

Company Overview

Amanta Healthcare Limited (AHL) is a pharmaceutical company engaged in the development, manufacturing, and marketing of sterile liquid products, primarily parenterals, using advanced Aseptic Blow-Fill-Seal (ABFS) and Injection Stretch Blow Moulding (ISBM) technologies. The company's portfolio spans large-volume parenterals (LVPs) and small-volume parenterals (SVPs) across six therapeutic segments, namely fluid therapy, formulations, diluents and injectables, ophthalmic preparations, respiratory care, and irrigation solutions. The company has four LVPs manufacturing lines, which include two lines of conventional single-port containers with ABFS technology and two lines for SteriPort products with ISBM technology. Similarly, AHL has three operational SVPs manufacturing lines, which include two ABFS lines and one conventional three-piece container filling line. To cater to diverse clinical requirements, AHL provides multiple closure systems, including nipple heads, twist-off, Luer-lock, and screw types, with container fill volumes ranging from 2 ml to 1000 ml. The company has built a generics portfolio of over 45 products, marketed under its own brands in India through a strong distribution network comprising over 320 distributors and stockists. Internationally, it has a presence across Africa, Latin America, the UK, and other markets, with product registrations in 19 countries and a track record of compliance with varied regulatory frameworks. As of FY25, AHL's facility operated at 96% utilisation, with the revenue mix comprising 67.3% from domestic operations and 32.7% from exports. Its business is organised into three units: national sales, contributing 55.5% of revenue; international sales, at 33.1%; and product partnering, at 10.5%.

Objects of the issue

The company proposes to utilize net proceeds towards funding the following objects:

- ⇒ The company proposes to utilise the net proceeds from the issue towards the following objects:
- ⇒ Funding capital expenditure requirements for civil construction work and towards purchase of equipment, plant and machinery for setting up new manufacturing line of SteriPort and SVP at Hariyala, Kheda, Gujarat; and
- ⇒ General Corporate purposes.

Investment Rationale

Diverse product portfolio and expanding manufacturing capabilities to enhance growth

AHL's product portfolio showcases strong diversification, with its presence spanning six therapeutic segments: fluid therapy, formulations, diluents, ophthalmic care, respiratory care, and irrigation solutions. The portfolio offers container sizes ranging from 2 ml to 1000 ml, along with multiple closure systems to serve diverse clinical needs. With 47 products registered across 120 international jurisdictions, this breadth provides consistency and resilience in business performance. Additionally, the company boasts state-of-the-art manufacturing facility at Kheda, Gujarat, spread over 66,852 sq. meters, is equipped with advanced ABFS and ISBM technologies across four large-volume parenteral lines and three small-volume parenteral lines, supported by ISO and WHO-GMP accreditations. This integrated, high-quality manufacturing setup enables flexibility in product mix, regulatory compliance, and scalability. Moving forward, AHL is expanding capacity in its large-volume and small-volume parenteral segments, where demand remains robust and margin profiles range from 20% to over 60%. This expansion is expected to strengthen the company's ability to capture incremental demand, diversify its product offering, and enhance profitability, positioning it well for sustainable growth in both domestic and international markets.

Wide domestic presence and expanding customer base to strengthen market positioning

Amanta Healthcare Limited has built a strong domestic and international marketing network supported by over 320 distributors and stockists in India and a dedicated sales team of 96 people, enabling it to supply products efficiently to hospitals and nursing homes. The company has strengthened its sales processes through the adoption of Pharma Cloud and sales force automation tools, which enhance forecasting, demand planning, and productivity. Its National Sales business, a key revenue driver, comprises branded products marketed under the SteriPort brand and a wide range of generic formulations catering to both domestic and international markets. Looking ahead, AHL intends to expand its pan-India presence by increasing its distributor base, entering new geographies, and launching additional generics supported by targeted incentive schemes. . At the same time, it aims to

Issue Details

Offer Period	01st Sept, 2025 - 03rd Sept, 2025
Price Band	Rs. 120 to Rs. 126
Bid Lot	119
Listing	BSE & NSE
Issue Size (no. of shares in mn)	10.0
Issue Size (Rs. in bn)	1.26
Face Value (Rs.)	10

Issue Structure

QIB	50%
NIB	15%
Retail	35%
BRLM	Beeline Capital Advisors Private Ltd.

Registrar	MUFG Intime India Private Ltd.
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Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	85.60%	63.56%
Public	14.40%	36.44%
Total	100.00%	100.00%

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

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increase wallet share from existing customers by leveraging its strong formulation and development capabilities to add new products and more complex dosage forms. The company's track record of timely delivery, regulatory compliance, and customer relationships, together with the expansion of its product portfolio from 41 products in FY23 to 47 in FY25, underpins its ability to drive sustainable growth through both deeper penetration and customer acquisition.

