

# Interview: Sanjay Bhutani - Managing Director, Bausch & Lomb, India & SAARC

---



*"In my opinion government should act as a facilitator rather than a regulator to allow the industry to grow."*

---

24.10.2017

Tags: [India](#), [Bausch and Lomb](#), [Contact Lenses](#), [Optometry](#), [Eyecare](#), [Strategy](#), [SAARC](#), [Asia](#)

---

*Sanjay Bhutani, managing director of Bausch & Lomb India and SAARC operations, gives his insights into the thriving visual care industry which has allowed the company to launch 31 intraocular lenses (IOLs) in the last three years and the Good and Services Tax (GST) which presents somewhat of a barrier to growth in the eye care business.*

**You have spent a significant amount of your Bausch & Lomb career in a finance role for the APAC region. What main learnings have you implemented as managing director for India and SAARC countries?**

I believe working across the APAC region gave me an insight into how different countries operate, as well as the working culture and the best practices adopted by different countries. Being in the APAC role, makes it easier for me to understand the needs of the corporate/regional management from the countries and at the same time it's easier for me to seek support at different levels, when you need it.

Furthermore, by being in the APAC finance director role, I got a fair understanding of the overall region and manage the local needs of the single countries by working with the local management team. Prior to the regional finance director role, I worked for a couple of years as CFO for Bausch & Lomb India, for instance, which provided me valuable insights both at a country and regional level. I do understand and appreciate, in my current role, the need for the growth in topline, bottom-line

and to conserve cash. I also understand well as to why each country needs to deliver on their budgets/targets and what the impact of each country is on the regional and corporate targets.

**How do the markets that you are in charge now (India, Sri Lanka, Bangladesh, Nepal and Bhutan) differ between each other in terms of marketing approach needed?**

[Featured\_in]

Each market is obviously very different. For example, India has around 15,000 ophthalmologists, whereas Sri Lanka only has 65-70. The way healthcare industry operates varies from country to country. In Sri Lanka for example healthcare is mostly the responsibility of the government, whereas in India, almost 65 percent is privately paid with a low insurance coverage. In Bangladesh we opened the local affiliate in 2015. Depending on the size, regulatory environment, public-private funding, quality of existing healthcare, affordability, etc. A company should be forming its strategy to establish a base in each country.

**What role does India and the SAARC region play for the Bausch & Lomb group?**

India is a market that has a lot of untapped potential for many industries, with some of them growing much faster and others being a bit slower. If you look at the telecom story, for instance, India ranks second in terms of number of users, after China. We started in India in 1992 with the vision care business; contact lenses & lens care solution, Surgical Ophthalmology and Aesthetics.

Despite being a leader in vision care with almost 60 percent market share, the overall contact lens market is small in India. While there are millions of people requiring eye sight correction and it has huge potential, most of it goes untreated. As a company we have been investing in upgrading the skills of eyecare practitioners, creating awareness about the safety & benefits of contact lenses and getting the right products to the market. Hopefully, like the telecom industry, the point of inflection will come soon, where the penetration of the contact lenses will be much higher compared to the current levels of five to six percent of the population requiring vision correction wearing contact lenses.

**Can you provide our international readers with an overview of the materials used for contact lenses and how B+L contributes to ameliorating them?**

[related\_story]

From the earlier hydrogel material used for manufacturing soft contact lenses, in 1990 a new material was made called silicon hydrogel. Contact lenses manufactured with silicone hydrogel

material is much softer and has greater durability leading longer wearability. At the beginning of 2011/2012 Bausch & Lomb introduced a new material for manufacturing contact lenses i.e., Hypergel. It contains 78 percent water content, which mimics the natural eye. The contact lenses journey has seen a shift from yearly to monthly to daily lenses, followed by better quality material in both monthly and daily lenses getting introduced. Our Biotrue Lens portfolio is the latest offering in the dailies category which is from the Hypergel material and Ultra in the Silicone Hydrogel category which has much longer wearability. Besides the lenses for vision correction, another side of the business is colored contact lenses which is growing at a good pace. Colored contact lenses come in both power and plane lenses i.e., without any power and are used to give enhanced looks. We launched 36 variant of color lenses in India in Q4 2015.

