



**Press Release**  
**Biotech Vision Care Private Limited**  
**May 15, 2024**

**Rating Assigned and Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	20.77	ACUITE BBB+   Stable   Assigned	-
Bank Loan Ratings	61.46	ACUITE BBB+   Stable   Reaffirmed	-
Bank Loan Ratings	6.24	-	ACUITE A2   Reaffirmed
<b>Total Outstanding Quantum (Rs. Cr)</b>	<b>88.47</b>	<b>-</b>	<b>-</b>

**Rating Rationale**

Acuite has reaffirmed the long-term rating to '**ACUITE BBB+**' (read as **ACUITE Triple B plus**) and short-term rating to '**Acuite A2**' (read as **ACUITE A two**) on the Rs. 67.70 crore bank facilities of Biotech Vision Care Private Limited(BVCPL). The outlook is '**Stable**'.

Further Acuite has assigned its long-term rating of '**ACUITE BBB+**' (read as **ACUITE Triple B plus**) on the Rs.20.77 crore bank facilities of Biotech Vision Care Private Limited(BVCPL). The Outlook is '**Stable**'.

**Rationale for Rating**

The rating reaffirmation factors in the improvement in the operating income and above average financial risk profile. The company recorded operating income of Rs.310.75 Cr. in FY2023 as against Rs.237.11 Cr. in FY2022. The rating further draws comfort from the above-average financial risk profile of the company, which is marked by nominal debt levels and a moderate net worth position. The tangible net worth of the company stood at Rs.303.33 Cr. as on 31 March 2023 as against Rs.254.32 Cr. as on 31 March 2022, Further, the working capital operations are moderately efficient, which is supported by the moderate utilisation of working capital limits. The rating is however, constrained by working capital intensive nature of operations and incessant decline in profitability in the past three years which stood at 23.03% in FY2023 as against 30.62% in FY2022 and 33.24% in FY2021.

**About Company**

Biotech Vision Care Private Limited (BVPL) established in 1999 under the name Vista Implants Private Limited with Mrs. Lalitaben Shah, Mrs. Ruchira Asnani and Mr. Mehul Asnani as the directors. However later in May, 2000 the name of the company was changed to the current name. Mr. Mehul Asnani looks after the day to day activities of the company. The group has its sales and marketing headquarter in Luzern, Switzerland. It has established research & development centers with state-of-the-art manufacturing facilities in Roscommon, Ireland and Ahmedabad, India. The company is engaged in manufacturing of intraocular lenses (IOL) which can be implanted in the eyes of cataract patient with the help of equipment. Along with the lens the company is also into manufacturing of accessories required during the cataract operation like strips, spears and surgical blades . The group has three manufacturing plant located in Khatraj (Ophthalmics), Ireland (Ophthalmics) and SEZ (Dermal and Ophthalmics solutions)

**About the Group**

Biotech Vision Care Private Limited is the flagship entity of the Biotech group with 12 subsidiaries under it . Key focus areas of the group include Ophthalmology, Dermatology,

Orthopaedics and Urology. Group has one of the widest product portfolios in ophthalmology with more than 25 consumable products including implants, solutions and accessories. Additionally, the group has strategic tie-ups with leading manufacturers of diagnostic and surgical equipment for targeted markets to provide complete solution to its customers. In Orthopaedics, group offer various types of single-shot and multi-shot viscos supplement solutions for Osteoarthritis of Knee. The dermal product range includes cross linked & non-cross linked dermal fillers for skin rejuvenation & facial volume/contour restoration. Product in urology segment provides immediate relief to Cystitis patients

### **Unsupported Rating**

Not Applicable

## **Analytical Approach**

### **Extent of Consolidation**

- Full Consolidation

### **Rationale for Consolidation or Parent / Group / Govt. Support**

For analytical purposes, Acuité has consolidated the business and financial risk profiles Biotech Vision Care Private Limited and all its subsidiaries together known as 'Biotech Healthcare Group'. The subsidiaries include Biotech Healthcare Holding GMBH, Biotech Healthcare GMBH, Biotech Europe Midtech Inc.Ltd, Biotech Healthcare SAN VE. TIC. A.S, Biotech Vision Care Ophthalmologia, Biotech Columbia S A S, Healthcare Biotek SARL, Biotech Healthcare Germany GMBH, Biotech UK Healthcare Limited, Biotech Healthcare Iberia SL, Biotech Healthcare Australia Pvt Ltd and Biotech Meditech SA. The consolidation is majorly on account of common management with operational and financial linkages across the companies.

