Initiating Coverage

Choice Institutional Equities

SUPRIYA LIFESCIENCE LTD (SUPRIYA)

Moat on Margins, Contracts on Growth, Capacity Already Paid for

November 12, 2025

institutional.equities@choiceindia.com

Initiating Coverage | Sector: Pharmaceuticals

Supriya Lifescience Ltd (SUPRIYA)

November 12, 2025 | CMP: INR 743 | Target Price: INR 1,030

Expected Share Price Return: 38.6% I Dividend Yield: 0.1% I Expected Total Return: 38.7%

Choice Institutional Equities

Sector View: Positive **BUY**

SUPRIYA LIFESCIENCE LTD.

Company Description:

Supriya Lifescience is a niche API manufacturer with a global footprint across 120+ countries, specialising in anti-allergic, anaesthetic and vitamin APIs. Backed by EU-GMP approvals and a USFDA-compliant FDF facility at Ambernath, the company is now expanding into formulations and CDMO through a long-term European contract.

Company Information

BB Code	SUPRIYA: IN EQUITY
ISIN	INE07RO01027
Face Value (INR)	2.0
52 Week High (INR)	842
52 Week Low (INR)	557
Mkt Cap (INR Bn)	59.8
Mkt Cap (USD Bn)	0.7
Shares Outstanding (Mn)	80.5
Free Float (%)	31.7
FY28E EPS (INR)	39.8

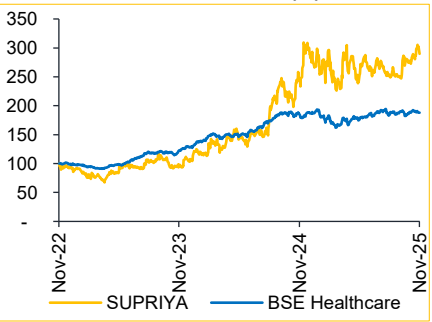
Shareholding Pattern (%)

	Sep-25	Jun-25	Mar-25
Promoters	68.30	68.30	68.30
FIIs	5.46	6.78	7.19
DIIs	5.22	4.86	4.26
Public	21.02	20.08	20.25

Relative Performance (%)

YTD	3Y	2Y	1Y
BSE Healthcare	87.0	53.0	1.8
SUPRIYA	196.1	191.7	16.6

Rebased Price Performance (%)



[Key Insights from Management Meeting]

[Key Investor Questions Answered]

[Bull/Bear Scenario]

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Margin Moat Built on Integration and Therapy Leadership

SUPRIYA has built a durable and defensible margin moat, consistently delivering 30–35% EBITDA, well above Indian API peers (mid-20s). This structural edge is driven by two entrenched strengths:

- **Deep backward integration:** ~18 integrated products contribute 81% of Q1FY26 revenue, buffering the business from input volatility and ensuring stable realizations.
- **Dominance in niche therapies:** Leadership in anesthetics and anti-anxiety APIs—markets with limited domestic competition support premium pricing power.

Margins are expected to temporarily soften to ~33% in FY26E due to Ambernath scale-up costs. However, ***we believe EBITDA margin is positioned to normalise at ~35% by FY28E, sustaining structural leadership.***

Demand Visibility in Place Before Capacity Fills

SUPRIYA's historic capacity utilisation levels of 85–86% are well above industry average. ***This is not a capacity-led growth story; it is a demand-pull expansion.*** The commissioning of the Ambernath formulation facility is expected to temporarily ease utilisation to ~75%, but this is strategic slack created ahead of visible demand. ***We believe utilisation will rebound to ~80-85% by FY27-end***, restoring tight capacity once again.

Importantly, SUPRIYA is planning the next leg of expansion before hitting a constraint with the ***construction of the Patalganga site (3x Lote Capacity), which begins in FY27-end,*** exactly when the current sites approach peak utilisation.

CDMO Capabilities and Global Footprint Power Next-phase Growth

A 10-year contract with a European pharma major marks a transition, from a pure API player to a CDMO-backed growth model. The Ambernath facility provides dedicated capacity for these CDMO supplies, converting opportunity into execution-readiness. Additionally, early development of GLP-1 intermediates adds a medium-term growth option in one of the world's fastest growing therapeutic classes. By FY30E, ***Europe is set to become SUPRIYA's largest market*** (~41.5% revenue), while US exposure remains <3%, ***insulating margin from any tariff risk.***

Investment View: We believe ***SUPRIYA is positioned for sustained, high-quality growth***, backed by deep backward integration, niche therapy leadership with a strategic shift towards high-margin CDMO and GLP-1 intermediates, which reinforces long-term earnings visibility.

We forecast Revenue/EBITDA/PAT CAGR of 21.6%/18.9%/19.4% over FY25–28E, driven by ***operating leverage and a richer mix of complex, higher-value products***. With contracted revenue visibility, we value the business using DCF method *(click here to view)*. With a TP of INR 1,030 and a 38.6% upside, we initiate our coverage with a **BUY** rating on the stock. This results in an implied PE of 29x, broadly in line with peers with a PEG ratio of 1.5x.

Risks to our BUY rating: Slower CDMO onboarding.

Our Investment Formula for SUPRIYA

- Margin Moat + Therapy Focus → Premium Returns That Sustain Cycles
- High Utilisation + Pre-Emptive Capex → No Overbuild, Fast Cash Conversion
- European CDMO Contract + <3% US Exposure → Predictable Earnings, Tariff Insulated
- GLP-1 Optionality + China+1 Positioning → Growth Without Capex Drag

Key Financials

INR Bn	FY24	FY25	FY26E	FY27E	FY28E
Revenue	5.7	7.0	8.4	10.0	12.5
YoY (%)	23.7	22.1	20.0	20.0	25.0
EBITDA	1.7	2.6	2.8	3.4	4.4
EBITDAM (%)	30.3	37.4	33.5	34.0	35.0
PAT	1.2	1.9	2.0	2.5	3.2
EPS (INR)	14.8	23.4	24.9	30.5	39.8
ROE (%)	14.6	18.9	16.8	17.2	18.4
ROCE (%)	19.3	24.1	21.5	22.0	23.2
PE(x)	50.2	31.8	29.9	24.4	18.7
EV/EBITDA (x)	34.1	22.6	20.7	16.6	12.7
BVPS (INR)	101.3	123.8	147.7	177.2	216.0
FCF	(0.3)	0.0	1.1	1.5	0.9

Report Structure

Our recent 'Initiating Coverage' reports

Game of Liquor_Indian AlcoBev_Spirits Industry_Thematic

B2B Jewellery Story_Where Craft turns into Commerce & Gold becomes Growth_Thematic

Senores Pharmaceuticals Ltd. Initiating Coverage

Gulf Oil Lubricants India Ltd. Initiating Coverage

Capri Global Capital Ltd. Initiating Coverage

Artemis Medicare Services Ltd. Initiating Coverage

Convex_Choices_Quarterly_Q1F26

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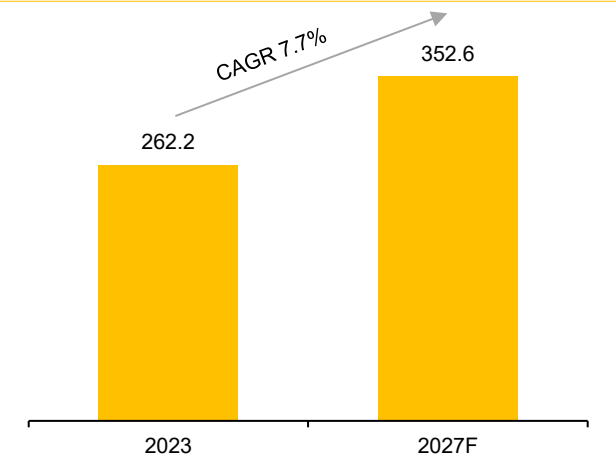
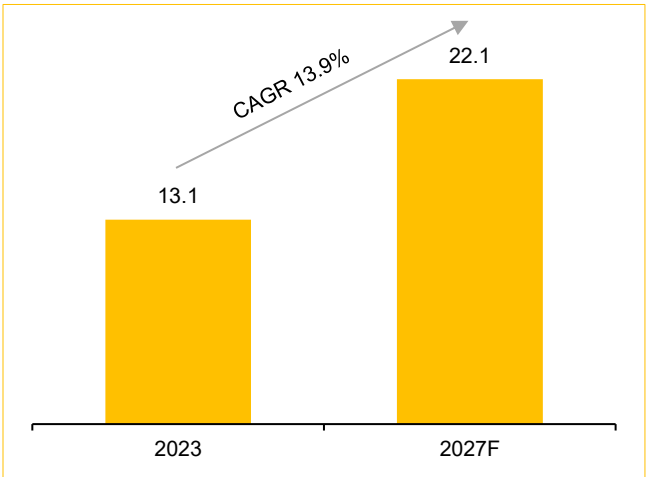
Investment Thesis in Charts

