



## LONG TERM SUBSCRIBE

### IPO Report

30<sup>th</sup> Aug '25

#### Snapshot

Company is a pharmaceutical company engaged in developing, manufacturing and marketing a diverse range of sterile liquid products - parenteral products, being packed in plastic container with Aseptic Blow-Fill-Seal ("ABFS") and Injection Stretch Blow Moulding ("ISBM") technology. Company manufacture large volume parenterals ("LVPs") and small volume parenterals ("SVPs") in six therapeutic segments. In addition to that, company also manufacture medical devices. Company manufacture fluid therapy - (IV Fluid), formulations, diluents, ophthalmic, respiratory care and irrigation solutions in therapeutic segment and products like irrigation, first-aid solution, eye lubricants etc.

in medical device segment. Company offer wide range of closure systems, such as nipple head, twist-off, leur-lock and screw types and container fill-volume ranging from 2ml to 1000 ml.

#### VALUATION

Company is bringing the issue at price band of Rs 120-126 per share at p/e multiple of approx. 47x on post issue FY25 basis. Company's well established manufacturer of pharmaceutical formulations with diverse product portfolio and diverse market;. Company has large manufacturing capabilities with wide domestic and international marketing network. Company has experienced management team supported by large, diverse and skilled work force. However on pricing front, valuation seems to be expensive.

Hence, we recommend " Long Term Subscribe" to the issue.

<b>Price Band (Rs./Share)</b>	<b>120-126</b>
<b>Opening date of the issue</b>	<b>01<sup>st</sup> Sept '2025</b>
<b>Closing Date of the issue</b>	<b>03<sup>rd</sup> Sept '2025</b>
<b>No of shares pre issue</b>	2,88,29,351 Eq Shares
<b>Issue Size</b>	Rs 120-126 Cr
<b>Fresh issue</b>	1,00,00,000 Eq Shares
<b>Face Value (Rs/ share)</b>	Rs 10/share
<b>Bid Lot</b>	119

#### BIDDING DETAILS

<b>QIBs (Including Anchor)</b>	50% of the offer (Approx 50,00,000 Eq Shares)
<b>Non-Institutional</b>	15% of the offer (Approx 15,00,000 Eq Shares)
<b>Retail</b>	35% of the offer (Approx 35,00,000 Eq Shares)
<b>Lead managers</b>	Beeline Capital Advisors Pvt. Ltd
<b>Registrar to the issue</b>	MUFG Intime India Pvt. Ltd

#### WHAT WE LIKE

##### *Well established manufacturer of pharmaceutical formulations with diverse product portfolio and diverse market*

Incorporated in the year 1994, company have well diversified product portfolio with product group of six therapeutic segments viz; fluid therapy, formulations, diluents, ophthalmic, respiratory care and irrigation solutions. In terms of container offerings, company offer wide range of closure systems, such as nipple head, twist-off, leur-lock and screw types and container fill-volume ranging from 2ml to 1000 ml..

##### *Wide Domestic and International Marketing Network*

Company have sales, marketing and distribution capabilities in India. Company have over 320 distributors/stockist' network supported by sales team of approximately 96 people. Company primarily sell its products to distributors in India, who in turn supplies to Hospital and Nursing Homes, etc.

##### *Large manufacturing capabilities*

Company have two manufacturing blocks, utility blocks, centralized QA/QC and administrative office buildings. Company have 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, company have three operational SVPs manufacturing lines, which includes two ABFS lines and one conventional three-piece container filling lines..



## COMPANY BACKGROUND

Company market its products through three strategic business units namely (a) national sales, (b) international sales and (c) product partnering with various foreign and Indian pharmaceutical companies. Company manufacture diverse generics product portfolio of over 45 products and market them under company's own brands in the Indian market through a network of over 320 distributors and stockists. Company sell its products in various countries including the Africa, Latin America, UK and the Rest of the world. Company's products are currently registered with 19 countries and have a compliance track record with a range of regulatory regimes across these markets. During the Fiscal 2025, company exported branded products to 21 countries. In product partnering, company undertakes manufacturing for various pharmaceutical companies.

Company's international sales business covers, advanced market countries and emerging market countries. As on the date of this Red Herring Prospectus, company have a portfolio of 47 products registered across 120 international jurisdictions. Company's product partnering business include commercial large-scale manufacturing of generic products. Company also undertake manufacturing under loan license agreements with its customers. Under product partnering model, company have developed relationships across the Indian pharmaceutical industry and some of company's key customers.

Company's formulation and development operations help company to develop new formulation as well as modify / improve the formulation for its own brand as well as company's customers for product partnering business. Company have a dedicated Formulation and Development ("**F&D**") and quality control laboratory located at its manufacturing facility in Hariyala, District Kheda, Gujarat, India. Company have 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, company have three operational SVPs manufacturing lines, which includes two ABFS lines and one conventional three-piece container filling lines. Company's manufacturing facility has good manufacturing practices ("**GMP**") certifications from the Food & Drugs Control Administration, Gujarat, in conformity with the format recommended by the World Health Organization (the "**WHO**"), the GMP for formulations from Cambodia, Sudan, Philippines, Zimbabwe. Company also have certificate from DNV for exports of medical device products.

