



Press Release

Amanta Healthcare Limited

January 13, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	38.25	IVR BB+/ Stable (IVR Double B Plus with Stable Outlook)	IVR BB+ /Negative ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook)	Rating reaffirmed, removed from ISSUER NOT COOPERATING category, outlook revised from Negative to Stable and rating withdrawn	Simple
Short Term Bank Facilities	11.75	IVR A4+ (IVR A Four Plus)	IVR A4+ ISSUER NOT COOPERATING* (IVR A Four Plus)	Rating reaffirmed, removed from ISSUER NOT COOPERATING category and rating withdrawn	Simple
Fixed Deposits	8.00	IVR BB+/ Stable (IVR Double B Plus with Stable Outlook)	IVR BB+ /Negative ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook)	Rating reaffirmed, removed from ISSUER NOT COOPERATING category, outlook revised from Negative to Stable and rating withdrawn	Simple
Total	58.00	Rs. Fifty-eight crore only			

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings reaffirmed its rating assigned to the Bank facilities of Amanta Healthcare Limited (AHL) and simultaneously withdrawn the ratings with immediate effect. The above action has been taken at the request of AHL and 'No Objection Certificate' received from the lender. The rating is withdrawn in accordance with Infomerics Ratings 'Policy on Withdrawal of Ratings'.

The reaffirmation of the ratings considers the strong revenue growth and sustained profit, improved leverage ratios and coverage indicators and stable working capital cycle achieved in FY24. However, these rating strengths are constrained due to susceptibility of its margins to volatile packing material prices and foreign exchange fluctuation, risk related to the quality



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assurance and proper storage and presence in price-controlled and competitive formulation industry.

The Stable outlook is driven by consistent growth prospects and stable overall liquidity position of the company expected in medium term.

Key Rating Sensitivities:

Upward Factors

- Substantial & sustained improvement in the company's revenue and/or profitability while maintaining the debt protection parameters.

Downward Factors

- Any decline in scale of operations and/or profitability leading to sustained deterioration of liquidity and/or debt protection parameters.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Strong revenue growth and sustained profit margins**

AHL has witnessed strong revenue growth with revenue increasing at CAGR of ~17% over FY22-FY24 to reach Rs. 280.34 crores in FY24 (refers to the period April 01, 2023, to March 31 2024). The company has also achieved improvement in EBITDA and PAT margins in the year (having increased to 20.51% and 1.29% respectively in FY24 as compared to 20.35% and loss of 0.80% respectively FY23). The increase in profitability was on account of increase in average realisation.

- **Improved leverage and coverage indicators**

The capital structure of the company continues to remain moderate with overall gearing ratio of 3.18x as on March 31, 2024, compared to 3.54x as on March 31, 2023. Long term debt-equity ratio stood at 2.53x as on March 31, 2024, from 2.97x as on March 31, 2023. TOL/TNW stood at 4.31x as on March 31, 2024, as against 4.96x as on March 31, 2023. The debt protection metrics like interest coverage and DSCR stood comfortable at 1.71x and 1.43x respectively for FY24, as compared to 1.50x and 1.36x respectively for the previous year.



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- **Stable working capital cycle**

Working capital cycle has been maintained at similar levels over last 2 years - 122 days at end FY24 as compared to 127 days at end FY23. The slight improvement was due to lower receivable days (FY24: 67 FY23:70) as well as lower inventory days (FY24:105, FY23: 124).

A. Key Rating Weaknesses

- **Susceptibility of its margins to volatile packing material prices and foreign exchange fluctuation –**

In addition to other bulk medications and chemicals, plastic granules are the primary raw material for AHL. Since plastic granules are derived from crude oil, fluctuations in the price of crude oil globally could have an impact on AHL's profitability. Additionally, AHL obtains its raw materials from both domestic and foreign markets. As a result, in the absence of any active hedging strategy, AHL is also susceptible to unfavourable foreign exchange rate fluctuation. The foreign exchange risk is partly mitigated by the natural hedge available because its exports exceed its imports.