Global API Market (USD Bn)



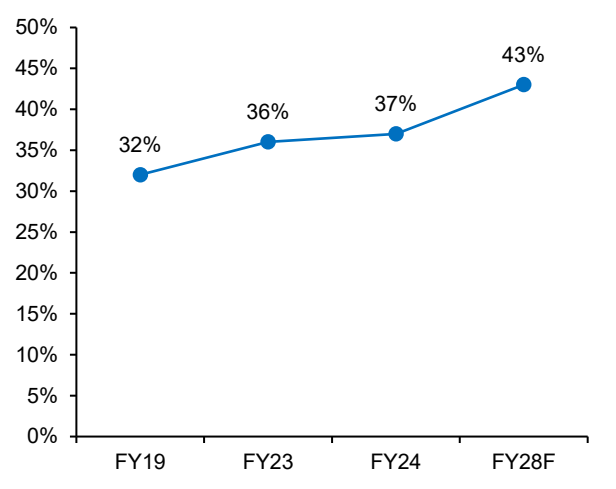
Source: Frost & Sullivan, Choice Institutional Equities

India's API Market (USD Bn)



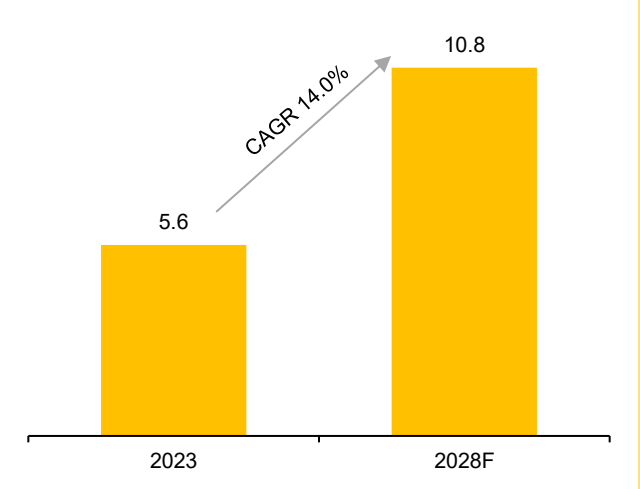
Source: Frost & Sullivan, Choice Institutional Equities

Outsourcing Penetration in India's Export CDMO Market



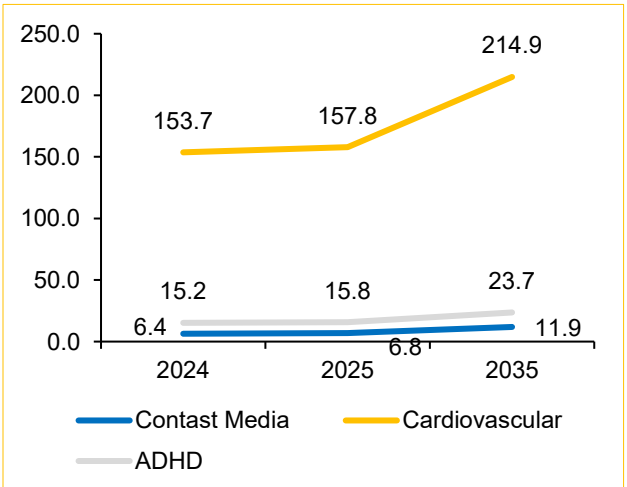
Source: Frost & Sullivan, Choice Institutional Equities

India's CDMO Market (USD Bn)



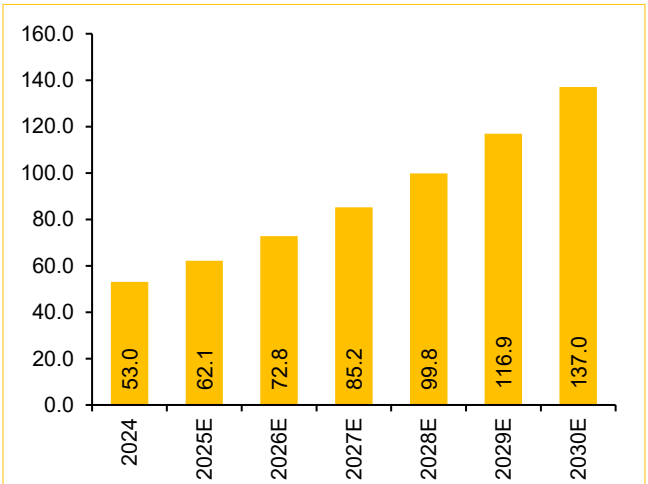
Source: Evaluate Pharma, Frost & Sullivan, Choice Institutional Equities

Market Outlook for Key CDMO Therapies (USD Bn)



Source: SUPRIYA, Choice Institutional Equities

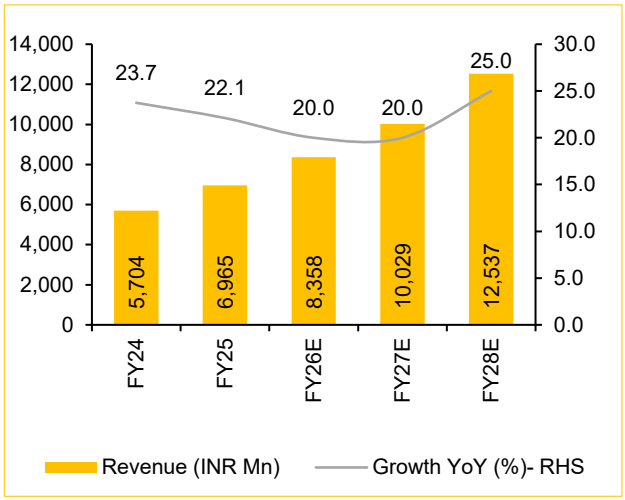
GLP-1 Market Size (USD Bn) with 5-year CAGR of 17%



Source: Polaris Market Research, Choice Institutional Equities

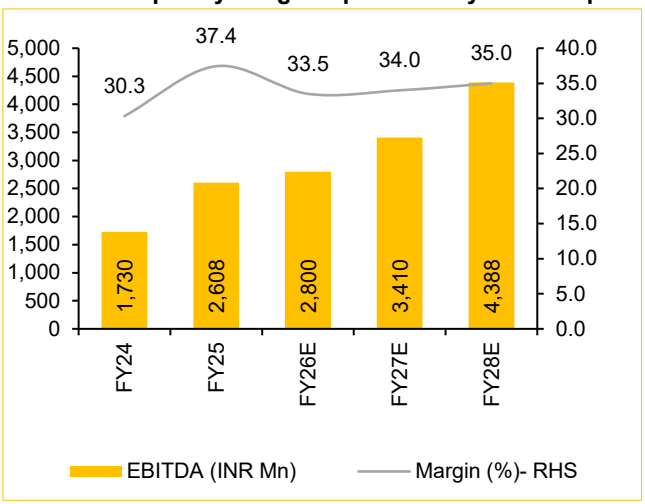
Investment Thesis in Charts

Revenue to Expand at a CAGR of 21.6% (FY25-28E)



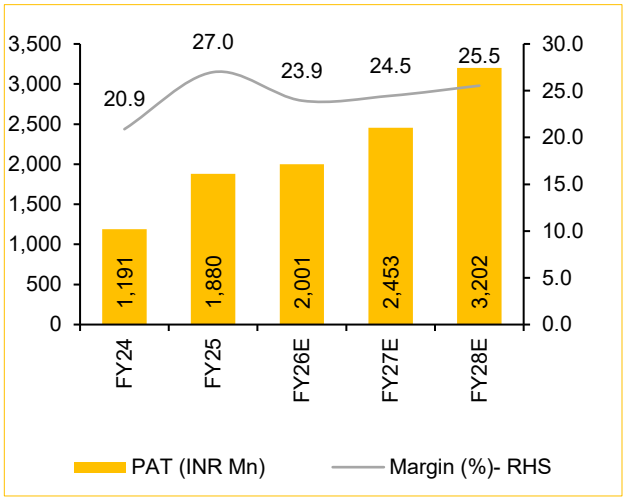
Source: SUPRIYA, Choice Institutional Equities

Planned Temporary Margin Dip as Facility Scales Up



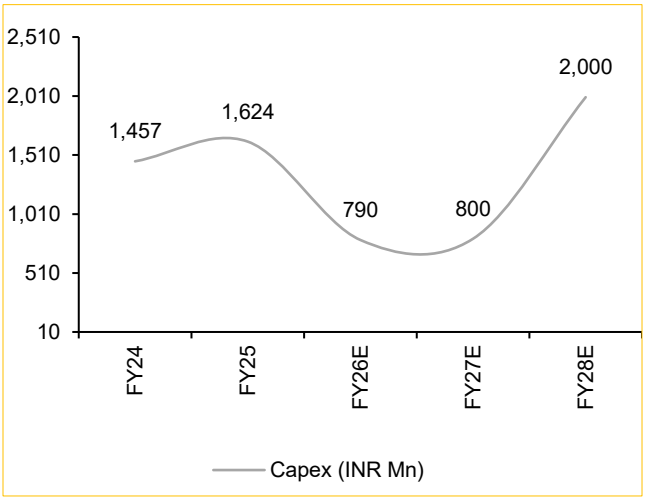
Source: SUPRIYA, Choice Institutional Equities

