

## Meril Healthcare Private Limited

January 07, 2021

### Ratings

Facilities	Amount (Rs. crore)	Ratings <sup>1</sup> @	Rating Action
Long Term Bank Facilities	22.50 (Reduced from Rs.32.00)	CARE AA- (CE); Stable [Double A Minus (Credit Enhancement); Outlook: Stable]	Reaffirmed
Long Term / Short Term Bank Facilities	99.00	CARE AA- (CE); Stable/ CARE A1+ (CE) [Double A Minus (Credit Enhancement); Outlook: Stable/ A One Plus (Credit Enhancement)]	Reaffirmed
Short Term Bank Facilities	25.00	CARE A1+ (CE) [A One Plus (Credit Enhancement)]	Reaffirmed
<b>Total Facilities</b>	<b>146.50</b> <b>(Rupees One Hundred Forty-Six Crore and Fifty Lakh Only)</b>		

Details of instruments/facilities in Annexure-1, @The ratings are based on the unconditional and irrevocable corporate guarantee issued by Bilakhia Holdings Private Limited.

<b>Unsupported Ratings:</b> As stipulated vide SEBI circular dated June 13, 2019	<b>CARE A-/ CARE A2+</b> <b>[Revised from CARE BBB+/ CARE A2 ]</b>
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Note: Unsupported ratings do not factor in the explicit credit enhancement

### Detailed Rationale & Key Rating Drivers

The ratings assigned to the bank facilities of Meril Healthcare Private Limited (MHPL) is based on the credit enhancement in the form of an unconditional and irrevocable corporate guarantee extended by Bilakhia Holdings Private Limited (BHPL), the ultimate holding company of MHPL.

The credit profile of BHPL continues to derive strength from vast experience and resourcefulness of Bilakhia Group which is focused mainly on healthcare, investment and real-estate businesses. The credit profile of BHPL also derives strength from its low leverage, strong liquidity and healthy debt coverage indicators arising from its unencumbered cash equivalents, investments in debt/liquid mutual funds and quoted equity shares (i.e. total liquidity) which provided liquidity to debt coverage (total liquidity/ total debt) in excess of 2x as on September 30, 2020. The credit profile of BHPL also derives strength from the growing scale of operations and improvement in the profitability of its healthcare subsidiary during FY20 (refers to the period from April 1 to March 31) aided by its established market position in the coronary implant and orthopaedic implant business segments, reduced propensity of BHPL to extend support to the entities of its healthcare business except for its endo-surgery segment; and healthy growth prospects for the key products of its healthcare division. The long term credit profile of BHPL is, however, constrained due to continued operating loss in one business segment of its healthcare division i.e. Endo-Surgery (operating under BHPL's step-down subsidiary Meril Endo Surgery Private Limited; MEPL), inherent regulatory risk associated with BHPL's healthcare business along with ongoing litigation against it arising from alleged patent infringement for one of its coronary products by a competitor in certain geographies of Europe, susceptibility of the profitability of its healthcare division due to fluctuation in the prices of raw material and foreign exchange rate, and working capital intensive nature of operations of its healthcare division; along with market risk associated with its moderately concentrated portfolio of quoted equity shares.

### Rating Sensitivities (for the provider of the credit enhancement – BHPL)

#### Positive Factors

- Growth in the scale of operations of its healthcare division with TOI greater than Rs.2,500 crore, PBILDT margin of more than 20% and ROCE greater than 15% on a sustained basis; along with maintaining its comfortable overall gearing and quoted liquid investment of around Rs.1,000 crore on a consolidated level.

#### Negative Factors

- The ratio of market value of its investments in quoted mutual funds/equity shares/other forms of liquidity to its consolidated debt deteriorates to around 1.25 times on a sustained basis.
- Sustained elongation in the operating cycle along with deterioration in its PBILDT margin of its healthcare division below 8%.

