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**IPO Report**

09<sup>th</sup> Oct'25

**Snapshot**

Company is a pharmaceutical formulations company, driven by innovation through focused research and development, with an increasing portfolio of specialty products and drug-device combination products targeting regulated markets and in particular the United States. Based on the peer set (of seven listed Indian companies assessed by F&S, and Company), company is the only Indian pharmaceutical player with a complete focus on regulated markets. Between Fiscals 2023 and 2025, company was the fastest growing Indian pharmaceuticals formulations company with a total revenue CAGR of 75.89% which was over seven times higher than the average (of 11 companies)

**VALUATION**

Company is bringing the issue at price band of Rs 461-485 per share at pe multiple of approx. 46x on post issue annualized Q1FY26 basis.

Company is the fastest growing Indian pharmaceutical company amongst its peers and the only Indian company focused completely on the US market, Company's data-driven product selection framework has allowed it to build a product portfolio with a combination of new and specialty products allowing company to withstand pricing pressures. Also, company's R&D capabilities and continuing investment allow company to pursue complex products that offer strong revenue opportunities. Company has robust sales and distribution capabilities in the US along with strong track record of compliance combined with expertise in cost effective manufacturing. Hence, we recommend "Subscribe" to the issue.

<b>Price Band (Rs./Share)</b>	<b>461-485</b>
<b>Opening date of the issue</b>	<b>09<sup>th</sup> Oct'2025</b>
<b>Closing Date of the issue</b>	<b>13<sup>th</sup> Oct '2025</b>
<b>No of shares pre issue</b>	15,44,37,251 Eq Shares
<b>Issue Size</b>	Rs 1377.50 Cr
<b>Offer For Sale</b>	Rs 877.50 Cr
<b>Fresh issue</b>	Rs 500 Cr
<b>Face Value (Rs/ share)</b>	Rs 1/share
<b>Bid Lot</b>	30
<b>Employee Discount</b>	Rs 46/share
<b>BIDDING DETAILS</b>	
<b>QIBs (Including Anchor)</b>	75% of the offer (Approx 2,12,74,470 Eq Shares)
<b>Non-Institutional</b>	15% of the offer (Approx 42,54,893 Eq Shares)
<b>Retail</b>	10% of the offer (Approx 28,36,595 Eq Shares)
<b>Employee Reservation</b>	39863 Eq Shares
<b>Lead managers</b>	Axis Capital, IIFL Capital, JM Financial, SBI Capital Markets
<b>Registrar to the issue</b>	MUFG Intime India Pvt. Ltd

**WHAT WE LIKE**

***Company is the fastest growing Indian pharmaceutical company amongst its peers and the only Indian company focused completely on the US market***

Company is the only Indian pharmaceutical player focusing completely on regulated markets, among seven listed Indian companies assessed by F&S, with operating revenue from the US market contributing 99.50% and 98.59% of its revenue from operations in the three month periods ended June 30, 2025 and 2024 respectively, and 98.49%, 97.40% and 93.25% of its revenue from operations in Fiscals 2025, 2024 and 2023 respectively.

***Robust sales and distribution capabilities in the US***

Company have an established marketing, sales, and distribution platform in the US through its wholly-owned subsidiary AdvaGen Pharma that markets non-branded prescription products to customers who include wholesalers, group purchasing organizations ("GPOs") and pharmacy chains. With its office in East Windsor, New Jersey, US, AdvaGen has a team of employees engaged in introducing new products to customers, soliciting orders for new and existing products, and providing customer service.

***Strong track record of compliance combined with expertise in cost effective manufacturing***

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 company's manufacturing facilities which it attribute to the implementation of quality systems and processes at its manufacturing facilities. Company's oral solids manufacturing facility at Ambernath in Maharashtra, India has been inspected seven times by the US FDA, including for current good manufacturing practices ("cGMP") and pre-approval inspections of which three inspections resulted in a "No Action Indicated" ("NAI") classification and four inspections resulted in a "Voluntary Action Indicated" ("VAI") classification.