...with PAT Growing in-line with EBITDA



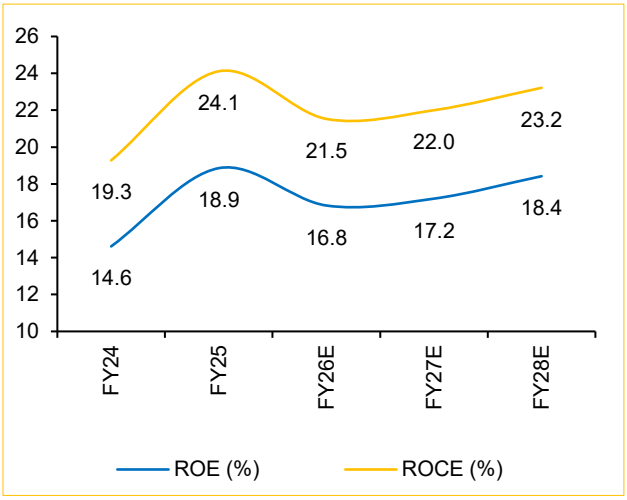
Source: SUPRIYA, Choice Institutional Equities

Capex to Pick-up from FY28E with Patalganga



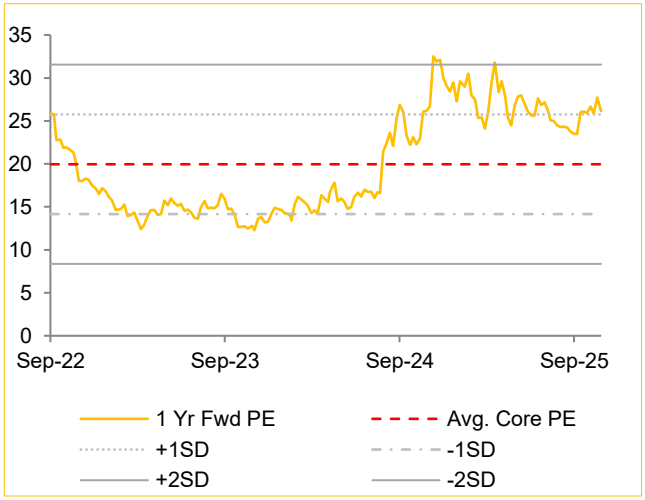
Source: SUPRIYA, Choice Institutional Equities

ROE and ROCE to see Upward Momentum



Source: SUPRIYA, Choice Institutional Equities

1 Year Forward PE Band



Source: SUPRIYA, Choice Institutional Equities

1.1 Margin Moat Built on Integration and Therapy Leadership

SUPRIYA has built a durable and defensible margin moat, consistently delivering 30–35% EBITDA, well above Indian API peers (mid-20s). This structural edge is driven by two entrenched strengths:

- **Deep backward integration:** ~18 integrated products contribute 81% of Q1FY26 revenue, buffering the business from input volatility and ensuring stable realisation.
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1.1.1 Why SUPRIYA's Integration Delivers Premium Pricing — and Peers' Don't

Backward integration is now standard across Indian APIs, but not all integration creates value (refer Exhibit 1). SUPRIYA is the outlier. This integration sits in Anaesthetics and Anti-anxiety APIs, which require stringent regulatory handling and create natural entry barriers.

SUPRIYA's integration is concentrated in high-barrier therapies, not commodity segments, enabling premium realisations, lower price volatility and a margin profile which its peers have not been able to replicate.

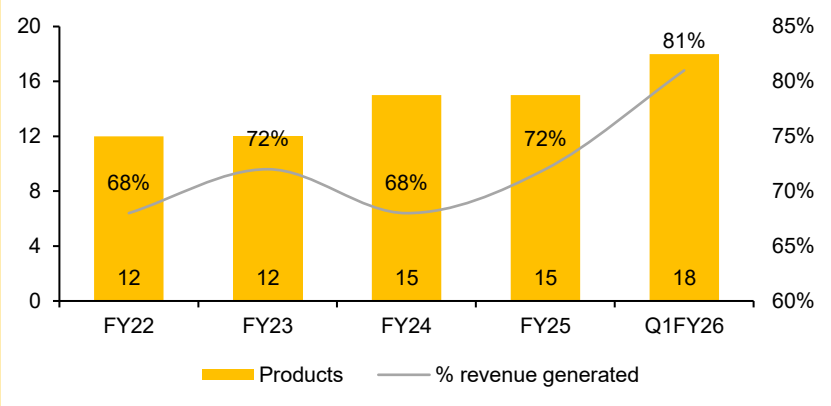
Exhibit 1: Peers on Integration, Margins and Key Observations

Company	Key Therapies Integrated	EBITDA Margin (FY25)	Commentary
Supriya Lifescience	Anesthetics, Anti-anxiety	37%	Deep integration in niche, low-competition APIs → premium realisations
Divi's Labs	Pain, Anti-infectives	32%	Scale-driven, but more commoditised portfolio
Laurus Labs	ARVs, Anti-diabetics	20%	Volume focus, higher pricing pressure in ARV APIs globally
Neuland Labs	CNS, CV, Respiratory	22%	Limited integration, more exposed to RM volatility

Source: SUPRIYA, DIVI, LAURUS, NLL, Choice Institutional Equities

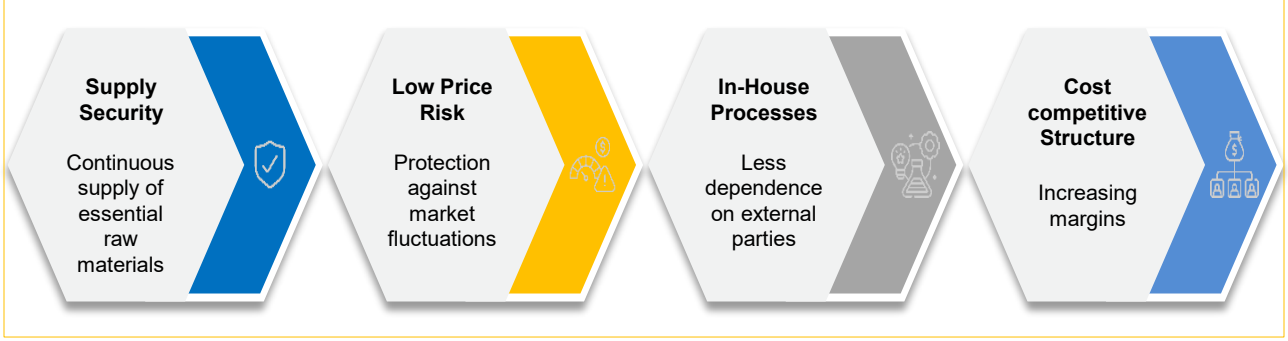
It has backward-integrated 18 of its 38 specialised APIs.

Exhibit 2: More Products Integrated, Higher Revenue Share



Source: SUPRIYA, Choice Institutional Equities

Exhibit 3: How Backward Integration Strengthens SUPRIYA's Business



Source: SUPRIYA, Choice Institutional Equities

1.1 Margin Moat Built on Integration and Therapy Focus

1.1.2 EBITDA Margin Structurally Higher than Most Indian Peers

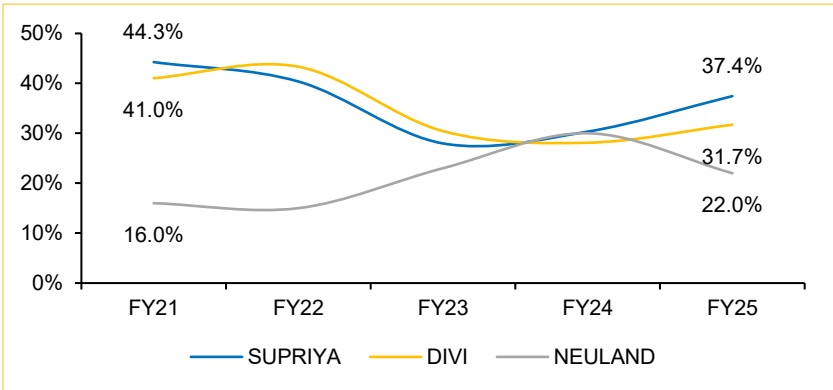
SUPRIYA's FY23 margin dip to 28% (from ~40% in FY22) was part of a sector-wide correction. Crucially, management used this period as a reset:

- ✓ Pivoting portfolio mix toward high-margin anaesthetic/anti-anxiety APIs (Exhibit 6)
- ✓ Expanding geographic reach to 120+ countries
- ✓ Scaling up CDMO capabilities

Margin dip driven by post-COVID-19 destocking and API price normalisation, also seen at DIVI and NLL (Exhibit 4).

