

July 02, 2026

Anthem Biosciences Limited: Long-term rating upgraded to[ICRA]AA (Stable) from [ICRA]AA- (Positive); outlook revised to Stable from Positive; short-term rating reaffirmed; assigned for enhanced amount

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating Action
Long term/Short term – Fund-based – Working capital	175.00	175.0	[ICRA]AA (Stable); upgraded from [ICRA]AA- (Positive) and outlook revised to Stable from Positive/[ICRA]A1+; reaffirmed
Long term – Fund-based – Term loan	65.00	67.50	[ICRA]AA (Stable); upgraded from [ICRA]AA- (Positive) and outlook revised to Stable from Positive; assigned for enhanced amount
Short term – Non-fund based-others	0.00	10.0	[ICRA]A1+; assigned for enhanced amount
Long term/ Short term – Unallocated	0.00	23.00	[ICRA]AA (Stable); upgraded from [ICRA]AA- (Positive)/ [ICRA] A1+; reaffirmed and outlook revised to Stable from Positive; assigned for enhanced amount
Total	240.00	275.50	

*Instrument details are provided in Annexure-II

Rationale

ICRA has upgraded the long-term rating of the bank facilities of Anthem Biosciences Limited (Anthem) on the back of a steady improvement in its scale of operations and healthy financial profile, characterised by substantial operating margins, robust debt protection metrics and strong liquidity position. The company’s operating margins continue to benefit from its cost-efficient operations, driven by high automation levels at its manufacturing facilities and a favourable product mix. Additionally, a prudent capital allocation strategy wherein capacities are optimally utilised across both its contract manufacturing and own products businesses further supports profitability.

In FY2026, the company witnessed a robust revenue growth of 18.1% despite growth being partly impacted due to customer inventory destocking in Q3 FY2026 and the decline in US biotech funding owing to global uncertainties. This was largely on the back of sustained strong demand for its existing products in addition to commencement of commercial supplies for four incremental molecules. ICRA also notes that the company’s efforts towards higher backward integration have also led to operating profit margin (OPM) expanding to 41.0% in FY2026 from 37% in FY2026. Going forward, Anthem is expected to witness substantial revenue growth, supported by a robust order book, recently commercialised molecules and the ramp-up in revenues from Neoanthem. Further, given the nature of its operations, wherein a majority of revenues are derived from innovator companies in regulated markets, the company’s margin profile is expected to remain healthy. The debt metrics also continue to be strong, with minimal debt on its books.

ICRA also notes that the company has completed the expansion of Units 2 and 3, increasing the total manufacturing capacity of Unit 2 by 130 KL. Further, the fermentation portion at Unit 3 is expected to be fully functional from July 2026, These expansions are likely to be sufficient to meet near-term demand growth. ICRA also notes that Anthem is undertaking a significant capacity expansion through the development of Unit 4, a greenfield facility at Harohalli, Bengaluru, entailing a total capital expenditure (capex) of around Rs. 1,200 crores, to be incurred over FY2027 and FY2028 (Rs. 700 crores in FY2027 and Rs. 500 crores in FY2028). While ICRA does not expect the ongoing and planned debt-funded capex to impact the company’s

debt protection metrics and liquidity position significantly, timely commencement and ramp-up of operations at the new facility and the impact of the same on the credit metrics will remain a key rating monitorable.

ICRA notes that Anthem is exposed to elevated product concentration risk, with the top five products contributing 50–55% of its revenues. The ratings also factor in the company's presence in the highly competitive contract research and manufacturing services (CRAMS) industry. Nevertheless, it has established a niche position in the development and manufacturing (D&M) of innovator-led new chemical entities (NCEs) and new biological entities (NBEs), which lends some business stability. ICRA further notes the elevated customer concentration, with the top 10 customers accounting for 76.4% of revenues in FY2026. However, this risk is partly mitigated by the healthy share of business from key clients and the company's long-standing relationships with its major customers. Its revenues remain susceptible to demand volatility of end products and inherent development risks associated with clinical trial outcomes of client molecules. That said, the company's diversified engagement across multiple clients provides some cushion against concentration-related risks. Further, as its revenues are largely driven by innovator companies in the regulated markets, Anthem is subject to strict regulatory scrutiny and geographic concentration risks.