## COMPANY BACKGROUND

Accordingly, company's rate of growth is calculated on the basis of a relatively low base of total revenue from operations for Fiscal 2023 as compared to Fiscal 2025. According to F&S, in Fiscal 2025, company ranked among the top 12 Indian companies in terms of total Abbreviated New Drug Application ("ANDA") approvals. Company received 5 ANDA approvals and 1 New Drug Application ("NDA") approval from the US FDA in the three month period ended June 30, 2025, 3 ANDA approvals in the three month period ended June 30, 2024, 12 ANDA approvals in Fiscal 2025, 14 ANDA approvals in Fiscal 2024 and 12 ANDA approvals in Fiscal 2023. According to F&S, in Fiscal 2025, among company's 66 commercialized products ("Commercialized Products") in the US, company held a market share of more than 25% by value for nine products, and in Fiscal 2024 and 2023, company held a market share of more than 25% by value for seven products and two products, respectively. Furthermore, according to F&S, as of July 15, 2025, none of company's manufacturing facilities have received an "Official Action Indicated" ("OAI") status by the US FDA since 2013.

Company believe its multi-disciplinary, data-driven, and return on investment ("ROI") centric product selection framework is geared towards identifying sustainable opportunities for new product development. Company identify and pursue such opportunities in a manner that provides it a competitive advantage by leveraging its development, manufacturing, and commercialization capabilities to create and grow its share of the market.

As of June 30, 2025, company – directly or through its Subsidiaries – collectively have 72 active ANDAs and nine active NDAs approved by, and one over-the-counter ("OTC") monograph listed with, the US FDA.

According to F&S, Company's portfolio includes 66 Commercialized Products as of March 31, 2025, with a US generic pharmaceutical market size of USD 2,455.7 million, of which the Company contributed USD 195 million in Fiscal 2025. These products are being marketed and are available for purchase by customers in the US. According to F&S, in June 2025, company had a commercialization rate of 86.4% in the US market, with 70 Commercialized Products out of a total of 81 active ANDA and NDA US FDA approvals. A high commercialization rate allows company to better monetize company's expenditure on development of its products. As of June 30, 2025, company have 17 new products awaiting US FDA ANDA approval and 63 product candidates in various stages of development.

Company's branded products, i.e. products prescribed by brand name, are marketed through its subsidiary, Validus Pharmaceuticals LLC ("Validus"). Non-branded products, i.e. those for which a prescription with the specific active ingredient (but not a specific brand name) is required, are marketed by company's wholly-owned subsidiary AdvaGen Pharma Ltd. ("AdvaGen Pharma") and selectively via third-party distributors.

## OBJECTS OF OFFER

The Offer comprises the Offer for Sale and the Fresh Issue.

### Offer for Sale

The proceeds from the Offer for Sale shall be received by the Selling Shareholder after deducting their proportion of Offer expenses and relevant taxes thereon Company proposes to utilise the Net Proceeds towards funding the following objects.

### Fresh Issue

Company proposes to utilise the Net Proceeds towards funding the following objects:

- Prepayment or scheduled repayment of all or a portion of certain outstanding borrowings availed by company
- Funding inorganic growth through unidentified acquisitions and other strategic initiatives and General corporate purposes

## RISKS

Company derive ₹3,507.36 million and 99.50%, and ₹12,649.23 million and 98.49%, respectively, of its revenue from operations from the United States for the three month period ended June 30, 2025 and Fiscal 2025, respectively, and any adverse developments in the United States such as imposition of tariffs could have an adverse effect on company's business and results of operations.

Source:RHP



**Consolidated Financials**

(Rs in Mn)

<b>Financials</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>Q1FY26</b>
Total Revenue (A)	3935.19	8538.89	12842.72	3524.94
Total Expenditure (B)	3750.27	6992.96	10283.26	2772.01
EBIDTA	184.92	1545.93	2559.46	752.93
EBIDTA Margin	4.70	18.10	19.93	21.36
Other Income	254.80	184.97	119.47	44.51
Depreciation	360.61	389.73	365.88	95.72
EBIT	79.11	1341.17	2313.05	701.72
Interest	189.60	312.60	367.85	106.16
PBT	-110.49	1028.57	1945.20	595.56
Share of profit in Asso	0.00	0.00	0.00	0.00
PBIT	-110.49	1028.57	1945.20	595.56
Exceptional	0.00	0.00	0.00	0.00
PBT	-110.49	1028.57	1945.20	595.56
Tax	58.39	118.45	601.62	162.55
PAT	-168.88	910.12	1343.58	433.01
NPM	-4.29	10.66	10.46	12.28
ROE%	22.60	-5.71	27.11	7.63
EPS	-1.11	5.98	8.82	2.81
Eq Cap	50.70	152.10	154.13	154.13
Net Worth	2,863.75	3,850.03	5,409.84	5,936.71

(Source: RHP)



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