Impact was sharper for SUPRIYA, given the concentration in a few legacy APIs and one region (Exhibit 5).

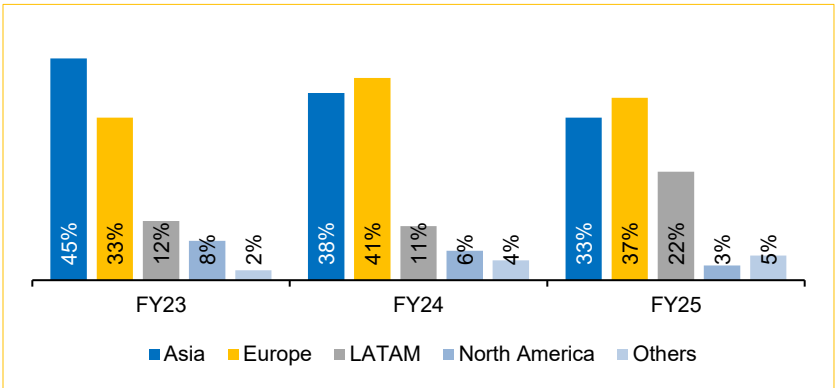
Exhibit 4: Margin Trend Comparison



Source: SUPRIYA, DIVI, NLL, Choice Institutional Equities

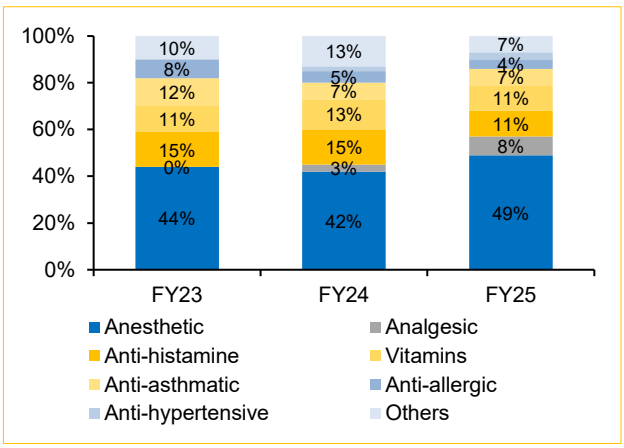
We expect FY26E to see a temporary planned slowdown in EBITDA as Ambernath facility scale-up costs increase. (Exhibit 7).

Exhibit 5: SUPRIYA's Diversifying Revenue across Regions



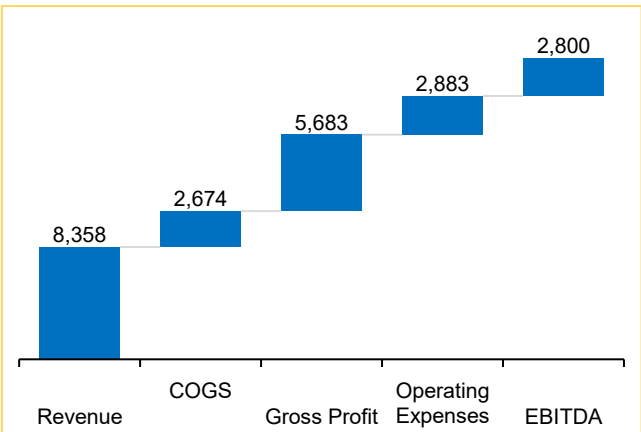
Source: SUPRIYA, Choice Institutional Equities

Exhibit 6: Revenue Contribution, by Therapy



Source: SUPRIYA, Choice Institutional Equities

Exhibit 7: Revenue to EBITDA Bridge (FY26E)



Source: SUPRIYA, Choice Institutional Equities

1.2 Demand Visibility in Place Before Capacity Fills

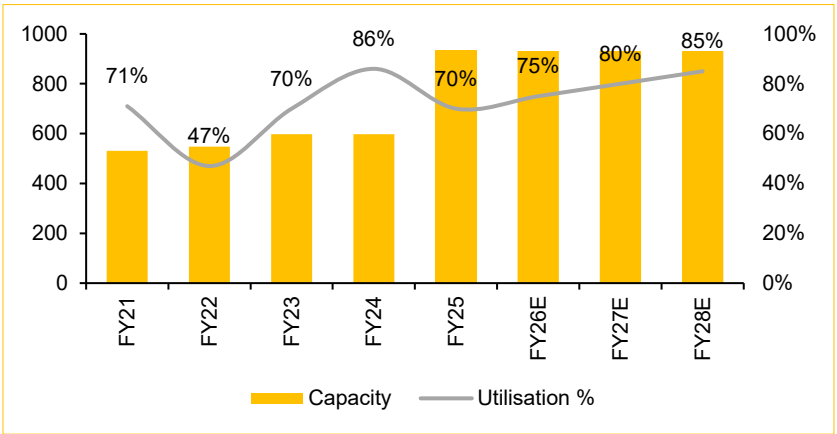
SUPRIYA's historic capacity utilisation levels of 85–86% are well above industry average. ***This is not a capacity-led growth story; it is a demand-pull expansion.*** The commissioning of the Ambernath formulation facility is expected to temporarily ease utilisation to ~75%, but this is strategic slack created ahead of visible demand. ***We believe utilisation will rebound to ~80-85% by FY27-end***, restoring tight capacity once again.
Importantly, SUPRIYA is planning the next leg of expansion before hitting a constraint with the ***construction of the Patalganga site (3x Lote Capacity), which begins in FY27-end,*** exactly when the current sites approach peak utilisation.

1.2.1 Historic Utilisation Reflects Strong Portfolio and Growth Trajectory

- SUPRIYA has consistently operated at utilisation levels of ~80%, materially higher than the industry average of ~70–75% (Exhibit 8).
- Temporary dips in utilisation — such as in FY22 (post capacity expansion from 531 KL to 547 KL) and FY25 (following commissioning of the new block, taking capacity to 932 KL) — were short-lived absorption phases rather than signs of demand weakness.

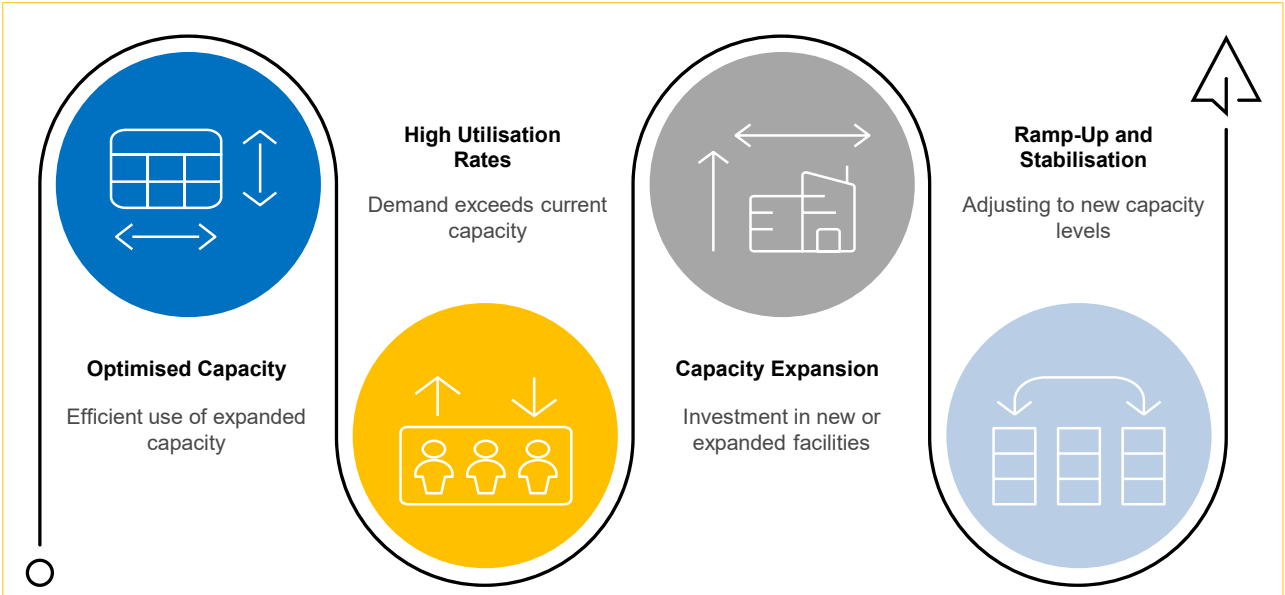
We expect utilisation to return to peak levels (~80-85%) by FY27-end, supported by a strong order pipeline and new product additions.