## **Key Rating Drivers**

### **Strengths**

#### **Establish track record of operations, experienced management**

BVPL, a Gujarat-based company has established presence of over two decades since 1999. The group is engaged in developing and manufacturing of high quality, innovative ophthalmic surgical and eye care products. The key promoter, Mr. Mehul Asnani (Chairman & Managing Director), has experience of over two decades in the eye care industry. Extensive network of the promoters has helped the group to establish its market for their products in India and in overseas market with presence in around 120 countries. An experienced second line of management also supports the group. Acuité believes that BVCPL will continue to benefit from its established track record of operations, experienced management and long-standing relationships with its customers and suppliers

#### **Healthy Financial risk profile**

The group's financial risk profile is healthy marked by net worth of Rs.303.33 crore as on 31 March 2023 as against Rs.254.32 crore as on 31 March 2022. The improvement is majorly on account of accretion of reserves. The group follows a conservative leverage policy. The gearing (debt-equity) stood low at 0.14 times as on 31 March 2023 as against 0.14 times as on 31 March 2022. The total debt outstanding of the group is Rs.42.01 crore as on 31 March 2023 which consists of long-term bank borrowings of Rs.10.78 crore ,Current maturities of long-term debt Rs. 1.31 Cr. and short-term working capital limit of Rs.29.82 crore . The interest coverage ratio stood comfortable at 28.57 times for FY2023 as against 32.31 times for FY2022. The DSCR stood at 10.44 times for FY2023 as compared to 6.76 times for FY2022. The Net Cash Accruals to Total debt stood at 1.37 times as on FY2023 and 1.83 times for FY2022. The Total outside liabilities to Tangible net worth (TOL/TNW) stood at 0.35 times in FY2023 as against 0.37 times for FY2022. Going forward the financial risk profile is expected to improve because of its improving operating performance and reduction in the debt liability of the company.

### **Weaknesses**

### **Working capital intensive nature of operations**

The group's operations are working capital intensive in nature as reflected by its gross current asset (GCA) days of around 264 days as on March 31, 2023, as against 305 days as on March 31, 2022, which is on the account of complex business structure where the group has to maintain large amount of inventory for various range of its product portfolio. The group maintains an inventory of around 145 days as the in-transit time is around 90 – 120 days. The group maintains 60 days of finished goods of inventory in order to cater to spot orders from customers. The group has to maintain 40 ranges of diapters with different combinations and imports a significant portion of its raw materials which eventually increase the inventory levels. Furthermore, the debtor days stood at 107 days as on March 31, 2022 as against 125 days as on March 31, 2022. The creditor days stood improved at 89 days as on March 31, FY2023 as against 181 days as on March 31, 2022. The group has availed the banking facilities of fundbased and non-fund based which includes cash credit, letter of credit , bank guarantee and PCFC facility. Despite working capital intensive nature of operations, the utilization of working capital limits remains moderate at ~45% in last one year ended March 2024.

### **Albeit improving revenue decline in profitability margins.**

The Group operations have improved reflected by growth in consolidated revenue from operations by 31.05% in FY2023 to Rs.310.75 crore as against Rs.237.11 crore for FY2022. The increase in revenue is on the account of increase in sales volumes led by higher demand especially from the export market. Unlike sale the operating profit margin of the group showed incessant decline and stood at 23.03% in FY2023 as against 30.62% in FY2022 and 33.24% in FY2021. The decline was majorly on account of an increase in employee costs and other expenses. Furthermore, the net profit margin of the group also saw a dip and stood at 15.43 percent in FY2023 as against 24.51 percent in FY2022. ROCE of the group stood at 21.50 % in FY2023 as against 26.17% in FY2022.

