Caregroup Sight Solution Private Limited

February 09, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	37.90	CARE A; Stable	Upgraded from CARE A-; Stable
Long-term / Short-term bank facilities	62.10	CARE A; Stable / CARE A1	Upgraded from CARE A-; Stable / CARE A2+

Details of facilities in Annexure -1

Rationale and key rating drivers

The upward revision in ratings of bank facilities of Caregroup Sight Solution Private Limited (Caregroup) reflects the company's sustained growth in scale of operations, supported by healthy profitability. This is driven by its presence in the niche intraocular lens (IOLs) manufacturing segment, which has resulted in a strong financial risk profile underpinned by robust cash generation.

Ratings continue to derive strength from the extensive experience and technical expertise of Caregroup's promoter, integrated operations, sizeable domestic market share supported by a robust distribution network, geographically diversified exports business, and adequate liquidity.

However, ratings remain constrained by working capital-intensive operations, presence in a niche market with revenue concentration, and exposure to regulatory risks.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in its scale of operations with total operating income (TOI) of more than ₹1,000 crore along with sustaining healthy profit before interest, lease, depreciation, and tax (PBILDT) margin.
- Revenue diversification with diversification of its product base.

Negative factors

- Decline in TOI below ₹450 crore with significant moderation in PBILDT margin on a sustained basis.
- Deterioration in the overall gearing to more than 0.50x on the back of large-sized debt-funded capex or increase in working capital requirement.
- Significant withdrawal of funds by the promoters impacting the company's liquidity.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has considered the consolidated financials of Caregroup and its subsidiaries due to strong managerial and operational linkages. Entities consolidated in Caregroup are placed at Annexure-6.

Outlook: Stable

The 'Stable' outlook reflects CareEdge Ratings' expectation that the entity will continue to benefit from its established presence in the medical device segment catering to a large number of surgeons and hospitals through its wide network.

Detailed description of key rating drivers

Key strengths

Consistent growth in scale of operations with robust cash generation

Caregroup's consolidated TOI registered strong growth, increasing at a compound annual growth rate (CAGR) of 25% over the five-year period ended FY25 (FY refers to period from April 01 to March 31). In FY25, TOI grew by 13% year-on-year (Y-o-Y) to ₹518 crore (PY: ₹457 crore), driven primarily by a 53% Y-o-Y increase in ophthalmic solutions revenue, along with a 15% Y-o-Y rise in IOL revenue. The growth in IOL revenues was supported by a higher sales mix of mid- and premium-segment products, while equipment sales witnessed marginal growth. For medical equipment sales, equipment is imported and provided to doctors and hospitals on a lease basis with step-up lease payments.

Caregroup continued to report healthy profitability, supported by its niche market positioning, as reflected in a PBILDT margin and profit after taxation (PAT) margin of 42% and 25%, respectively, in FY25. However, margins moderated from the previous year (PBILDT: 47%; PAT: 31%) in line with a decline in average realisations in the mid and premium-segment IOLs due to

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

heightened competitive intensity. Consistent with its healthy profitability profile, the company's return indicators remained strong, with return on capital employed (ROCE) and return on net worth (RONW) of 29% and 22%, respectively, in FY25.

Strong financial risk profile underpinned by robust cash generation

Caregroup's tangible net worth (TNW) strengthened to ₹652 crore as on March 31, 2025 (PY: ₹505 crore), driven by steady accretion of healthy profits to reserves over the years. The company's capital structure remained robust, characterised by low dependence on external borrowings, with overall gearing improving to 0.05x as on March 31, 2025 (PY: 0.09x). The total outside liabilities to TNW (TOL/TNW) remained comfortable at 0.28x as on March 31, 2025 (PY: 0.35x).

The company is presently undertaking a capital expenditure plan for expansion of its IOL manufacturing capacity and construction of a new administration and research and development (R&D) facility. The total project cost is estimated at ₹50–55 crore, with completion envisaged by the end of FY27. The capex is proposed to be funded largely through internal accruals, although the company may avail term debt to a limited extent. CareEdge Ratings notes that, supported by robust Y-o-Y cash generation, the company has been able to comfortably fund its capital expenditure requirements in the past and is expected to continue to do so going forward.

Debt coverage indicators remained strong in FY25, with interest coverage at 52x (PY: 52x) and total debt to gross cash accruals (TD/GCA) at 0.19x (PY: 0.29x).

Extensive experience and technical expertise of promoters

Jagrat Dave, promoter director, is a management graduate (MBA from London Business School) and has around five decades of experience in manufacturing IOLs and providing ophthalmic solutions globally. Under his leadership, the group has developed various IOLs, and he holds 12 patents as on March 31, 2025.