Exhibit 8: Evidence of Expansion Strategy Where New Capacity Comes Only After Strong Utilisation



Source: SUPRIYA, Choice Institutional Equities

Exhibit 9: Path to Capacity Expansion and Stabilisation



Source: Choice Institutional Equities

1.2 Demand Visibility in Place Before Capacity Fills

1.2.2 Sizing Up the Opportunity: How SUPRIYA's Capacity Now Stacks Against Competitors

With Module E commissioned, ***capacity at Lote Parshuram has increased >55%*** (from 597 KL to 932 KL), placing SUPRIYA among India's top-tier API manufacturers and aligning its scale with leading peers (Exhibit 10).

While management has not disclosed the planned capacity at Patalganga (land 3x of Lote), ***we expect a sizeable build-out which should be sufficient to support the next demand step-up***, that shall also widen geographic reach and enter newer segments.

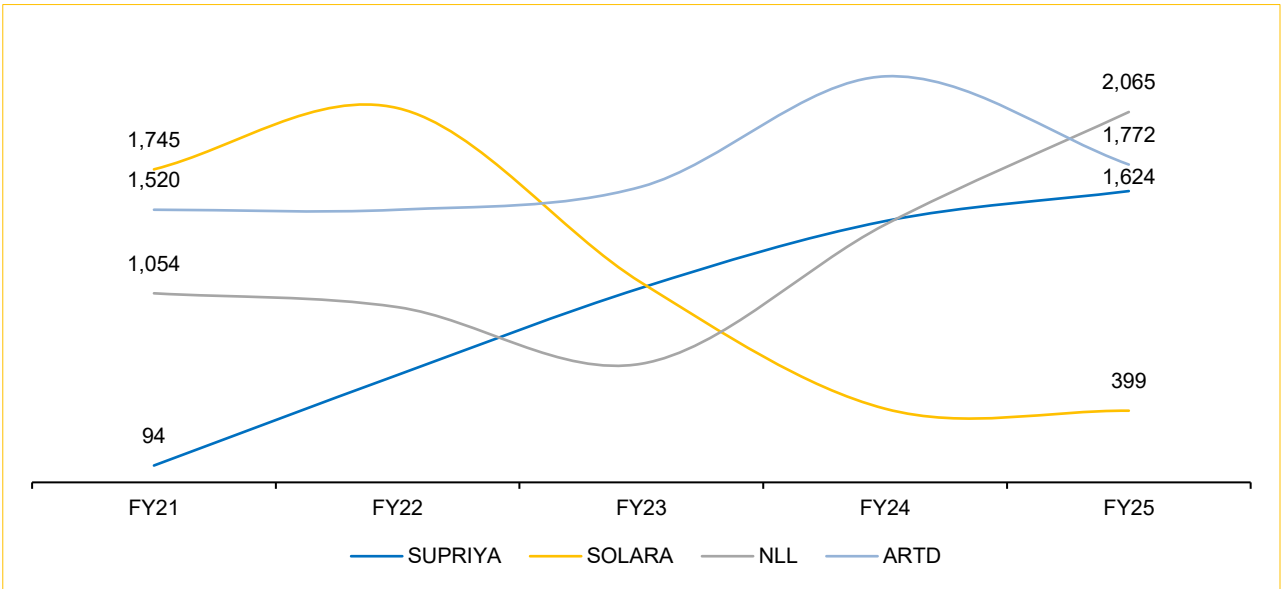
Exhibit 10: Benchmarking SUPRIYA Against Peers on Capabilities and Upcoming Capex Plans

Company	Capacity (KL)	Capacity Utilisation	Number of Units	Regulatory Certificates	Upcoming Capex
Supriya Lifescience	932	76% (Q1FY26)	5	USFDA, ANVISA< KFDA, NMPA, COFEPRIS, Health Canada, etc	Minimal capex until FY27, Patalganga construction from FY27-end
Solara Active Pharma	2,673	60-65%	7	USFDA, EU GMP, PMDA	Debottlenecking
Neuland Labs	1,174	NA	3	USFDA, EDQM, CFDA, PMDA, etc	Expansion of peptide synthesizer reactor capacity in unit 1; Commissioning in unit 3
Aarti Drugs	45,511	NA	14 (API+formulations)	GMP, US FDA, KFDA, ANVISA< COFEPRIS, etc	Registration of new products and production line expansion
Divi's Labs	16,550	80%	3 (Generics + CDMO)	USFDA, EU GMP, HEALTH CANADA, TGA, ANVISA, COFEPRIS, PMDA	GLP-1, tech upgrades and capacity expansions

Source: SUPRIYA, SOLARA, NLL, ARTD, DIVI, Choice Institutional Equities

SUPRIYA's capex has remained consistently upwards as compared to peers (refer Exhibit 11), a sign of conviction-led expansion.
Additionally, the company's fixed asset turnover of ~1.6x reflects healthy utilization of manufacturing assets and supports the scalability of future growth.

Exhibit 11: Capex Spend Trend – SUPRIYA vs Peers



Source: SUPRIYA, SOLARA, NLL, ARTD, Choice Institutional Equities

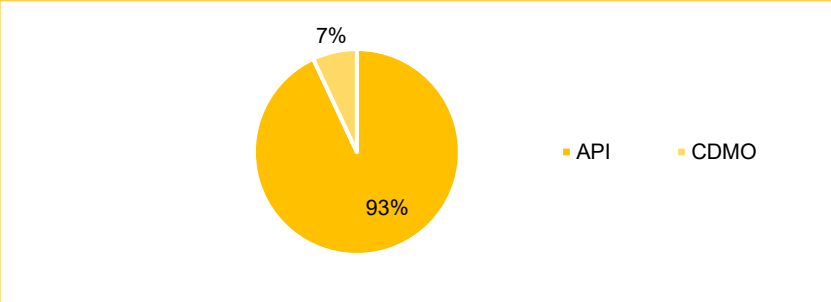
1.3 CDMO Capabilities and Global Footprint Power Next-phase Growth

A 10-year contract with a European pharma major marks a transition, from a pure API player to a CDMO-backed growth model. The Ambernath facility provides dedicated capacity for these CDMO supplies, converting opportunity into execution-readiness. Additionally, early development of GLP-1 intermediates adds a medium-term growth option in one of the world's fastest growing therapeutic classes. By FY30E, ***Europe is set to become SUPRIYA's largest market*** (~41.5% revenue) while US exposure remains <3%, ***insulating margin from any tariff risk.***

1.3.1 Moving beyond APIs with a Validated CDMO Pipeline

- With the recent 10-year contract from a European pharma major, SUPRIYA has formally entered the CDMO segment and is now receiving additional RFQs from other companies.
- This validates capabilities beyond APIs and adds annuity-style revenue to a historically transactional model.
- As Ambernath scales up, ***CDMO is expected to contribute meaningfully to the revenue mix.*** Exhibit 12 illustrates the shift from a pure play API.

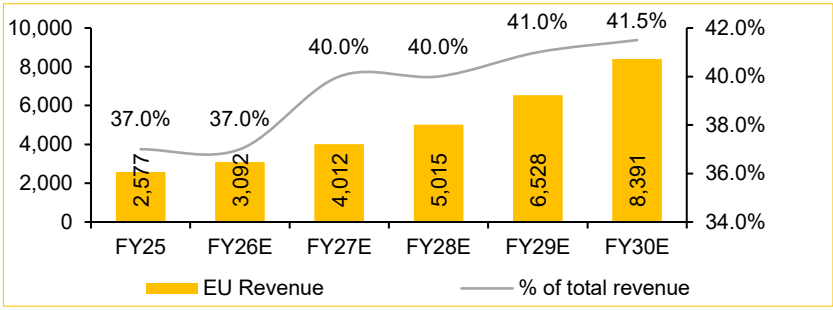
Exhibit 12: CDMO Contribution to Revenue from FY27



Source: SUPRIYA, Choice Institutional Equities

Exhibit 13: EU Revenue Contribution Increasing on CDMO Contracts

This contract also strengthens SUPRIYA's presence in Europe — one of the most accessible CDMO markets owing to lighter regulatory barriers as compared to the US. (Exhibit 13)

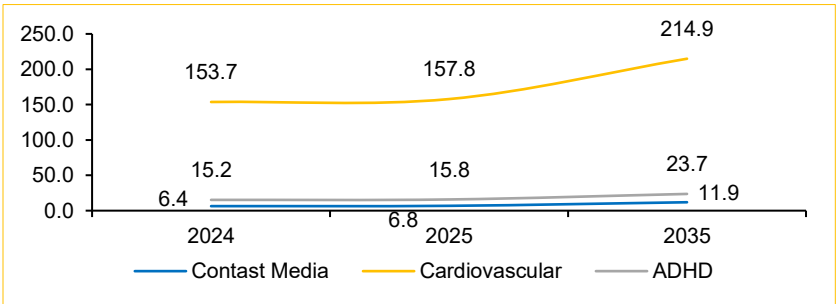


Source: SUPRIYA, Choice Institutional Equities

1.3.2 Expanding CDMO in Complex Therapies

SUPRIYA is also building a future-ready CDMO pipeline in Contrast Media, Cardiovascular and ADHD therapies — categories where global innovators outsource heavily due to complex synthesis.