### **Rating Sensitivities**

- Significant improvement in the scale of operations while improving upon profitability margins.
- Healthy Financial risk profile and Liquidity.
- Any further elongation in working capital cycle resulting into dependence on external borrowings

### **Liquidity Position**

#### **Adequate**

The group's liquidity profile is adequate marked by adequate net cash accruals against its maturing debt obligations. The firm generated cash accruals of Rs.57.78 Cr. in FY2023 as against its maturing debt obligation of Rs.1.41 Cr. in the same period. The firm maintains unencumbered cash and bank balances of Rs. 20.08 crore as on March 31, 2023. The current ratio of the group stood healthy at 2.70 times as on March 31, 2023.

### **Outlook: Stable**

Acuité believes that group will continue to maintain a 'Stable' outlook and benefit over the medium term owing to its experienced management and established market position. The outlook may be revised to 'Positive' in case the group registers substantial improvement in revenues and profitability with prudent working capital management while sustaining its existing financial risk profile. Conversely, the outlook may be revised to 'Negative' in case of lower than expected margins and higher working capital requirement.

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	310.75	237.11
PAT	Rs. Cr.	47.94	58.12
PAT Margin	(%)	15.43	24.51
Total Debt/Tangible Net Worth	Times	0.14	0.14
PBDIT/Interest	Times	28.57	32.31

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

Not Applicable

### Any Other Information

None

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
15 Feb 2023	Bank Guarantee/Letter of Guarantee	Short Term	0.20	ACUITE A2 (Upgraded from ACUITE A4+)
	Bills Discounting	Short Term	2.00	ACUITE A2 (Upgraded from ACUITE A4+)
	Cash Credit	Long Term	10.50	ACUITE BBB+   Stable (Upgraded from ACUITE BB+)
	Letter of Credit	Short Term	4.04	ACUITE A2 (Upgraded from ACUITE A4+)
	Proposed Long Term Bank Facility	Long Term	28.26	ACUITE BBB+   Stable (Upgraded from ACUITE BB+)
	Working Capital Demand Loan (WCDL)	Long Term	22.70	ACUITE BBB+   Stable (Upgraded from ACUITE BB+)
24 Feb 2022	Bank Guarantee/Letter of Guarantee	Short Term	0.20	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3+)
	Bills Discounting	Short Term	2.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3+)
	Cash Credit	Long Term	10.50	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB   Stable)
	Letter of Credit	Short Term	4.04	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3+)
	Proposed Long Term Bank Facility	Long Term	15.43	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB   Stable)
	Term Loan	Long Term	7.31	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB   Stable)
	Term Loan	Long Term	5.52	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB   Stable)
	Working Capital Demand Loan (WCDL)	Long Term	22.70	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB   Stable)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Union Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.20	ACUITE A2   Reaffirmed
Union Bank of India	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	2.00	ACUITE A2   Reaffirmed
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.50	ACUITE BBB+   Stable   Reaffirmed
Union Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	4.04	ACUITE A2   Reaffirmed
Kotak Mahindra Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.30	ACUITE BBB+   Stable   Assigned
Kotak Mahindra Bank	Not avl. / Not appl.	Stand By Line of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	31.26	ACUITE BBB+   Stable   Reaffirmed
Kotak Mahindra Bank	Not avl. / Not appl.	Stand By Line of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	20.47	ACUITE BBB+   Stable   Assigned
CITI Bank	Not avl. / Not appl.	Working Capital Demand Loan (WC DL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	19.70	ACUITE BBB+   Stable   Reaffirmed

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

1. Biotech Healthcare Holding GMBH
2. Biotech Healthcare GMBH
3. Biotech Europe Midtech Inc.Ltd
4. Biotech Healthcare SAN VE. TIC A.S
5. Biotech Vision Care Ophthalmologia
6. Biotech Columbia S A S
7. Healthcare Biotek SARL
8. Biotech Healthcare Germany GMBH
9. Biotech UK Healthcare Limited, Biotech Healthcare Iberia SL
10. Biotech Healthcare Australia Pvt Ltd
11. Biotech Meditech SA
12. Biotech Vision Care Private Limited



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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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