Valuation

Amanta Healthcare is a pharmaceutical company specialising in sterile liquid products, primarily parenterals, manufactured using ABFS and ISBM technologies. Its portfolio spans large-and small-volume parenterals across six therapeutic areas. With 47 products registered across 120 jurisdictions and margins ranging from 20% to 60%, the company is expanding capacity in both LVP and SVP to capture rising demand and enhance profitability. On the commercial side, AHL has developed a robust domestic distribution network, backed by a skilled sales force and technology-driven systems that improve efficiency and customer engagement. The company's branded business under Steri-Port, along with its broad generic portfolio, enables it to serve diverse market needs while expanding its reach across geographies. The company's consistent portfolio expansion, strong customer relationships, and nationwide distributor network position it well to deepen penetration and drive long-term growth. On the economic front, the development of the overall healthcare delivery market in India is estimated to register a CAGR of ~9-11% between FY24-29 and reach Rs. ~70-80 billion by FY29, driven by sustained demand from end-use segments like hospitals and clinics, which provides healthy headroom for the company in terms of growth. Financially, the company reported modest revenue CAGR of 3.0% over FY23-25, while EBITDA grew at a faster pace of 6.4% during the same period. EBITDA margins were stable at 21.7%, while PAT margins moderated to 3.8%, largely impacted by higher fixed costs in the form of interest and depreciation. On the return profile, ROE and ROCE stood at 10.9% and 13.7% respectively. Leverage has improved, with the debt-to-equity ratio easing to 2.1x in FY25 from 3.2x in FY24. The company is currently valued at a P/E ratio of 34x on the upper price band, based on FY25 earnings, which is comparatively higher than its peer. With the commencement of its new facility in late FY26, we anticipate a pickup in topline growth, supported by steady operational efficiencies that should aid margin expansion. Although elevated fixed costs remain a concern, **we expect the company to gradually offset this through improved scale, a stronger top line, and a more accretive product mix, which together should structurally reinforce the business. Thus, we recommend a "SUBSCRIBE" rating for this issue from a medium to long-term perspective.**

Key Risks:

- ⇒ The company's operations are concentrated in Kheda, Gujarat, which likely expose the company to higher regional risks.
- ⇒ The company, along with its Chairman and Managing Director, is involved in a pending criminal proceeding under the Drugs and Cosmetics Act, 1940, arising from alleged sterility failure in a specific batch of sterile water for injection sampled in December 2013.
- ⇒ The company's business is inherently exposed to manufacturing and quality control risks, where any deviation or delay in delivery could lead to cancellation of purchase orders, breach of agreements, or termination of contracts with clients and distributors.
- ⇒ The Company has been incurring significantly high finance costs, which accounted for 45.8%, 57.3% and 62.6% of restated EBITDA in FY25, FY24 and FY23, respectively. Such elevated interest expenses have placed considerable pressure on profitability and cash flows.

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Income Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Revenue			
Revenue from operations	259	280	275
Total revenue	259	280	275
Expenses			
Cost of Materials Consumed	101	86	101
Purchases of stock-in-trade	1	2	12
Changes in inventories	1	17	-20
Employee Benefits	32	33	36
Other Expenses	73	85	85
Total operating expenses	206	223	215
EBITDA	53	57	60
Depreciation & amortization	18	20	18
EBIT	34	38	41
Finance costs	35	34	28
Other Income	4	1	1
Profit before Exceptional items	3	5	15
Income tax pertaining to earlier years			
PBT	3	5	15
Total tax	5	2	4
Net Profit	-2	4	11
Diluted EPS	-0.8	1.4	3.7

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Cash Flow from operating activities	43	58	47
Cash flow from/(used in) investing activities	-7	-10	-24
Net cash flows (used in) / from financing activities	-42	-46	-23
Net increase/(decrease) in cash and cash equivalents	-6	1	-1
Cash and cash equivalents at the beginning of the period	6	0	2
Cash and cash equivalents at the end of the period	0	2	0

Source: RHP, BP Equities Research

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Balance Sheet (Rs. in millions)

Particulars	FY23	FY24	FY25
Assets			
Non-Current Assets			
Property, plant and equipment	229	223	208
Capital Work in progress	0	0	7
Right-of-use of assets	9	5	9
Intangible Assets	0	0	1
Financial Assets			
(i) Loans	0	0	0
(ii) Investments	3	4	8
(iii) Other financial assets	2	1	1
Non-Current Tax Assets	0	0	0
Other Non-Current Assets	0	1	11
Total Non Current assets	243	234	244
Current Assets			
Inventories	69	59	73
Financial Assets			
(i) Trade Receivables	54	48	50
(ii) Cash and cash equivalents	0	2	0
(iii) Bank balances other than (ii) above	4	3	3
(iv) Loans	0	0	0
(v) Other financial assets	0	0	0
Other current assets	4	6	11
Total Current Assets	131	118	138
Total Assets	374	352	382
Equity and Liabilities			
Equity Share Capital	27	27	29
Other Equity	36	39	68
Total Equity	63	66	96
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	176	149	132
(ii) Lease Liabilities	7	5	8
Deferred tax liabilities (net)	32	30	30
Total Non-Current Liabilities	214	184	170
Current Liabilities			
Financial Liabilities			
(i) Borrowings	40	56	63
(ii) Lease Liabilities	3	0	1
(iii) Trade Payables	36	25	30
(iv) Other financial liabilities	3	3	3
Contract Liability	5	8	6
Other current liabilities	1	1	2
Provisions	6	6	8
Current tax liabilities (Net)	3	1	1
Total Current Liabilities	97	102	115
Total Liabilities	311	286	285
Total Equity and Liabilities	374	352	382

Source: RHP, BP Equities Research

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

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