Exhibit 14: Market Outlook for Key CDMO Therapies (USD Bn)



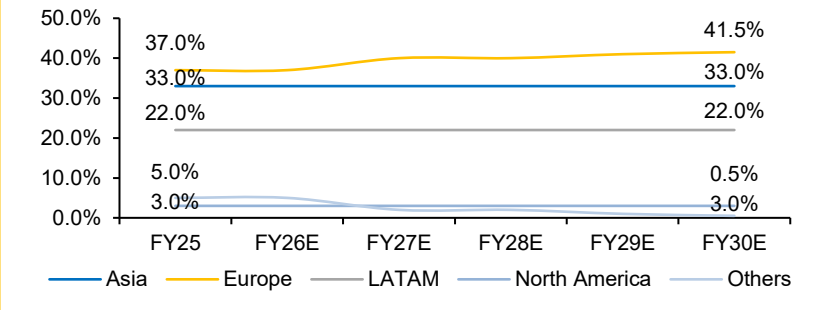
Source: SUPRIYA, Choice Institutional Equities

1.3 CDMO Capabilities and Global Footprint Power Next-phase Growth

1.3.3 Regional Diversification Positions SUPRIYA for Continued Growth

North America contributes only ~3% of revenue, with the bulk of growth historically coming from Europe and Asia. We expect this trend to continue, with Europe, Asia and LATAM driving future revenue growth.

Exhibit 15: Regional Revenue Mix Over the Next Five Years



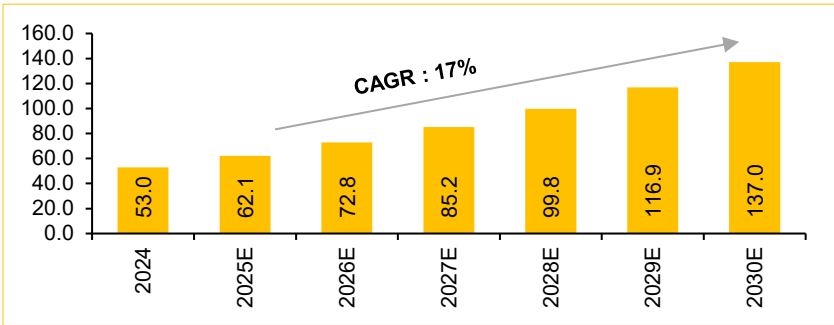
Source: SUPRIYA, Choice Institutional Equities

We view GLP-1 as a medium-term optionality, with high outsourcing intensity (Exhibit 16).

1.3.4 GLP-1 Optionality Emerging as a Medium-Term Growth Catalyst

SUPRIYA is in early development of select GLP-1 intermediates, targeting supply partnerships with global innovators. Commercial visibility is 1–2 years away, but proactive investments in infrastructure, regulatory readiness and customer onboarding ensure long term growth.

Exhibit 16: GLP-1 Market Size (USD Bn) with 5-year CAGR of 17%



Source: Polaris Market Research, Choice Institutional Equities

As molecules move from R&D to large-scale production, this segment could drive a step-change in growth.

Exhibit 17: GLP-1 Value Chain and Outsourcing Intensity

Stage	Description	Outsourcing Intensity
Raw Materials	Amino acids & simple reagents; typically sourced locally or from China	**Low**
Intermediates / Peptides	Multi-step synthesis requiring high purity, complex chemistry	**Medium–High**
API Purification / Scale-up	Final crystallisation, purification, QC testing	**High**
Formulation / CDMO (Injectable / Oral)	Fill-finish and packaging for innovators	**Very High**

Source: Choice Institutional Equities

1.4 Key Investor Questions Answered

1.4.1 Can SUPRIYA successfully transition from an API-only model to a scaled up CDMO/FDF business without execution slip-ups?

SUPRIYA's transition from API to CDMO/FDF is backed by demand and orders including a 10-year contract from a European Major Pharma Player.

- **Demand-backed Expansion, Not Speculative Capex:** Unlike peers that expanded capacity ahead of orders, SUPRIYA commissioned its Ambernath FDF unit only after signing a 10-year anchor CDMO contract, ensuring immediate revenue visibility upon ramp-up.
- **Proven Ramp-up Discipline:** Historical utilisation demonstrates the company's ability to absorb new blocks swiftly without margin drag.
- **Layered Expansion Strategy:** Rather than switching business models overnight, SUPRIYA is adopting a staggered transition — API → Advanced Intermediates → FDF/CDMO, ensuring regulatory preparedness and operational learning before scaling up.

1.4.2 Capex Intensity Rising – Will Returns Be Diluted?

While Capex intensity is high, SUPRIYA's utilisation-first approach reinforces execution discipline.

- **Phased Capex, Linked to Utilisation Thresholds:** SUPRIYA has maintained a disciplined playbook of only triggering new projects once utilisation peaks, reducing the risk of under-deployed assets.
- **Asset Sweat Proven in Past Cycles:** After FY22 expansion, utilisation recovery from 47% → 70% within 12 months highlights strong demand absorption capability.
- **Patalganga to be Triggered only after Load Visibility:** Unlike peers that build ahead of demand, SUPRIYA will initiate its Patalganga greenfield only once Ambernath/Lote reach peak utilisation (expected in FY27E) — ensuring capital productivity stays intact.

2.1 Key Risks

- **Regulatory Exposure:** SUPRIYA earns over 90% of revenue from exports, mainly Europe, Asia and Latin America. Possible regulatory delays or audit issues could temporarily disrupt supplies or onboarding.
- **CDMO Scaling Up:** The CDMO agreement marks SUPRIYA's entry into finished dosage manufacturing, but scaling up beyond the first contract remains untested. Timely approvals and repeat wins will be key.
- **Client Concentration:** Around 50% of SUPRIYA's revenue comes from its top 10 clients. Losing a major client or reduced orders could significantly impact overall sales and profitability.

2.2 View & Valuation

Focused on backward integration and strategic shift towards CDMO.

We believe ***SUPRIYA is positioned for sustained, high-quality growth***, backed by deep backward integration, niche therapy leadership with a strategic shift towards high-margin CDMO and GLP-1 intermediates, which reinforces long-term earnings visibility.

We forecast Revenue/EBITDA/PAT CAGR of 21.6%/18.9%/19.4% over FY25–28E, driven by ***operating leverage and a richer mix of complex, higher-value products***. With contracted revenue visibility, we value the business using DCF method, with a TP of INR 1,030 and a 38.6% upside, we initiate our coverage with a **BUY** rating on the stock. This results in an implied PE of 29x, broadly in line with peers with a PEG ratio of 1.5x.

2.3 DCF Valuation

Key Assumptions

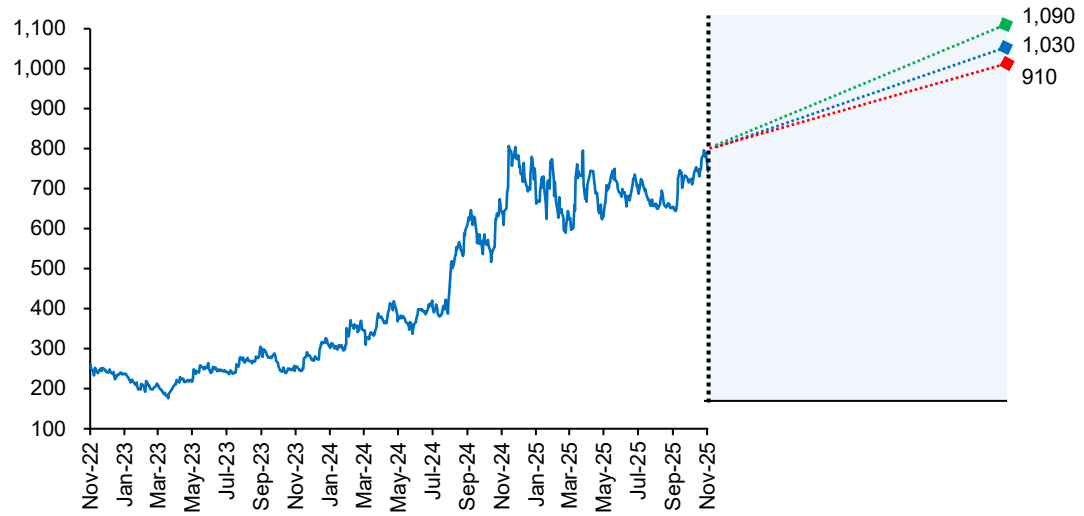
Particulars	
WACC (%)	**12.0**
Terminal Growth Rate (%)	5.0
Cost of Equity (%)	12.0
PV of FCFF	**17,502**
Terminal Value	1,14,642
PV of Terminal Value	**64,494**
EV	**81,995**
Net Debt	(792)
Equity Value	**82,787**
Equity Value Per Share	**1,030**

Sensitivity Analysis

		Terminal Growth Rate				
		4.0%	**4.5%**	**5.0%**	**5.5%**	**6.0%**
WACC	**11.0%**	1,068	1,137	1,217	1,311	1,425
	11.5%	990	1,048	1,115	1,194	1,286
	12.0%	922	972	**1,030**	1,094	1,171
	12.5%	862	905	953	1,009	1,074
	13.0%	808	846	888	936	990

Source: SUPRIYA, Choice Institutional Equities

2.4 Bull/Bear Case



INR 1,090
47.0% Upside

BULL Assumptions

- Full optimal utilisation at ~85% of capacity by FY27 driving strong operating leverage.
- Revenue expected at INR 10,000–12,500 Mn, providing high growth visibility.
- Incremental CDMO project wins add to capacity booking and sustain momentum.
- PAT margin improves to 24.5%/25.0% in FY26/FY27, led by scale benefits and richer mix.