A Stable outlook on the long-term rating indicates ICRA's expectation that Anthem is likely to sustain its credit profile and any higher-than-anticipated capex will be funded in a manner such that the company's debt metrics remain healthy.

Key rating drivers and their description

Credit strengths

Strong business profile with integrated presence across discovery, D&M services – Anthem's presence across multiple stages of the product life cycle—from research and development (R&D) to contract manufacturing and commercialisation—strengthens its business profile and provides revenue visibility. The company operates as an integrated player, offering contract research services to several emerging biotech firms, many of which have relatively small asset bases and a limited pipeline of molecules under development. This strategy provides Anthem with opportunities to participate in the early stages of molecule development; upon successful progression, it forward integrates into contract manufacturing for these molecules. Further, in scenarios where these smaller biotech entities are acquired by larger pharmaceutical companies, it is able to leverage its established relationships to sustain engagements with the acquiring entities, thereby supporting business continuity and scale-up opportunities. The company also commercialised four molecules in FY2026, leading to overall 14 commercialised molecules in its portfolio. In addition to its contract-based operations, Anthem also has a presence in the product segment, particularly in fermentation-based products. Its product portfolio includes probiotics, enzymes, vitamin analogues (including Vitamin K2-7) and nutraceuticals, which diversifies its revenue streams and supports the margin profile.

Robust financial profile – Anthem is expected to witness substantial revenue growth, supported by a robust order book, recently commercialised molecules and the ramp-up in revenues from Neoanthem. Further, given the nature of its operations, wherein a majority of revenues are derived from innovator companies in regulated markets and considering the company's efforts towards higher backward integration, the margin profile is likely to remain healthy. Its debt metrics are still robust, with the TD/OPBDITA improving marginally to 0.1 times as on March 31, 2026, from 0.2 times as on March 31, 2025. The gearing enhanced to 0.1 times as on March 31, 2026. Reduced debt levels along with sustained strong earnings led to a better interest coverage ratio in FY2026, with interest coverage ratio improving to 120.9 times as on March 31, 2026, from 66.8 times as on March 31, 2025. Although ICRA does not expect the ongoing debt-funded capex to impact the debt protection metrics and liquidity position significantly, the timely commencement and ramp-up of operations at the new facility and the impact of the same on the credit metrics remain key monitorables. The company's free cash balances and liquid investments aided by healthy accruals provide additional comfort.

Strong R&D capabilities supplemented by timely capacity expansion – Anthem's strong R&D capabilities remain a key strength, supported by a large and experienced team of over 2,000 scientists engaged across various products and services.

The company has undertaken significant capacity expansions over the years to enable growth in its scale of operations. In FY2026, Anthem completed the expansion of Unit 2, which added 130 KL to its custom synthesis capacity, taking the total manufacturing capacity to 376 KL. The capex incurred for this expansion was approximately Rs. 150 crore and was fully funded through internal accruals. Further, under Neoanthem Lifesciences, the company completed Unit 3 with a total capex of around Rs. 550 crores, funded through a mix of internal accruals and debt. The facility became largely operational in FY2026, including key segments such as the R&D laboratory, hydrogenation unit and pilot plant. However, the fermentation block is expected to become functional from July 2026. In addition, the company is undertaking a sizeable capacity expansion through the development of Unit 4, entailing a total capex outlay of approximately Rs. 1,200 crores over FY2027–FY2028, with a back-ended investment profile (around Rs. 700 crores in FY2027 and Rs. 500 crores in FY2028). The planned expansion is anticipated to significantly enhance Anthem’s scale of operations and provide adequate capacity to support anticipated growth in demand over the medium term.

Strong promoter background and established relationships with reputable pharmaceutical companies – The company’s promoters have strong backgrounds, with over 25 years of experience individually in the pharmaceutical and biotechnology industries.