The other key personnel include Purnima Dave, CEO, with more than two decades of business experience; Vipin Kumar Duggal, Director – Equipment, with around three decades of experience across leading international ophthalmic companies; Dr Sanjay Argal, Director – Sales and Marketing and R&D, with around three decades of experience with the group; and Dr Munavvar Hussain, Director – Manufacturing Operations and R&D, with two decades of industry experience.

However, the promoter, Jagrat Dave (aged 74 years), remains the key decision maker for the company's overall operations.

Integrated operation with sizeable domestic market share and robust distribution network

Caregroup was incorporated in January 2020 by converting Caregroup Sight Solution LLP (CGLLP) into a private limited company. Prior to this, CGLLP was formed in April 2017 by combining two proprietorship firms, Care Group India (CGI) and Polymer Technologies International (PTI), which were established in 1987 and had been catering to the demand of IOLs and ophthalmic pharmaceuticals solutions in domestic as well as international market. Caregroup has a track record of over three decades in which it has established itself as a leading player in IOLs in the domestic market with portfolio of multiple patented IOLs in domestic and export market. Its products are CE-marked, and exports IOLs to over 65 countries, including UK, UAE, Egypt, Russia, and Germany, with exports forming ~20% of its TOI in FY25. Promoters had set up firms over the years for integrated operations (manufacturing of polymer sheets, packaging materials, Visco surgical products, and diagnostic strips, among others) whose businesses got transferred to Caregroup in FY19 and FY20. Caregroup also manufactures delivery system (injector and cartridges), ophthalmic solution used in surgery as well as has taken up exclusive dealership of medical equipment to offer a one-stop solution for its customers.

From February 2024, Caregroup operationalised its partly debt-funded capex for manufacturing ophthalmic solutions at its subsidiary Care4sight Pharma Pvt. Ltd. (CPPL). This project supports diversification of its ophthalmic solutions portfolio, as the company's current range is largely surgery-related.

Caregroup commands a sizeable domestic market share and sold ~42 lakh IOLs in FY25 compared to ~44 lakh in FY24. The company has a medical representative (MR) team of over 400 personnel and has established relationships with more than 7,000 surgeons and hospitals across India. It also has a diversified customer base that includes reputed eye-care players.
Caregroup has incorporated a joint venture (JV) named Ziemer Ophthalmic Lenses with Ziemer Ophthalmic Systems AG, in which it invested ₹0.46 crore in FY24 and ₹10 crore in FY25. The company plans to manufacture a specific type of Phakic IOL for myopia by setting up a manufacturing facility in Europe. However, apart from the investment already done, no major outflow is envisaged towards this in the near term.

Key weaknesses

Working capital intensive operation

Caregroup's operations are working-capital intensive in nature, as the company maintains two to three months of raw material inventory, as part of its raw material requirement is imported, and also holds high finished-goods inventory to meet demand in a timely manner. This leads to elongation of the operating cycle.

Caregroup caters to surgeons and hospitals across India, who generally maintain stock of various IOL types to meet patient-specific requirements. Payments to the manufacturer are typically made after the surgery, once the surgeon or hospital receives funds from the insurance company or the patient, resulting in a long collection cycle. In the export market, the company receives up to 30% advance and the remaining 70% after the IOLs are used, which also impacts the collection cycle.

Also, Caregroup imports and provides medical equipment to surgeons and hospitals on four-five years lease with step-up lease payments and receive post-dated cheques (PDC) for entire tenor at time of initial sale. On other hand, the company gets credit period up to 12 months (monthly instalments) from suppliers of these machines. Caregroup experienced substantial increase in equipment sale revenue in the last few years. All these factors led to elongation in operating cycle to 240 days in FY25 from 204 days in FY24. However, incremental working capital requirement was met through internal accruals and hence utilisation of working capital limits remained moderate along with availability of liquid funds to the tune of ₹28 crore as on March 31, 2025.

Presence in niche market with revenue concentration

Caregroup operates in the niche IOL segment and derived ~73% of its TOI in FY25 (PY: ~72%) from IOL sales, indicating high revenue concentration. The company remains exposed to the risk of slowdown in IOL demand or the emergence of substitute products, which could affect its operational performance. Going forward, incremental diversification into other eye-care-related products, including ophthalmic solutions, and continuous innovation in IOLs are key rating monitorables.

Exposure to regulatory risk

IOLs manufactured by Caregroup are exported to both regulated markets, such as Europe, and semi-regulated/unregulated markets, including Cuba, Kenya, Uruguay, Sri Lanka, and Myanmar. Due to its presence in regulated geographies, the company is required to continuously comply with the specific regulatory standards of each country. For exports to Europe, companies must obtain the Conformité Européenne (CE) certificate, which confirms compliance with applicable European safety, health and environmental requirements. Any inability to meet changing regulatory norms could affect exports to these markets.