INR 1,030
38.6% Upside

BASE Assumptions

- Capacity ramp-up continues with ~80% utilisation in FY27.
- Scale-up of CDMO projects supports steady volume traction.
- Revenue of ~INR 10,000 Mn in FY27 in line with management guidance.
- PAT margin at 24.0%/24.5% in FY26/FY27, driven by stable operating leverage and efficiencies.

INR 910
22.3% Upside

BEAR Assumptions

- Conservative ramp-up in capacity utilisation and slower CDMO project onboarding.
- Revenue in the INR 9500–9750 Mn range for FY27, below management expectations.
- Limited operating leverage restricts margin expansion.
- PAT margin at 23.5%/24.0% in FY26/FY27, impacted by softer scale benefits.

Key Insights From Management Meeting

Therapeutic Focus and Business Model

- SUPRIYA operates primarily in anti-allergics, anaesthetics and vitamins, segments where it enjoys long-standing expertise and leadership.
- The company's business model is centered around high-entry-barrier APIs, especially controlled substances within anaesthetics, where ***regulatory specialisation provides a sustainable competitive edge.***
- The ***near-to-medium term focus remains on improving product mix,*** expanding capacity utilisation, and deepening presence across regulated and semi-regulated markets.

Revenue Mix and Growth Drivers

- Management expects new molecules and ***CDMO contracts to gradually contribute ~20% of revenue by FY27E***, with the balance continuing from legacy APIs.
- Each year, the company aims to commercialise 3–4 new products, supported by a pipeline of 8–10 molecules under development.
- ***Backward integration across key intermediates continues to be a structural strength***, enabling SUPRIYA to maintain superior margin versus peers despite raw material cost volatility.

Exports and Market Diversification

- Exports contribute ~85% of total revenue, led by Europe, Latin America and Southeast Asia. New products are first introduced in East and Southeast Asian markets to establish volumes before moving to regulated markets with longer approval cycles.
- SUPRIYA operates under a distributor-led model, with each distributor servicing 20–30 end customers, thereby mitigating single-customer and product-concentration risks.
- Exposure to the US market currently stands at ~3% at present, expected to rise in the next three years, depending on demand and product launches.
- ***Management do not anticipate any material tariff impact*** and is registering products simultaneously in Europe to ensure balanced exposure.
- The domestic business contributes ~15% of revenue, largely as residual volumes, with no major expansion planned in the near term.

CDMO Expansion and Future Capex

- SUPRIYA's CDMO engagements are structured as long-term supply contracts with volume commitments rather than short-term fee-based arrangements.
- The company's first CDMO project is expected to start contributing from FY26 itself, scaling up meaningfully.
- The Ambernath facility has undergone WHO audit and is expected to begin commercial production in Q4 FY26, initially with limited contribution.
- Capacity utilisation currently stands at 65–70% at present, expected to return to 85–86% by FY27 as new modules ramp up.
- The next phase of expansion will occur at ***Patalganga***, where ***SUPRIYA owns land 25-acre land parcel.***
- ***Construction is scheduled to begin in FY27E***, coinciding with the company achieving its INR 10,000 Mn revenue milestone.

Financial Outlook

- For FY26, ***management has maintained revenue growth of 20% and EBITDA margin of 33–35***%.
- Once the new unit stabilizes and CDMO revenue scales up, ***margin is expected to normalise to 36–37%,*** reflecting improved product mix and operating leverage.
- Working capital days have increased to 158 (vs. 124) due to higher inventory, but corrective measures are underway with improvement expected by March 2026.
- Having faced a setback in FY22–23 due to single-product, single-region dependence, SUPRIYA now maintains a consciously diversified portfolio to prevent recurrence of such concentration risk.

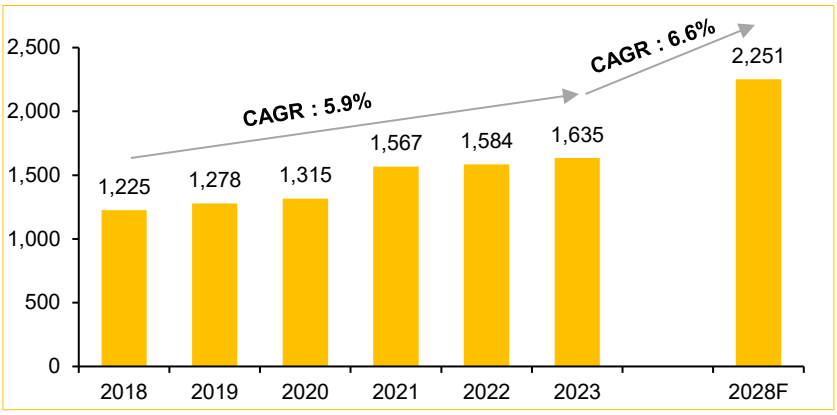
4.1 Mapping the Future: Pharma's Global Growth Trajectory

4.1.1 Global Pharma Market Poised for Sustained 6.6% CAGR

Momentum is being driven by new innovative therapies, a surge in generics from the patent cliff and rising global healthcare demand. Ageing population, growing chronic disease prevalence and greater health awareness are further accelerating expansion.

The global pharmaceutical market is set for continued growth over 2023–2028, outpacing historical averages.

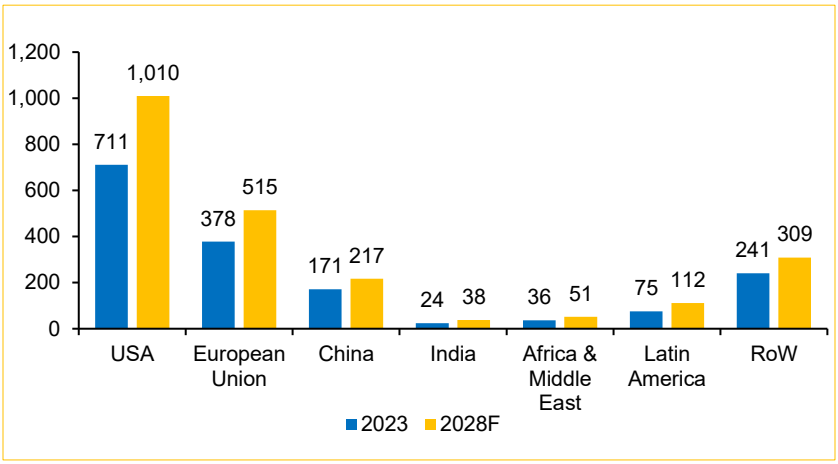
Exhibit 18: Global Pharma Market (USD Bn)



Source: IQVIA Global Use of Medicines 2024, Frost & Sullivan, Choice Institutional Equities

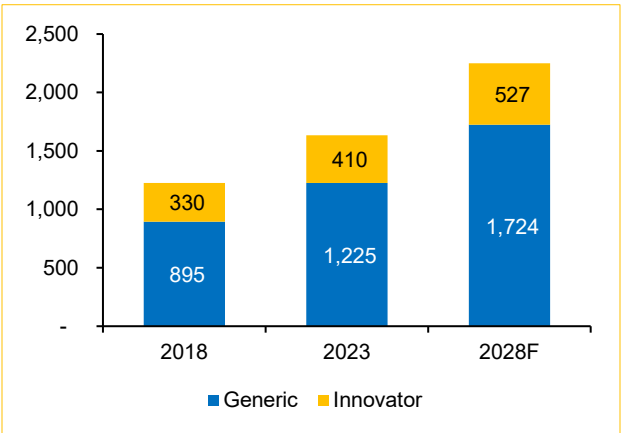
US and India pharma market growth is expected to outpace global growth.

