

## Press Release

### Bio Medical Lifesciences Private Limited

June 22, 2018



### Rating Reaffirmed

<b>Total Bank Facilities Rated*</b>	Rs. 18.00 Cr.
<b>Long Term Rating</b>	ACUITE BB / Outlook: Stable

\* Refer Annexure for details

### Rating Rationale

Acuité has reaffirmed long-term rating of '**ACUITE BB**' (read as **ACUITE double B**) on the Rs.18.00 crore bank facilities of Bio Medical Lifesciences Private Limited (BML). The outlook is '**Stable**'.

Bio Medical Lifesciences Private Limited (BML), a Gujarat-based company was incorporated in 2008. The company has setup a viscoelastic solution manufacturing unit which has started commencement of operations from June, 2017. The company is a wholly owned subsidiary of Biotech Vision Care Private Limited (BVCPL) engaged in the manufacture of intraocular lens.

### Key Rating Drivers

#### Strengths

- **Experienced management**

The promoter, Mr. Mehul Asnani, has experience of over a decade in the eye care industry. He has established a presence in the market for the products in India and overseas markets in around 120 countries, on the strength of the consistent product quality and established marketing network.

- **Parent support**

BML is a wholly owned subsidiary of BVCPL which is engaged in the manufacture of intraocular lens. The company has four subsidiaries and one step down subsidiary engaged in the manufacture of the aforementioned. Till now the export orders were routed through Biotech Ophthalmic Private Limited (BOPL). Going forward, these will be routed through BML. Further, the company has been receiving need based financial support in the form of unsecured loan and equity for funding the ongoing project from BVCPL. The centralised decision platform due to common management, shared brand name and products reflect the strong support of BVCPL to BML. Timely funding support from parent in case of exigencies will remain the key rating sensitivity going ahead.

#### Weaknesses

- **Small scale of operations:**

BML has started its operations from June 2017. In the first year of operation, the company has only booked operating income of Rs.0.01 crore for FY2018 (Provisional) from domestic sales. However, the company is awaiting Conformité Européenne (CE) certificate approval for exports of its products. The strategy followed by the company is to export their products in international market, which has restricted the sales and full utilisation of their installed capacity.

- **Intense competition:**

The company faces intense competition from international brands including Bausch & Lomb, Novartis, Abbot Medical Optics, among others. The presence of established players in the eye care segment will continue to impact the ability to achieve significant revenue growth while maintaining its profitability margins over the near to medium term.

### Analytical Approach

Acuité has considered the ongoing operational & financial support from the parent company (BVCPL) while arriving at the rating for BML.

### Outlook: Stable

Acuité believes the outlook on BML's rated facilities will remain 'Stable' on over the medium term on account of the company's experienced management and strong parent support. The outlook may be revised to 'Positive' in case the company is able to scale up the operations and generate revenues and profitability with prudent working capital management and sustained financial risk profile. Conversely, the outlook may be revised to 'Negative' in case of lower than expected margins and higher working capital requirement.

### About the Rated Entity - Key Financials

	Unit	FY18 (Prov.)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	0.01	0.01	0.00
EBITDA	Rs. Cr.	-1.51	-0.01	-0.01
PAT	Rs. Cr.	-2.99	-0.03	-0.01
EBITDA Margin	(%)	NA	NA	NA
PAT Margin	(%)	NA	NA	NA
ROCE	(%)	NA	NA	NA
Total Debt/Tangible Net Worth	Times	5.02	7.68	1.58
PBDIT/Interest	Times	NA	NA	NA
Total Debt/PBDIT	Times	NA	NA	NA
Gross Current Assets (Days)	Days	NA	NA	NA

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

Not Applicable

### Any other information

None

### Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Criteria For Group And Parent Support - <https://www.acuite.in/view-rating-criteria-24.htm>

### Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

### Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
20-Mar-2017	Term Loan	Long Term	18.00	ACUITE BB / Stable (Assigned)

### \*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Term loans	Not Applicable	Not Applicable	Not Applicable	18.00	ACUITE BB / Stable (Reaffirmed)

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### About Acuité Ratings & Research:

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