Demand for IOLs is largely driven by cataract surgeries, which are highly commoditised in India, with procedures priced at ₹2,000–₹3,000 and often provided free in charitable institutions and government hospitals. Around 75% of cataract surgeries use implants and lenses supplied by local manufacturers, indicating strong domestic competition. Under the National Program for Control of Blindness and Visual Impairment (NPCBVI), a mission-mode cataract surgery campaign has been implemented, resulting in 98.94 lakh surgeries in FY25 (PY: 90.29 lakh).

Foreign exchange fluctuation risk

Caregroup is involved in the export of IOLs and the import of medical equipment for trading. It earned ₹104 crore (20% of TOI) from exports in FY25 compared to ₹111 crore (24% of TOI) in FY24, exposing its profitability to foreign exchange (forex) rate volatility. The company benefits from a natural hedge to some extent through its imports of medical equipment and also avails packing credit in foreign currency (PCFC), which provides partial protection against currency movements. However, in the absence of a formal hedging policy, Caregroup remains exposed to forex fluctuation risk due to timing differences between import payments and export realisations. It reported a forex loss of ₹1 crore in FY25 compared to ₹6 crore in FY24.

Liquidity: Strong

Caregroup's liquidity remained strong, supported by healthy cash accruals and cash flow from operations (CFO), along with low scheduled debt-repayment obligations and moderate utilisation of working capital limits.

The company generated cash accruals of ₹158 crore in FY25 and is expected to earn annual cash accruals of ₹195–220 crore in FY26–FY28, against low scheduled debt-repayment obligations of ₹1–6 crore in the same period.

The company's cash flow from operations (CFO) remained healthy at ₹96 crore in FY25, while unencumbered cash and bank balance stood at ₹28 crore as on March 31, 2025. The current ratio improved to 3.16x as on March 31, 2025 from 2.69x a year earlier, driven by higher inventory and receivable levels. Average utilisation of fund-based working-capital limits remained moderate at ~46% in the last eight months ended November 2025 (PY: 59%).

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria:

[Consolidation]
[Definition of Default]
[Liquidity Analysis of Non-financial sector entities]
[Rating Outlook and Rating Watch]
[Manufacturing Companies]
[Financial Ratios – Non financial Sector]
[Short Term Instruments]

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Healthcare equipment and supplies	Medical equipment and supplies

Vadodara-based (Gujarat) Caregroup (CIN: U33100MH2020PTC335344) was incorporated in April 2017 as a limited liability partnership (LLP) by combining two proprietorship firms, CGI and PTI, both established in 1987. The LLP was converted into a private limited company on January 1, 2020. Business operations of promoter-owned firms were transferred to Caregroup in FY19 and FY20.

The company is headed by Jagrat Dave and is engaged in manufacturing types of IOLs, including polymethyl methacrylate (PMMA) IOLs, hydrophilic IOLs, hydrophobic IOLs and phakic implantable lenses, and also trades in imported medical devices and pharmaceutical products. Its primary product is IOLs, which are used for cataract and other eye-related treatments by replacing the natural eye lens with an artificial lens.

Brief Financials (₹ crore) – Consolidated	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	456.69	517.56
PBILDT	215.00	216.82
PAT	140.89	130.44
Overall gearing (times)	0.09	0.05
Interest coverage (times)	51.98	51.80

A: Audited; UA: Unaudited; NA: Not available; 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 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-Term Loan	-	-	-	30/06/2031	37.90	CARE A; Stable
Fund-based - LT/ ST-CC/PC/Bill Discounting	-	-	-	-	62.10	CARE A; Stable / CARE A1

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/ ST-CC/PC/Bill Discounting	LT/ST	62.10	CARE A; Stable / CARE A1	-	1)CARE A-; Stable / CARE A2+ (03-Jan-25)	1)CARE A-; Stable / CARE A2+ (06-Oct-23)	1)CARE A-; Stable / CARE A2+ (03-Aug-22)
2	Fund-based - LT-Term Loan	LT	37.90	CARE A; Stable	-	1)CARE A-; Stable (03-Jan-25)	1)CARE A-; Stable (06-Oct-23)	1)CARE A-; Stable (03-Aug-22)
3	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	-	-	-	1)Withdrawn (03-Jan-25)	1)CARE A-; Stable / CARE A2+ (06-Oct-23)	1)CARE A-; Stable / CARE A2+ (03-Aug-22)

LT/ST – Long term / Short term, 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-Term Loan	Simple
2	Fund-based - LT/ ST-CC/PC/Bill Discounting	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Care4Sight Solution Private Limited	Full	Subsidiary
2	U K Implant Manufacturing Co. Limited	Full	Subsidiary
3	U K Implant Manufacturing Egypt Co.	Full	Step-down subsidiary
4	COD Opthalmic Private Limited	Full	Subsidiary
5	Ziemer Opthalmic Lenses AG	Moderate	Joint venture

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

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About us:

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