Credit challenges

Revenues remain susceptible to demand volatility of end products, in addition to developmental risk during the clinical trials phase of customers’ products – The company offers drug discovery services as well as drug development and contract manufacturing services through all three phases of the clinical trial process. Approval of a new drug and eventual commercial production results in the drug witnessing exponential growth in contract manufacturing orders. However, the company’s revenue and margins are vulnerable to the outcomes of these clinical trials, as any failure in the drug’s development at any stage can cause a loss of potential revenue that would have been generated if the drug had been successful. Furthermore, even after the drug is approved, the revenue generated from its contract manufacturing depends on the volatility of demand and its acceptance in the market. This risk is mitigated to an extent since the company caters to multiple clients. Further, revenues also remain susceptible to the cyclicity in US biotech funding.

Growing competitive intensity in the industry – Anthem operates in a highly competitive industry. While the industry is poised for healthy growth over the next few years, several global and domestic players are expanding their presence. This is likely to increase competition and pricing pressure for industry players, going forward. Nevertheless, it has established a niche position in the D&M of innovator NCEs and NBEs, which supports its business profile. Going forward, ICRA expects the company to register healthy revenue growth, backed by its robust order book and established track record of servicing reputed clientele. Further, it is likely to benefit from additional growth headroom, aided by the recently completed and ongoing capacity expansion across its manufacturing facilities. The same is likely to enhance Anthem’s execution capabilities and support incremental revenues over the medium term.

Exposed to geographic concentration risks and regulatory risks – As the revenues of the company are largely driven by innovator companies in the regulated markets, Anthem is subject to strict regulatory scrutiny and geographic concentration risks. While it has maintained a healthy track record with no material adverse actions taken by regulatory agencies like the United States Food and Drugs Administration (USFDA) in the past, its operations remain exposed to the outcomes of future inspections amid increasing regulatory scrutiny.

Environment And Social Risks

Environmental considerations – The company is not exposed to any significant physical climate-related risks. However, it remains susceptible to evolving and increasingly stringent environmental regulations, particularly with respect to waste management and pollution control norms. Any non-compliance or tightening of such regulations could lead to higher operating costs as well as increased costs for future capacity additions.

Social considerations – The company is exposed to elevated industry-wide social risks, primarily driven by stringent product safety requirements and the associated risk of litigation. Further, the operations are dependent on the availability of skilled personnel, particularly in research and development and process engineering functions. Additionally, the company needs to consistently maintain high standards of manufacturing and regulatory compliance, given the critical nature of pharmaceutical production.

Liquidity position: Strong

Anthem has free cash and fixed deposits with banks worth Rs. 431.3 crore and liquid investments of around Rs. 667.7 crore as on March 31, 2026. Its average working capital utilisation stood at 54.3% of the average sanctioned limit between March 2025 and March 2026. The company also has a buffer in its drawing power to enhance its working capital facilities, if needed. It has repayment obligations of approximately Rs. 18.0 crore each in FY2027 and FY2028. Anthem is expected to incur a capex of Rs. 1,200 crores over the next two years for the development of Unit 4, a greenfield manufacturing facility at Harohalli. The proposed capex is primarily anticipated to be funded through internal accruals and existing cash and liquid investment balances. Despite the significant capex, ICRA expects Anthem’s liquidity position to remain Strong on the back of higher accruals.

Rating sensitivities

Positive factors – ICRA may upgrade Anthem’s long-term rating if there is an improvement in its scale of operations and more diversification in terms of products and customers while maintaining strong profitability, debt metrics and liquidity position on a sustained basis.

Negative factors – The ratings can be downgraded in case of a sustained material weakening in the company’s revenues and profit margins. A significant deterioration in its credit metrics or liquidity position owing to any large debt-funded acquisition/investment and an increase in total debt/OPBDITA to more than 1.5 times on a sustained basis could also result in a downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Pharmaceuticals
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the consolidated financial statements of the rated entity.

About the company

Anthem, incorporated in Bangalore on June 13, 2006, is jointly promoted by Mr. Ajay Bhardwaj, Dr. Ganesh Sambasivam, Mr. K.C. Ravindra and Mr. Ishaan Bhardwaj. It is a contract development and manufacturing organisation (CDMO), which offers early-stage drug discovery services including medicinal chemistry, process chemistry, custom synthesis, discovery research and analytical R&D, biological, enzymes and probiotics manufacturing. Anthem has integrated drug discovery and D&M services. It facilitates established biotechs and big pharma companies to develop, optimise and test proteins, monoclonal antibodies, peptides, large molecules, small molecules and toxins, among others. Over the years, Anthem has forward integrated into contract manufacturing to benefit from the synergies arising out of its involvement in the development of products.