### Key Rating Drivers (MHPL – Unsupported Ratings)

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

*The revision in the unsupported ratings of the bank facilities of MHPL is on account of significant growth in its scale of operations aided by growth in sales volume of its orthopedic products (mainly knee and hip implants) in both export and domestic markets, along with considerable improvement in its operating profit margins leading to improvement in its leverage and healthy debt coverage indicators during FY20.*

*The unsupported ratings continue to derive strength from the vast experience and resourcefulness of MHPL's promoters - the Bilakhia Group, its increasing presence in the domestic and export markets along with regulatory approvals in place from authorities in Europe and USA for its products. The ratings also favorably factor MHPL's adequate liquidity and favorable growth prospects for the orthopaedic implant industry.*

*The unsupported ratings of MHPL, however, continue to be constrained due to its large working capital requirement arising from its elongated operating cycle that is partly funded by working capital borrowing and partly by loans from group companies, along with stiff competition and inherent regulatory and legal risks associated with the healthcare industry. The unsupported ratings also take cognizance of decline in its scale of operations and profitability during H1FY21 due to lower demand for its products arising from postponement of elective orthopedic surgeries due to the outbreak of Covid-19 pandemic in the domestic market.*

#### **Detailed description of the key rating drivers (for the provider of credit enhancement – BHPL)**

##### **Key Rating Strengths**

**Vast experience and resourcefulness of Bilakhia Group:** BHPL is the ultimate holding company of the Bilakhia Group which is the erstwhile promoters of Hubergroup India Private Limited (HIPL; rated 'CARE AA+; Stable/ CARE A1+'; erstwhile Micro Inks Limited) and Bayer Vapi Pvt Ltd (BVPL; erstwhile Bilag Industries Private Limited) and presently has diversified business interests in the fields of healthcare, investment, education and real estate through its various subsidiaries. Over the years, the promoters have successfully demonstrated their ability to create business models delivering world-class quality products and achieving economies of scale. After divesting their stake in HIPL and BVPL, the group utilized the stake sale proceeds to foray into healthcare business from 2006 onwards. As on March 31, 2020, BHPL had investments of Rs.982 crore in its healthcare division. BHPL is scaling down its loss-making education business and does not envisage any further investment in the education division. BHPL also holds certain land parcels in its real-estate division wherein total capital employed stood at Rs.448 crore as on March 31, 2020. As articulated by the management, as of now BHPL does not have any plans for real estate development. Further, in January 2020, the founder promoter of Bilakhia group Mr. Gafurbhai Bilakhia was conferred with the 'Padma Shri' honor for his contribution to Indian trade and industry.

**Low leverage along with healthy debt coverage:** BHPL's leverage on consolidated basis continued to remain comfortable marked by low overall gearing of 0.18x as on March 31, 2020 due to its healthy net-worth base of Rs.2,737 crore as on March 31, 2020. BHPL has investments in several land parcels, buildings, quoted and unquoted equity shares, debt/liquid mutual funds and venture capital funds. BHPL on a consolidated basis had investments in quoted equity shares, debt/liquid mutual funds and cash & cash equivalents of around Rs.892 crore as on March 31, 2020 which provided healthy debt coverage of around 1.77x as on March 31, 2020. Further, the market value of BHPL's investments in quoted equity shares, debt/liquid mutual funds and fixed deposits increased to around Rs.1,074 crore on September 30, 2020 resulting in further improvement in its consolidated debt coverage to around 2.42x as on even date. Apart from this BHPL also derives financial flexibility from its investments in unquoted equity shares and land parcels.

##### **Large product portfolio of its healthcare division along with established presence in the domestic and export markets:**

BHPL's healthcare division has four business segments i.e. coronary implants, orthopaedic implants [entities operating under these verticals are MLSPL, Meril Life Sciences India Private Limited (Meril India) and Meril Healthcare Private Limited (MHPL)], diagnostic products and endo-surgery products [entities operating under these verticals are Meril Diagnostics Private Limited (MDPL) and MEPL respectively]. MLSPL manufactures and sells various types of coronary stents, peripheral stents, balloon catheters and heart valves. MLSPL is the first Indian company to launch Bioresorbable scaffold and heart valves in India. It has also received Drug Controller General of India (DCGI) approval for selling heart valves in the domestic market. All the products of MLSPL are CE marked (European Conformity) and its balloon catheters are also USFDA (United States Food and Drug Administration) approved. Further, MLSPL became the first company to receive exemption from price cap for its Bioresorbable scaffolds in the Indian market. MHPL manufactures and sells various types of knee implant, hip implant and trauma implants. Knee/hip replacement products and trauma implants of MHPL are also CE marked and USFDA approved. Products of MDPL includes various types of analyzers, reagents for those analyzers and rapid diagnostic kits for various diseases. Further, MDPL also launched RT-PCR test kits and rapid antigen test kits for the detection of Covid-19 virus in the domestic market during FY21. MEPL's product portfolio includes various kinds of sutures, staplers, hernia repair solutions, and contraceptive solutions.

