired a running hospital from Sanjeevani trust which is under renovation and will increase the capacity by 130 beds which is expected to be operational in July 2025. The total cost including the acquisition cost stands at Rs.55 crore out of which Rs.42 crore would be funded through debt and remaining from own funds.

Further, the group is setting up a 250 bed (revised from 300 beds) multi-speciality hospital in Noida under MHPL which is expected to be operational in April 2026 with total construction cost at Rs.135.15 crores (revised from Rs. 131.36 Cr), the project is funded through term loan of Rs. 98.15 Cr. and own funds of Rs. 37.00 Cr. (from existing Rs.33.21 Cr). Acuite believes notwithstanding the benefits derived from the expansion, the timely completion and timely commercialisation of the projects along with augmentation of positive project cash flows would remain as a key rating sensitivity.

Risk associated with regulatory framework in healthcare sector
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

- Substantial improvement in revenue and profitability
- Improvement in working capital cycle
- Timely completion of ongoing capacity expansion without any cost and time overruns
- Deterioration financial risk profile on the back of higher-than expected debt funded capex

Liquidity Position
Adequate

The group's liquidity position is adequate marked by net cash accruals of Rs.34.96 Cr. as on March 31, 2024 as against long term debt repayment of Rs.10.14 Cr. over the same period. The group is expected to generate NCAs in the range of Rs.40-50 crores against maturing debt obligation in the range of Rs.6-10 crore during FY25 & FY26. The cash and bank balances of the company stood at Rs.5.16 Cr. as on March 31, 2024. The current ratio stood at 1.61 times as on March 31, 2024. The fund-based limit utilisation of FHPL stood low at 54.82 percent over the last six months ended February, 2024.

Outlook: Stable

Other Factors affecting Rating
None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	174.02	133.33
PAT	Rs. Cr.	29.78	14.63
PAT Margin	(%)	17.11	10.97
Total Debt/Tangible Net Worth	Times	0.90	1.28
PBDIT/Interest	Times	11.19	6.74

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

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any Other Information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm
- Consolidation Of Companies: https://www.acuite.in/view-rating-criteria-60.htm
- Default Recognition: https://www.acuite.in/view-rating-criteria-52.htm
- Service Sector: https://www.acuite.in/view-rating-criteria-50.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. 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
31 Oct 2024	Proposed Long Term Loan	Long Term	0.35	ACUITE BB+ | Stable (Upgraded from ACUITE BB | Stable)
	Term Loan	Long Term	53.00	ACUITE BB+ | Stable (Upgraded from ACUITE BB | Stable)
	Term Loan	Long Term	45.15	ACUITE BB+ | Stable (Upgraded from ACUITE BB | Stable)
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 | Reaffirmed
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 | Reaffirmed
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 | Reaffirmed

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

Sr. No.	Company Name
1	MYLO Healthcare Private Limited
2	Felix 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.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.