In addition to product R&D, Anthem offers a comprehensive range of services, including safety and efficacy (both in-vitro and in-vivo), pre-clinical animal studies in a (Glucagon-Like Peptide) GLP facility, clone development, antibody drug conjugates, and the manufacture of highly potent compounds, flow chemistry-based products and large-scale commercial products. It has

leveraged its core competency in organic synthesis to develop new and challenging nutritional products. These are now being sold globally to nutraceutical and wellness product companies.

It has three manufacturing units, all located in Bangalore, viz (a) Unit 1 at Bommasandra industrial area, (b) Unit 2 at Harohalli industrial area and (c) Unit 3, housed under its wholly owned subsidiary, Neoanthem Lifesciences Private Limited, in the Harohalli industrial area. Anthem commenced its operations as an export-oriented unit (EOU) and has research facilities including chemistry labs, kilo lab, pilot plants, and analytical and discovery research facilities and biologics manufacturing in its manufacturing plant at Bommasandra (Unit 1) and Neoanthem (Unit 3) in Bangalore. Its larger manufacturing facility is in Harohalli, housing a large-scale fermentation facility and a large-scale custom synthesis manufacturing capacity. Both Unit 1 and Unit 2 have been successfully inspected by DCGI, USFDA, PMDA (Japan), EDQM, ANVISA, TGA, etc. In April 2021, True North acquired a minority stake in the company.

In FY2026, Anthem derived 83.45% of its revenues from D&M and Contract Research Organisation segments, while the balance 16.55% was derived from its products business. The company commercialised four new molecules in FY2026 that were in the late stages of development, increasing its total number of commercial molecules to 14. It currently has about 2,000+ employees. Anthem was listed in the Indian stock exchanges (NSE and BSE both) in July 2025.

Key financial indicators (audited)

Anthem (consolidated)	FY2025	FY2026
Operating income (OI)	1851.9	2187.7
PAT	451.3	591.8
OPBDITA/OI	37.0%	41.0%
PAT/OI	24.4%	27.1%
Total outside liabilities/Tangible net worth (times)	0.2	0.1
Total debt/OPBDITA (times)	0.2	0.1
Interest coverage (times)	66.8	130.1

Source: Company, ICRA Research; Amount in Rs. crore; PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation;

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Jul 02, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund-based – Working capital	Long term/Short term	175.00	[ICRA]AA (Stable)/ [ICRA]A1+	Jun 20, 2025	[ICRA]AA- (Positive)/ [ICRA]A1+	-	-	26 Mar, 2024	[ICRA]AA- (Stable)/ [ICRA]A1+
Unallocated	Long term/Short term	23.00	[ICRA]AA (Stable)/ [ICRA]A1+	Jun 20, 2025	-	-	-	26 Mar, 2024	[ICRA]AA- (Stable)/ [ICRA]A1+
Fund-based – Term loan	Long term	67.50	[ICRA] AA (Stable)	Jun 20, 2025	[ICRA]AA- (Positive)	-	-	31 Jul, 2023	[ICRA]AA- (Stable)
						-	-	26 Mar, 2024	[ICRA]AA- (Stable)
Non-fund based – Others	Short term	10.00	[ICRA]A1+	Jun 20, 2025	-	-	-	31 Jul, 2023	[ICRA]A1+
						-	-	26 Mar, 2024	[ICRA]A1+
Cash credit – Fund-based	Long term	0.00	-	Jun 20, 2025	-	-	-	31 Jul, 2023	[ICRA]AA- (Stable)
						-	-	26 Mar, 2024	[ICRA]AA- (Stable)
Unallocated	Long term	0.00	-	Jun 20, 2025	-	-	-	31 Jul, 2023	[ICRA]AA- (Stable)
						-	-	26 Mar, 2024	[ICRA]AA- (Stable)

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSRs), as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under the regulatory purview of various FSRs, as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSRs other than SEBI.