BHPL's healthcare division is one of the leading domestic manufacturers of coronary stents and knee/hip replacement products in the domestic market with well recognized brands and backed by a widespread selling and distribution network. Further, it also sells its products in more than 100 countries through its various overseas subsidiaries.

**Growing scale of operations with continuous improvement in the profitability of its healthcare division leading to reduced propensity of BHPL to support it:** Total operating income (TOI) of Micro Life Sciences Private Limited (Micro; the holding company of BHPL's healthcare division) grew by around 22% during FY20 over FY19 and by around 71% over the period of last two years ended FY20. Its increasing presence in the domestic and export markets along with regular addition of new products in its portfolio led to considerable growth in the sales volume of majority of its products. However, the combined sales of its five major entities (MLSPL, Meril India, MHPL, MDPL and MEPL) operating under its healthcare division declined by around 27% during H1FY21 on a Y-o-Y basis. Combined domestic sales of all five entities declined by around 53% on Y-o-Y basis due to the outbreak of Covid-19 pandemic and subsequent imposition of the nationwide lock-down. Elective surgeries where most of BHPL's healthcare division's products are being used were put on hold in all major hospitals across India which led to decline in the domestic sales during H1FY21. However, combined export sales grew by around 33% during the same period which partially mitigated the adverse effect of outbreak of Covid-19. The management believes that the decline in sales during H1FY21 is not a permanent loss and sales are expected to again grow once normalcy resumes.

PBILDT of Micro grew to around Rs.200 crore during FY20 (PBILDT of around Rs.71 crore during FY19) aided by significant improvement of around 980 bps in its PBILDT margin on Y-o-Y basis. Benefits of economies of scale, increase in operating efficiencies along with rationalization of marketing and employee expenses and favorable product mix during FY20 led to consistent improvement in Micro's PBILDT margin during the last three years ended FY20. Furthermore, despite 27% decline in the combined sales during H1FY21, its combined PBILDT declined by just 4% due to higher share of revenue from products like heart valve in the combined sales which yields superior profitability margins.

BHPL's total investments in its healthcare division stood at Rs.982 crore as on March 31, 2020. Fresh investments of around Rs.12 crore and Rs.21 crore were made in MDPL and MEPL respectively during FY20 to support their operations. However, BHPL made incremental investments of only around Rs.6 crore (as against incremental investment of Rs.206 crore and 25 crore during FY18 and FY19 respectively) during FY20, while the rest was funded through the surplus available with Micro. MLSPL, Meril India and MHPL are already generating healthy cash accruals and do not need any support from its parent. Further, MDPL has also achieved operating breakeven during FY20 and is expected to generate healthy cash accruals from FY21 onwards backed by launch of Covid-19 related diagnostic products. MEPL is still incurring operating loss and will require support from its parent. However, any additional support required by MEPL will mostly be met by recouping investments in other healthcare entities.

**Healthy growth prospects for the healthcare industry:** There are good demand prospects for the healthcare industry in India as well as in other developing countries. Rising health consciousness, increasing cases of sedentary lifestyle diseases including coronary heart diseases and increased healthcare expenditure is expected to drive the market for BHPL's healthcare division's products in the medium term. Other prominent growth drivers include the rapidly growing medical technology industry and rising affordability. In addition, there is an increasing demand for in-vitro diagnostic kits and reagents and rapid diagnostic kits in developing countries (including India). Furthermore, the penetration of other products including coronary stent is much lower in India and other developing countries compared to developed countries like the USA, European Union and Japan indicating good demand prospects from these countries.