- **Risk related to the quality assurance and proper storage.**

IV fluid products are infused in patient body & directly mix with blood, which is very critical to human health, and hence for these products, it is crucial that the company maintains high manufacturing and quality standards and also ensures proper storage and transportation of the various products. Also, AHL faces a high reputation risk being in an industry that manufactures critical drugs to human health.

- **Presence in price-controlled and competitive formulation industry –**

Due to the large increase in investments made by domestic firms in marketing initiatives through the development of their field forces, there has been an increase in competitive pressure in the domestic formulation market. On the other hand, global corporations have also turned their attention back to India. Government rules, such as those put in place by the



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National Pharmaceutical Pricing Authority (NPPA), may potentially impede the expansion and profitability of the sector. However, the domestic formulations market is anticipated to expand due to an increase in chronic diseases, rising per capita income, better access to healthcare facilities, and rising health insurance coverage.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

[Criteria on assigning rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Policy on Withdrawal of Ratings](#)

Liquidity – Adequate

The liquidity position of the company is expected to remain adequate in the near term. AHL has earned a gross cash accrual of Rs. 21.02 crore in FY24. Further the company is expected to earn a gross cash accrual in the range of ~Rs. 34.51-80.00 crore annually as against its minimal debt repayment obligations during FY25-27. The company demonstrated 85% average utilisation of fund-based limits, during the past 12 months ended August 2024 indicating moderate liquidity buffer.

About the Company

Amanta Healthcare Limited (AHL) (CIN: U24139GJ1994PLC023944) is a closely held public limited company promoted by Mr. Bhavesh G. Patel and other family members in 1995. At its ISO-certified and cGMP compliant manufacturing plant in Kheda, Gujarat, AHL uses aseptic BFS technology to produce sterile liquid parenteral. LVP and SVP for fluid treatment, formulations, antibiotics, antifungals, ophthalmology, diuretics, and other injectables are all included in AHL's product line-up. As of March 31, 2023, AHL had installed capacities for LVP, SVP and Steriport, of 666 lakh bottles, 2400 lakh bottles and 850 lakh bottles per annum, respectively. AHL also exports heavily to Africa and Southeast Asia and has a diverse clientele extending across more than 70 nations and five continents.



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Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	259.13	280.34
EBITDA	52.74	57.49
PAT	-2.11	3.63
Total Debt	222.17	210.66
Tangible Net Worth	62.80	66.27
EBITDA Margin (%)	20.35	20.51
PAT Margin (%)	-0.80	1.29
Overall Gearing Ratio (x)	3.54	3.18
Interest Coverage (x)	1.50	1.71

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: None

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
	Press Release Date			January 13, 2025	October 08, 2024	August 16, 2023	-
1	Long Term Bank Facilities	Long Term	38.25	IVR BB+/Stable	IVR BB+/Negative ISSUER NOT COOPERATING*	IVR BBB-/Stable	-
2	Short Term Bank Facilities	Short Term	11.75	IVR A4+	IVR A4+ ISSUER NOT COOPERATING*	IVR A3	-
3	Fixed Deposits	Long Term	8.00	IVR BB+/Stable	IVR BB+/Negative ISSUER NOT	IVR BBB-/Stable	-



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Sr. No.	Name of Security/Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years		
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	Press Release Date			January 13, 2025	October 08, 2024	August 16, 2023	-
					COOPERATING*		

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities - Cash Credit	-	-	-	-	38.25	IVR BB+/ Stable & Withdrawn
Short Term Bank Facilities – Letter of Credit/ Bank Guarantee	-	-	-	-	11.75	IVR A4+ & withdrawn
Fixed Deposit	-	-	-	-	8.00	IVR BB+/ Stable & Withdrawn

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-AmantaHealth-jan25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.