Complexity level of the rated instrument

Instrument	Complexity indicator
Long term/Short term– Fund-based – Working capital	Simple
Long term– Fund-based – Term loan	Simple
Short term– Non-fund based – Others	Simple
Long term/ Short term – Unallocated	Not applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund-based – Working capital	FY2021	NA	NA	175.00	[ICRA]AA (Stable)/ [ICRA]A1+
NA	Fund-based – Term Loan	FY2023	NA	FY2029	67.50	[ICRA]AA (Stable)
NA	Short term – Non-fund based – Others	NA	NA	NA	10.00	[ICRA]A1+
NA	Long term/ Short term – Unallocated	NA	NA	NA	23.00	[ICRA]AA (Stable)/ [ICRA]A1+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure III: List of entities considered for consolidated analysis

Company name	Anthem ownership	Consolidation approach
Neoanthem Lifesciences Private Limited	100.00%	Full consolidation

Source: Company

Note: ICRA has taken a consolidated view of the parent (Anthem), its subsidiaries and associates while assigning the ratings.

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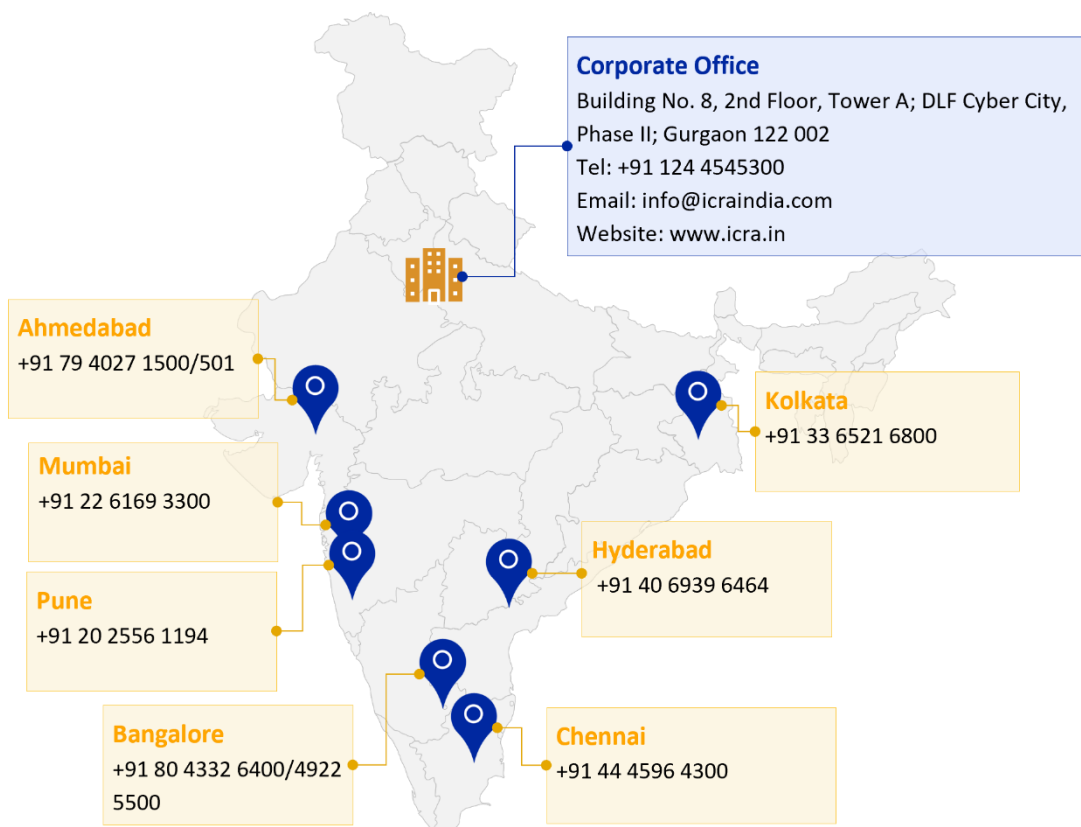


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