#### Key Rating Weaknesses

**Continued operating loss in one of its healthcare division subsidiaries:** One of BHPL's subsidiaries i.e. MEPL incurred operating loss of around Rs.15 crore during FY20 (reduced from operating loss of Rs.32 crore in FY19). The gestation period of business under MEPL is long owing to high sales promotion expenditure on brand building and intense competition due to commoditized nature of products. BHPL infused around Rs.21 crore in MEPL during FY20 to fund its operating loss and meet its capex and incremental working capital requirement. MEPL is expected to incur operating losses during FY21. BHPL is expected to fund its operations by recouping its investment from other entities operating under its healthcare division.

**Regulatory risk associated with healthcare business along with ongoing litigation against MLSPL arising from alleged patent infringement for one of its coronary products by a competitor; and heavy legal costs associated with it:** BHPL's healthcare business remains exposed to changes in regulations in domestic and export markets including likely price cap as well as large compensation to be paid to the patients in case of faulty implants; albeit mitigated by adequate cover through product liability insurance taken by the company.

In February 2017, National Pharmaceuticals Pricing Authority (NPPA) put a price cap on DES (drug eluting stents) & Bioresorbable scaffold at Rs.28,000 and on BMS (Bare Metal Stents) at Rs.7,400. After that NPPA has allowed multiple hikes in the prices of stents and the price cap on DES and BMS stands at Rs.30,647 and 8,412 respectively. MLSPL received exemption from the price cap for its Bioresorbable scaffold during February 2020.

Further, in 2017 NPPA fixed the ceiling prices of Cobalt Chromium knee implant at Rs.54,270 and titanium oxidized zirconium at Rs.76,600. In August 2019 NPPA allowed the increase in ceiling price by 10%. However, in its meeting held in September 2020, NPPA has extended the existing price caps on knee implants till September 2021. The impact of price

cap revision was relatively low on BHPL's healthcare division's products since its realizations were already lower than the ceiling price imposed by NPPA (National Pharmaceuticals Pricing Authority).

Apart from the above inherent regulatory risk, MLSPL is also involved in a litigation with one of its competitor in certain geographies of the European market. Its competitor has accused MLSPL of violating its patents for heart valves. According to the management of MLSPL, they did not violate any patent and has hired the best legal team to defend its case in those geographies. MLSPL incurred legal cost of around Rs.30 crore during FY20 and may incur further legal cost on it. Any adverse ruling may lead to probable loss of sale of heart valves in such geographies. However, its other products i.e. all kinds of stents and balloon catheters do not face any kind of legal dispute in any geographies.

**Susceptibility of profit margin to fluctuation in raw material prices and foreign exchange rate:** Profitability margins of BHPL's healthcare division is exposed to the fluctuation in raw material prices especially medical grade metal alloys and polymers as it has limited ability to fully pass on any increase in the raw material prices to its customers due to price cap on two of its major products i.e. coronary stents and knee implants.

As a policy, BHPL's healthcare division keeps its foreign currency trade receivable exposure open and completely hedges its trade payable exposure as it expects Indian rupee to depreciate against US Dollar in long-term. Further, BHPL's healthcare division derives close to 45% of its revenue from the export market, which also exposes its profitability margin to adverse movement in the foreign exchange rate.

**Working capital intensive business of its healthcare division:** Business of healthcare division remains working capital intensive marked by Micro's elongated operating cycle of 249 days during FY20 (242 days during FY19) and gross current asset days of 313 days during FY20 (313 days during FY19). The main products of healthcare division i.e. coronary stent and orthopedic implants vary in length, diameter, thickness and flexibility. Hence the company has to maintain very large inventory to make its products available immediately upon requirement which results in elongated inventory holding period of 168 days during FY20 (156 days during FY19). This apart, it extends credit period of around 130 days on an average on its sales. Cumulatively, these lead to an elongated operating cycle for Micro.

