

## BEJAN SINGH EYE HOSPITAL PRIVATE LIMITED

June 02, 2025

Facilities	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	75.00	CARE BB; Stable	Assigned

Details of facilities in Annexure-1.

### Rationale and key rating drivers

The rating assigned to the bank facilities of Bejan Singh Eye Hospital Private Limited (BHPL) are constrained by modest scale of operations, elongated operating cycle, reliance on scarcely available qualified medical professionals and regulatory risks associated with healthcare sector. However, the ratings derive strength from the vast experience of promoters in the eyecare industry, long standing track record of operations of the hospital, healthy profitability margins contributed by complex eye surgeries and operational efficiency through optimization of the procurement process with strong supplier relationships.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Growth in scale of operations resulting in total operating income above Rs.70 crores with PBILDT margin above 60% on sustained basis.
- Ability to diversify revenue stream from additional branches and vision centres.
- Improve liquidity with Prompt collection of receivables leading to effective utilization of working capital

#### Negative factors

- Further elongation of operating cycle above 200 days leading to stretched liquidity.
- Moderate debt coverage indicators with TDGCA above 7x.

### Analytical approach:

Standalone

### Outlook: Stable

The stable outlook reflects that the hospital is expected to sustain the growth in income supported by contributions from newly added branches and vision centres. Additionally, it is expected to continue benefiting from strong profitability margins, driven by operational efficiency and the expertise of its promoters.

### Detailed description of key rating drivers:

#### Key weaknesses

#### Modest scale of operations

The scale of operations remains small, with total operating income of Rs.42.23 crore in FY25 (Prov.) (refers to the period from April 01 to March 31), albeit improved from Rs.27.35 crore in FY21 with CAGR of 11.47% for past 4 years ended FY25. BHPL has booked income of Rs.3.60 crore for 1MFY25 (refers to the period April 01 to April 30).

#### Elongated operating cycle

The operating cycle elongated from 55 days in FY22 to 170 days in FY25 primarily due to higher inventory holdings resulting from higher procurement and stock maintenance of medicines and optical products across all branches and vision centres. The operating cycle is also elongated due to the higher collection period on account of extended payments from the Government Health Insurance, Corporate Insurance Schemes, which forms around 20-25% of company's total income. The collection period stood relatively higher at 76 days in FY25 (PY: 80 days), with a few receivables pending due for more than six months.

#### Reliance on scarcely available qualified medical professionals

Presence of qualified medical professionals such as doctors, paramedical staff and support staff are important requisites of a hospital to be successful and to get continued patronage from the local population. Remuneration of the core team of doctors at the hospital mostly consists of a fixed component, while the variable portion is linked to the number of patients attended and

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

other parameters. Hospitals highly depend on these scarcely available qualified medical professionals. Given the increasing competition and scarcity of medical specialists, the hospital's ability to retain its current pool would be important.

#### **Regulatory risks associated with healthcare sector**

Hospitals operate in a regulated industry that has witnessed continuous regulatory intervention during the past couple of years in the country. Regulations at both the national and state levels govern various aspects of hospital operations, including registration, licensing, infrastructure standards, and healthcare professional registration. Key regulations include Indian Medical Council Act 1956, the Clinical Establishments (Registration and Regulation) Act, 2010 and the Drugs and Cosmetics Act, 1940, as well as regulations enforced by the National Accreditation Board for Hospitals and Healthcare Providers (NABH), which sets standards for quality and patient safety. Given the importance of healthcare facilities, the Indian Government has been taking various steps towards increasing the affordability and coverage of healthcare services in the country by putting price restrictions on pharmaceutical entities, medical equipment manufacturers, and hospital services.

#### **Key strengths**

##### **Vast experience of promoters in the eyecare industry**

BHPL was established in the year 1992 by Dr Samuel Moses Bejan Singh, Medical director, specialized in Phakont & Microsurgery, Refractive Surgery, Glaucoma Surgery, Retinal Surgery, Squint Surgery, and Keratoplasty (corneal transplantation) with experience of over 40 years. He has been awarded Rtn. Dr. P. Srinivasa Rao Prize for the best outgoing M.S. (Ophthalmology) student for the year 1982 and Best Doctor's Award 2012 by The Tamil Nadu Dr. M.G.R. Medical University, Chennai. Mrs. Rooshitha Bejan Singh, wife of Dr Bejan Singh, also possesses 35 years of experience in relevant field and manages the administrative operations.

##### **Healthy profitability margins and comfortable capital structure**

The PBILDT margin stood strong in the range of 63-65% over past 4 years ended FY25. This financial stability is largely driven by strong operational efficiency along with high-margin specialized eye surgeries and steady flow of patients. It is also contributed through better margins from cost-effective procurement of medicines, spectacles and intraocular lens (IOLs). The capital structure also stood comfortable with overall gearing of 1.20x as on March 31, 2025. The Interest coverage also stood comfortable at 3.08x in FY25.

##### **Long track record of operations with diversified revenue from specialty treatments**

BHPL is operational for more than three decades and offering diverse specialty treatments such as Femto Second Laser Centre, IOL clinic, General Ophthalmology, Retina clinic, Glaucoma clinic, Pediatric Ophthalmic clinic, Squint clinic, etc. The top 3 revenue contributing specialties are Cornea clinic, Retina clinic and IOL clinic, which stood around 8.73% of FY25 (Prov.) revenue.

##### **Liquidity: Stretched**

The liquidity position of BHPL is stretched, marked by tightly matched accruals against repayment obligations. The current ratio of the hospital stood moderate at 1.00x due to higher current maturities of the term debt. The cash and bank balance stood moderate at Rs.0.13 crore as on March 31, 2025. Due to the elongated working capital cycle and stretched receivables, the average working capital utilization stood high at 94% for the last twelve months ended March 2025 with instances of overutilization of limits upto 4 days.

##### **Assumptions/Covenants**

Not Applicable

##### **Environment, social, and governance (ESG) risks**

Not Applicable

##### **Applicable criteria**

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

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## About the company and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Healthcare Services	Hospital

BHPL, a 145 bedded tertiary eyecare centre, started in the year 1992 in Nagercoil, Kanyakumari District of Tamil Nadu by Dr. Samuel Moses Bejan. BHPL is engaged in providing comprehensive ophthalmology super-specialties including Retina Clinic, Cornea Clinic, Glaucoma Clinic, Pediatric Ophthalmology Clinic, etc among others. As on March 31, 2025, the hospital operates 2 branch hospitals and 8 Vision Centres across Kanyakumari, Tirunelveli, and Tuticorin district of Tamil Nadu.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (Prov)
Total operating income	38.44	40.38	42.23
PBILDT	24.27	26.38	26.58
PAT	6.61	7.61	6.78
Overall gearing (times)	1.75	1.47	1.20
Interest coverage (times)	3.15	3.30	3.08

A: Audited; Prov: Provisional; Note: these are latest available financial results

### Status of non-cooperation with previous CRA:

Not Applicable

### Any other information:

Not Applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	12.59	CARE BB; Stable
Fund-based - LT-Term Loan		-	-	January 2031	62.41	CARE BB; Stable

**Annexure-2: Rating history for last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	62.41	CARE BB; Stable				
2	Fund-based - LT-Cash Credit	LT	12.59	CARE BB; Stable				

LT: Long term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities**

Not Applicable

**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

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