Company's cGMP capabilities allow it to offer its customers various products of sterile liquid form in product categories of quinolones, anti-biotics, anti-fungal, diuretic, anti-anaerobic, Ophthalmic, Respiratory etc.

Company is led by a professional and experienced management team comprising qualified Key Managerial Personnel and Senior Management Personnel. Company's Promoters and Managing Director, Bhavesh Patel has extensive experience in the Indian pharmaceutical industry. As of March 31, 2025, company employed a team of 123 employees at its formulation and development and quality laboratory. Company's team includes professionals with experience of over 20 years. Company's formulation & development and quality laboratory are equipped with various equipments for the development of liquid dosage forms.



## INVESTMENT RATIONALE

<i>Experienced management team supported by large, diverse and skilled work force</i>	<p>Company is led by a qualified and experienced management team that it believe has the experience and vision to manage and grow its business. Company's Promoter, Chairman and Managing Director, Bhavesh Patel has approximately 30 years' industry experience in the field of manufacturing and marketing of pharmaceutical products. In addition to Promoters, company's senior management team is also experienced in the pharmaceutical industry and possess a range of qualifications, including graduate and post-graduate degrees in Accounts, science and pharmacy. Company's Managing Director and Promoter is associated with company since inception. Company believe that the knowledge and experience of its Promoter, along with senior management, and its team of dedicated personnel provide it with a significant competitive advantage as company seek to expand into new products, grow company's existing markets and enter new geographic markets.</p> <p>Further, company is supported by its technically qualified employee team who possess a range of qualifications, including graduate and post-graduate degrees in science and pharmacy. Company's employee base was over 506 employees as of March 31, 2025. Company's position as the large pharmaceutical formulation manufacturer gives significant competitive advantage in attracting and retaining high-quality scientists required to successfully differentiate company's service and product offerings from those of other peer group companies.</p>
<i>Large manufacturing capabilities</i>	<p>Company's aim is to make quality an integral part of its culture. Company have demonstrated its track record with respect to regulatory inspections of its manufacturing facility which company attribute to the implementation of quality systems and processes at its manufacturing facility. Company's manufacturing facility is spread over 66,852.00 sq meters of land located at village Hariyala, District Kheda, Gujarat, India. Company have two manufacturing blocks, utility blocks, centralized QA/QC and administrative office buildings. Company have 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, company have three operational SVPs manufacturing lines, which includes two ABFS lines and one conventional three-piece container filling lines.</p>

## OBJECTS OF OFFER

The Issue comprises of the fresh issue of up to 1,00,00,000 Equity Shares.

Company proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Funding capital expenditure requirements for civil construction work and towards purchase of equipment, plant and machinery for setting up new manufacturing line of SteriPort at Hariyala, Kheda, Gujarat;
2. Funding capital expenditure requirements towards civil construction work, purchase of equipment, plant and machinery for setting up new manufacturing line for SVP at Hariyala, Kheda, Gujarat; and
3. General corporate purposes.

## RISKS

Company's entire manufacturing facility is located at a single location, and all of the Company's manufactured products are produced from such facility in village Hariyala, district Kheda, Gujarat. Any delay in production at, or shutdown of, its manufacturing facility due to various factors such as shortage of electrical power or water resources, political instability, industrial accidents or machinery breakdowns, severe weather conditions, natural disasters, and outbreak of infectious diseases may in turn adversely affect its business, financial condition and results of operations.

Source:RHP



**Consolidated Financials**

(Rs in lakhs)

Financials	FY23	FY24	FY25
Total Revenue (A)	25912.93	28034.03	27470.82
Total Expenditure (B)	20638.95	22285.03	21503.97
EBIDTA	5273.98	5749.00	5966.85
EBIDTA Margin	20.35	20.51	21.72
Other Income	356.69	126.65	138.52
Depreciation	1834.66	1972.97	1839.89
EBIT	3796.01	3902.68	4265.48
Interest	3527.02	3363.79	2794.79
PBT	268.99	538.89	1470.69
Share of profit in Asso	0.00	0.00	0.00
PBIT	268.99	538.89	1470.69
Exceptional	0.00	0.00	0.00
PBT	268.99	538.89	1470.69
Tax	480.05	175.57	420.62
PAT	-211.06	363.32	1050.07
NPM	-0.81	1.30	3.82
ROE%	-3.36	5.48	10.89
EPS	-0.79	1.35	3.71
Eq Cap	2,682.94	2,682.94	2,882.94
Net Worth	6,288.34	6,628.88	9,638.83

(Source: RHP)

**Peer Comparison**

Company Name	Face Value	EPS	P/E	ROE %	NAV
<i>Amanta Healthcare Limited</i>	<i>10.00</i>	<i>3.71</i>	<i>---</i>	<i>10.89</i>	<i>33.43</i>
<b>Peers</b>					
Denis Chem Lab Limited	10.00	5.82	15.92	9.49	61.33



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