**Moderately concentrated investment portfolio and market risk associated with it:** Net capital employed in BHPL's investment division on a consolidated basis stood at Rs.1,531 crore as on March 31, 2020 out of which Rs.895 crore was invested in financial assets. The investment in financial assets include investment in various debt/liquid mutual funds, quoted/unquoted equity shares and venture capital funds. Fair value of quoted equity shares stood around Rs.540 crore as on March 31, 2020 and Rs.667 crore as on September 30, 2020 which is around 60% and 67% of total investments in financial assets as on respective dates. Further, investment in the top 2 quoted equity shares and top 10 quoted equity shares constituted around 70% and 98% of the total portfolio of quoted equity shares respectively as on September 30, 2020 which represents risk associated with a moderately concentrated investment portfolio. The value of investments in quoted equity shares are also exposed to fluctuation in the market price; albeit the investments are largely in fundamentally sound companies.

#### **Liquidity: Strong**

Apart from its liquid investments providing healthy debt coverage, liquidity of BHPL is also underpinned by the growing cash-flows of its healthcare division. Further, utilization of fund-based working capital facilities availed by subsidiaries operating under BHPL's healthcare division remains moderate around 70% to 80% during the trailing 12 months ended October 2020. BHPL on a consolidated basis has external term-debt repayment obligation of around Rs.55 crore during FY21 and around Rs.42 crore during FY22. BHPL's liquidity with value of around Rs.1,074 crore as on September 30, 2020 and envisaged cash accruals of its healthcare division will be more than adequate to meet its term-debt repayment obligation and incremental capex/working capital requirement. Further, CARE also notes that BHPL on a consolidated basis did not avail moratorium from its lenders for repayment of its term-debt installments (except for the two-term loans availed by MLSPL) or payment of interest on working capital limits indicating strong liquidity.

#### **Analytical Approach:**

**For Credit Enhanced Rating: Assessment of the consolidated financials of the guarantor, BHPL.** CARE has considered the consolidated financials of BHPL for its credit risk assessment as it has extended corporate guarantees for most of the bank facilities/instruments availed by its subsidiaries/step-down subsidiaries apart from extending loans & advances to them and investing through preference shares in them. *List of subsidiaries and associates whose financials are consolidated in the financials of BHPL are placed at Annexure - 4*

**For unsupported ratings:** Standalone financials of MHPL along with its strong linkages with its parent BHPL.

#### **Applicable Criteria**

[Criteria on assigning 'outlook' and 'credit watch' to credit ratings](#)

[CARE's Policy on Default Recognition](#)

Criteria for Short Term Instruments
CARE's methodology for manufacturing companies
Financial ratios – Non-Financial Sector
Rating Methodology: Notching by factoring linkages in ratings
Rating Methodology: Consolidation and factoring linkages in ratings
Rating of loans by investment holding companies
Criteria for Rating Credit Enhanced Debt
Liquidity analysis of non-financial sector entities
**About the guarantor (BHPL)**

BHPL is an investment company registered with the Reserve Bank of India (RBI) as a Non-Deposit taking Systematically Important Non-Banking Financial Company (ND-SI NBFC). BHPL is the ultimate holding company of Bilakhia Group. After divesting their stake in HIPL and BVPL, the group forayed into the healthcare business in 2006. Apart from the healthcare business, the group is also involved in diverse businesses like investment in land parcels, quoted and un-quoted equity/mutual fund, education, and management consultancy.

Brief Financials - BHPL (Consolidated) (Rs. Crore)	FY19 (Aud.)	FY20 (Aud.)
	IND AS	
Total operating income	968.11	1,184.56
PBILDT	21.65	161.82
PAT	(110.21)	27.90
Total comprehensive Income @	44.65	(28.39)
Overall gearing (times)	0.17	0.18
Interest coverage (times)	0.48	3.52

@ At the time of adoption of IND-AS, BHPL classified its investments in quoted equity shares as Fair Value Through Other Comprehensive Income (FVTOCI). Hence, profit/loss on sale of quoted equity shares and its fair value change during the year are classified under Other Comprehensive Income (OCI). Earlier under I-GAAP, fair value change was not accounted for, while profit/loss on sales of investments was recognized in the profit and loss account.