**What would you identify as the key growth drivers and what is the percentage of the global portfolio represented in this affiliate?**

Both our surgical and vision care products contribute to our growth in India. Within our surgical segment, we recently launched three new intraocular lenses (IOL) called FOCUSforce™ in the hydrophobic category. In fact, India has the largest number of cataract surgeries performed across the globe. On average, we conduct seven million surgeries per year, out of these 1.2 million surgeries are performed with imported foldable IOLs. There are mainly two categories of foldable IOLs, namely the hydrophobic and hydrophilic IOLs. In India, the hydrophobic market accounts for the 86 percent of the IOL's. Bausch & Lomb India has IOLs in both categories and traditionally been a leading player in the hydrophilic sphere with 46 percent market share.

In addition to this, we have received an FDA approval for a medical device for performing Vitro Retinal Surgeries called Stellaris Vitesse and we hope to be able to launch it in India next year.

These products will help us to gain bigger share in the surgical ophthalmology market.

In India, we launched 31 new products in the last three years. This has never happened since Bausch & Lomb, India established its presence here and we are planning to continue doing so by getting more and more technological advanced products in the country.

**The domestic medical device market in India is expected to reach \$8.6 billion by 2020. However, recent price policies have made some of the international players to reconsider their 'Indian strategy'. What has been your take on the recent events?**

We are working closely with the government, whereas the medical device industry has recommended a 50 percent margin from PTT (Price to Trade), based on the government report

issued in 2016. The Medical Device Industry Association (MTAI) recently submitted a proposal to the government in this regard and if the government accepts that, I think that it would be greatly beneficial both for the patients and overall healthcare industry. However, if they come out with a unified price capping policy, as the one for the implants which has seen many companies weighing their options to withdraw products from the country and whether to launch new technological advanced products. It would not be worthy for the patients, if they do not get the most innovative products.

The Goods and Service Tax (GST) is also currently posing many unanticipated challenges. The GST on vision care, for instance, came out to be 12 percent on contact lenses and the lens care solution being taxed at 28 percent same as luxury goods. Further, the government has divided GST taxation into three categories: unregistered dealers, composite and registered dealers. As per Sec 9(4) of CGST Act, if a registered dealer purchases goods/services from an unregistered dealer (URD) then the registered taxpayer is liable to pay GST on reverse charge basis. This ultimately means that we need to set different prices based on the dealers and the distributors depending on their GST dealer category, otherwise the composite dealer would make more money and it would be unfair to the registered dealers and who, in fact, are bigger customers. The next GST Council meeting is in November, we are quite hopeful that the government would take note of our recommendations in this regard.

**The Indian regulatory system has been lagging behind some other developing countries such as China and Brazil, is the government the only one to blame?**

In my opinion government should act as a facilitator rather than a regulator to allow the industry to grow. It should let the consumers make their own decisions, which also brings in the best in the industry where the players compete for market share & eventual existence.

There is a debate currently going on about the quality standards for the medical devices, the industry is very varied & diverse and small players today are most likely going to be big tomorrow and will have access to the global market accordingly. To this purpose, it is essential that the entire medical device space comply with ISO standards.

**How is Bausch & Lomb contributing to the education and training of Indian optometrists?**

One of the industry initiatives that we took is to upgrade the contact lenses related skills of optometry students in India through a program called Mastermind. We run this program at various universities in India. The aim of the training program is to equip optometry students with contact

lens expertise and soft skills and make them market ready. It consists of 30 hours of lectures and hands on sessions which is distributed in form of six modules. Experts from Bausch & Lomb conducted lectures and tutorial sessions for each module. Recently, we ran a similar initiative with the Sri Lanka Optometric Association.

**After more than 10 years with B+L what has been your proudest achievement?**

This is the longest time I have ever worked for a company and I must confess that it is a fantastic place to be in. Some of my proudest achievements have been working as the managing director of India Operations and as Regional Finance Director of APAC. When I joined Bausch & Lomb India, in the year 2006, we had multiple local challenges, going through corporate audits, implement SOX procedures, implement ERP and on top of that I had to change multiple commercial policies & procedures to bring business back to shape. For this, I received an award from the Global CFO for completing the tasks in a very short time period.

[See more interviews](#)