**About the company (MHPL)**

MHPL is a part of Gujarat based Bilakhia Group. MHPL is a wholly owned subsidiary of Micro which, in turn, is a wholly owned subsidiary of BHPL – the ultimate holding company of Bilakhia Group. Incorporated in 2011, MHPL is engaged in manufacturing and selling of Knee/Hip replacement products and trauma implants. It sells its products under brands 'Destiknee', 'Opulent', 'Latitud', 'Armar' and 'MBoss'. Products of MHPL are CE marked and USFDA approved and are being sold in more than 60 countries around the world.

Brief Financials - MHPL (Rs. crore)	FY19 (A)	FY20 (A)
	IND AS	
Total operating income	172.91	266.12
PBILDT	24.12	70.29
PBT (before deducting non cash interest)	4.27	45.53
Non-cash Interest expenses#	7.37	8.10
PAT	(3.10)	28.67
Overall gearing (times)*	2.11	1.44
Interest coverage (times)	2.79	7.26

#Notional interest charged on preference shares and interest free unsecured loans, \*Tangible net-worth includes redeemable preferences shares of Rs.88.00 crore and as quasi-equity during end-FY19 and end-FY20.

During H1FY21, MHPL reported total income of Rs.60 crore and PBILDT of around Rs.2 crore as against total income of Rs.124 crore and PBILDT of around Rs.28 crore during H1FY20.

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating History (Last three years):** Please refer Annexure 2

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	January 2023	22.50	CARE AA- (CE); Stable
Fund-based - LT/ ST-Cash Credit	-	-	-	77.00	CARE AA- (CE); Stable / CARE A1+ (CE)
Non-fund-based - LT/ ST-Letter of credit	-	-	-	22.00	CARE AA- (CE); Stable / CARE A1+ (CE)
Fund-based - ST-EPC/PSC	-	-	-	25.00	CARE A1+ (CE)
Un Supported Ratings-(LT/ST)	-	-	-	0.00	CARE A- / CARE A2+

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	22.50	CARE AA-(CE); Stable	-	1)CARE AA-(CE); Stable (03-Jan-20)	1)CARE AA-(SO); Stable (26-Nov-18)	1)CARE AA-(SO); Stable (15-Dec-17)
2.	Fund-based - LT/ ST-Cash Credit	LT/ST	77.00	CARE AA-(CE); Stable / CARE A1+ (CE)	-	1)CARE AA-(CE); Stable / CARE A1+ (CE) (03-Jan-20)	1)CARE AA-(SO); Stable / CARE A1+ (SO) (26-Nov-18)	1)CARE AA-(SO); Stable / CARE A1+ (SO) (15-Dec-17)
3.	Non-fund-based - LT/ ST-Letter of credit	LT/ST	22.00	CARE AA-(CE); Stable / CARE A1+ (CE)	-	1)CARE AA-(CE); Stable / CARE A1+ (CE) (03-Jan-20)	1)CARE AA-(SO); Stable / CARE A1+ (SO) (26-Nov-18)	1)CARE AA-(SO); Stable / CARE A1+ (SO) (15-Dec-17)
4.	Fund-based - ST-EPC/PSC	ST	25.00	CARE A1+ (CE)	-	1)CARE A1+ (CE) (03-Jan-20)	1)CARE A1+ (SO) (26-Nov-18)	-
5.	Un Supported Rating- Un Supported Rating (LT/ST)	LT/ST	0.00	CARE A- / CARE A2+	-	1)CARE BBB+ / CARE A2 (03-Jan-20)	-	-

**Annexure 3: Complexity level of various instruments rated for this Company**

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Term Loan	Simple
2.	Fund-based - LT/ ST-Cash Credit	Simple
3.	Fund-based - ST-EPC/PSC	Simple
4.	Non-fund-based - LT/ ST-Letter of credit	Simple
5.	Un Supported Rating- Un Supported Rating (LT/ST)	Simple

**Annexure 4: List of Subsidiaries/associates consolidated in BHPL as on March 31, 2020**

Sr. No.	Name of company	Effective % holding by BHPL	Relationship
1	Mixon Holdings Pvt. Ltd.	100	Direct Subsidiary
2	Minix Holdings Pvt. Ltd.	100	Direct Subsidiary
3	Marco Pvt. Ltd.	100	Direct Subsidiary
4	M3 Investment Pvt. Ltd.	100	Direct Subsidiary
5	Mexus Corporation Pvt. Ltd.	100	Direct Subsidiary

Sr. No.	Name of company	Effective % holding by BHPL	Relationship
6	Milestone Holdings & Infrastructure Pvt. Ltd.	100	Direct Subsidiary
7	Micro Life Sciences Pvt. Ltd.	100	Direct Subsidiary
8	Mylife Pvt. Ltd.	100	Direct Subsidiary
9	Mitsu Energy Pvt. Ltd.	100	Direct Subsidiary
10	Mitsu Pvt. Ltd.	100	Direct Subsidiary
11	Marco Infrastructure Holdings Pvt. Ltd.	100	Direct Subsidiary
12	Meril Research Pvt. Ltd.*	100	Direct Subsidiary
13	M3 Research Pvt Ltd*	100	Direct Subsidiary
14	Meril Life Sciences Pvt. Ltd.	100	Step down Subsidiary
15	Meril Life Sciences India Pvt. Ltd.	100	Step down Subsidiary
16	Meril Orthopedics Pvt Ltd*	100	Step down Subsidiary
17	Meril Medical Pvt Ltd.*	100	Step down Subsidiary
18	Meril Diagnostics Pvt. Ltd.	100	Step down Subsidiary
19	Meril Healthcare Pvt. Ltd.	100	Step down Subsidiary
20	Meril Pharmaceuticals Pvt Ltd.*	100	Step down Subsidiary
21	Meril Therapeutics Pvt Ltd.*	100	Step down Subsidiary
22	Meril Endo Surgery Pvt. Ltd.	100	Step down Subsidiary
23	Meril Ophthalmic Pvt. Ltd.*	100	Step down Subsidiary
24	Meril Healthcare india Pvt. Ltd.*	100	Step down Subsidiary
25	Meril Imaging Pvt. Ltd.*	100	Step down Subsidiary
26	Meril ENT Pvt. Ltd.*	100	Step down Subsidiary
27	Meril Dental Pvt. Ltd.*	100	Step down Subsidiary
28	Meril GmbH,Germany	100	Step down Subsidiary
29	Doc Med Comerico Importacao E Expotacao LTDA-Me, Brazil	99.99	Step down Subsidiary
30	Meril Tibbi Cihazlar Imalat Ve Ticaret Anonim Sirketi, Turkey	100	Step down Subsidiary
31	Meril INC,USA	100	Step down Subsidiary
32	Mexus Education Pvt. Ltd.	98.5	Step down Subsidiary
33	Mexus Technology Pvt. Ltd.	100	Step down Subsidiary
34	Mipro Solution Pvt. Ltd.	100	Step down Subsidiary
35	Mapel Infrastructure Pvt Ltd	100	Step down Subsidiary
36	Maxis Nature Resorts Pvt Ltd.	99.99	Step down Subsidiary
37	Motif Infrastructure Pvt Ltd.	100	Step down Subsidiary
38	Matru Bio Green Pvt Ltd	99.99	Step down Subsidiary
39	Maharashtra Valley View Private Limited	100	Step down Subsidiary
40	Meril Technologies Pvt Ltd*	100	Step down Subsidiary
41	Meril Innovation Pvt Ltd*	100	Step down Subsidiary
42	Maxwell Eco Green Pvt Ltd.	99.99	Step down Subsidiary
43	Merill Medical LLC,Russia	100	Step down Subsidiary
44	Meril Bangladesh Pvt Ltd	99.99	Step down Subsidiary
45	Meril SA Pty Ltd	100	Step down Subsidiary
46	Meril Cardiology Pty Ltd.	100	Step down Subsidiary
47	Meril Australia Pty Ltd.	100	Step down Subsidiary
48	Meril (China) Co. Limited	100	Step down Subsidiary
49	Meril UK Limited	100	Step down Subsidiary
50	Maxx Medical Pte.Ltd	45	Joint Venture
51	Maxx Orthopedics INC	45	Subsidiary of a Joint Venture
52	Variegate Realestate Pvt. Ltd.	46.55	Associate of a subsidiary

\*BHPL applied to the appropriate authorities for striking of name of these entities from the registrar of companies.

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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### About CARE Ratings:

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