Exhibit 19: Growth of Global Pharma Market by Regions (USD Bn)



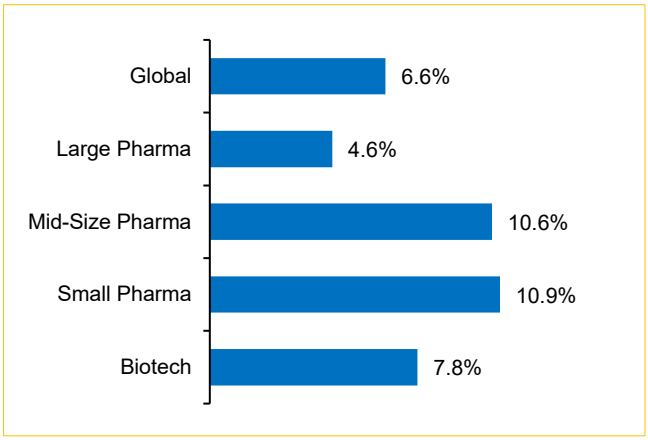
Source: IQVIA Global Use of Medicines 2022 and 2024, Frost & Sullivan, Choice Institutional Equities

Exhibit 20: Global Pharma Market by Product Type (USD Bn)



Source: IQVIA Global Use of Medicines 2024, Evaluate Pharma, Frost & Sullivan, Choice Institutional Equities

Exhibit 21: CAGR of Global Pharma Market, by Company Size



Source: Evaluate Pharma, Frost & Sullivan, Choice Institutional Equities

4.1 Mapping the Future: Pharma's Global Growth Trajectory

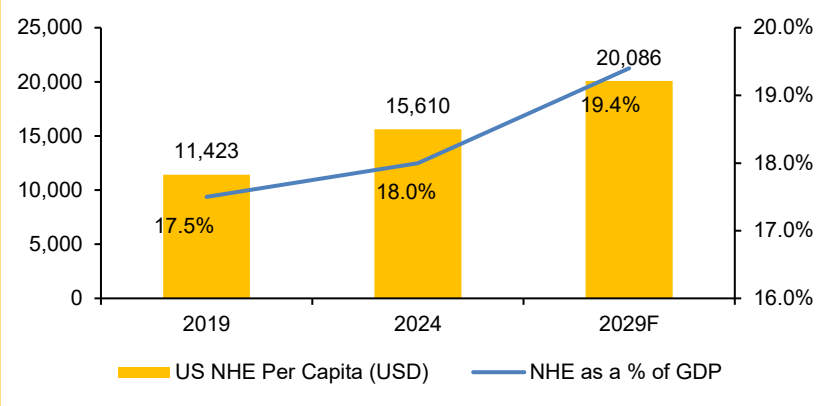
We believe the US will continue to remain the largest pharma market in the world in the medium term.

4.1.2 Policy Strength and High Spending to Keep the US as the World's Largest Pharma Market

With the world's highest per-capita health spending and healthcare expenditure above 18% of GDP, strong government support and stable policies provide a solid base for sustained US healthcare growth.

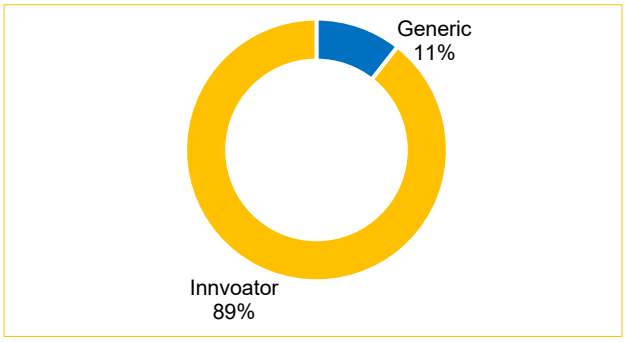
A USD 94.8 Bn patent cliff through 2029 presents a major launch window, led by CNS and cardiovascular drugs, including several blockbuster opportunities.

Exhibit 22: US National Health Expenditure Spends (USD)



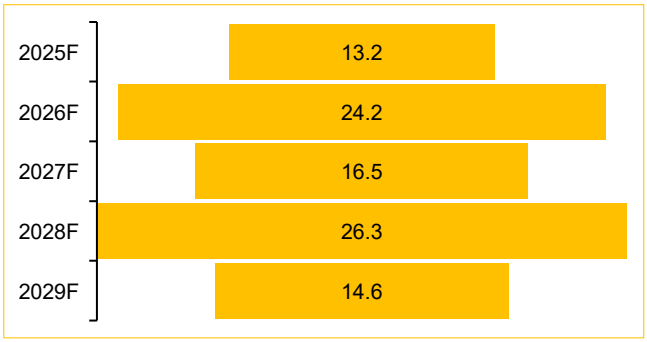
Source: Centers for Medicare and Medicaid Services (CMS), Frost & Sullivan, Choice Institutional Equities

Exhibit 23: US Pharma Market, by Value (FY25)



Source: IQVIA for the period MAT March 2025, Choice Institutional Equities

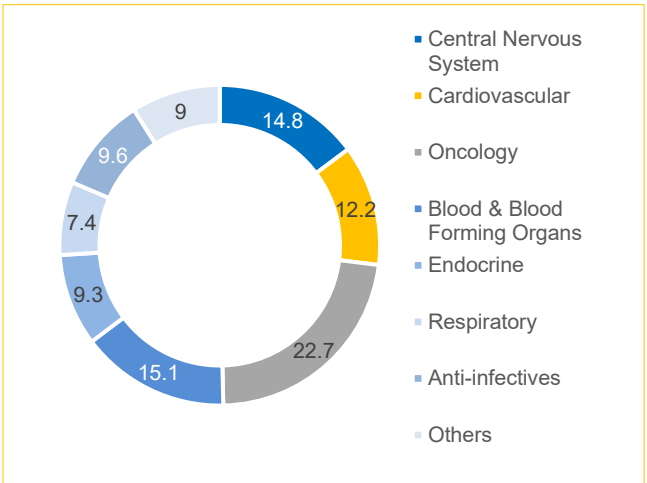
Exhibit 24: Sales of Drugs Expected to Lose Patent Protection (USD Bn)



Source: Evaluate Pharma, Frost & Sullivan, Choice Institutional Equities

Generic manufacturers are expected to accelerate value-creation through Para IV filings, complex generics and biosimilars, supported by global regulatory push for faster access.

Exhibit 25: US Generics Market Opportunities, by Therapy



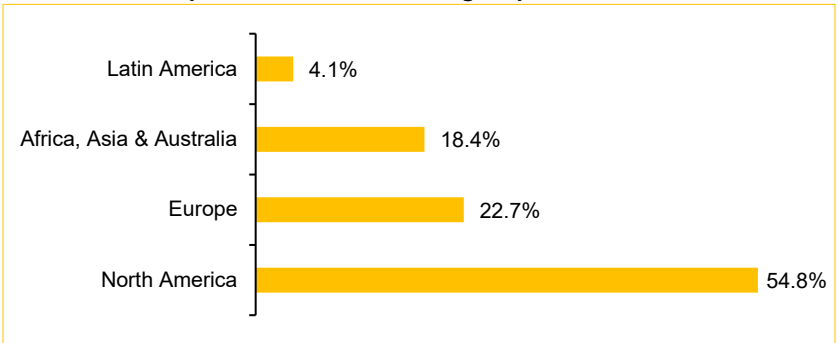
Source: Evaluate Pharma, Frost & Sullivan, Choice Institutional Equities

4.1 Mapping the Future: Pharma's Global Growth Trajectory

4.1.3 Europe Solidifies its Position in Global Pharma Expansion

Europe captures about a third of global pharma sales, driven by its strong economy, advanced healthcare, and deep-rooted scientific and market maturity.

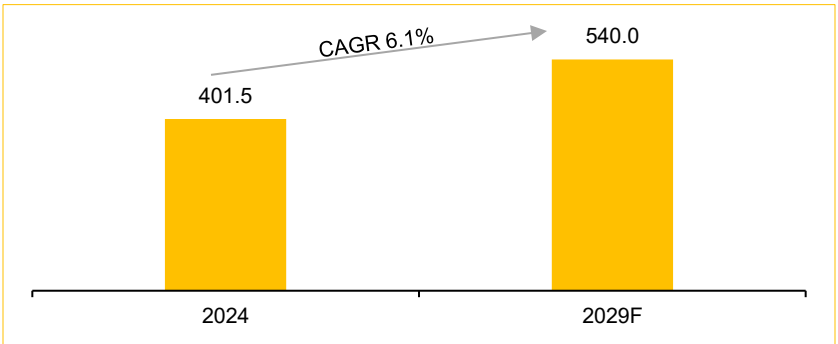
Exhibit 26: Europe is world's second largest pharma hub



Source: EFPIA, Choice Institutional Equities

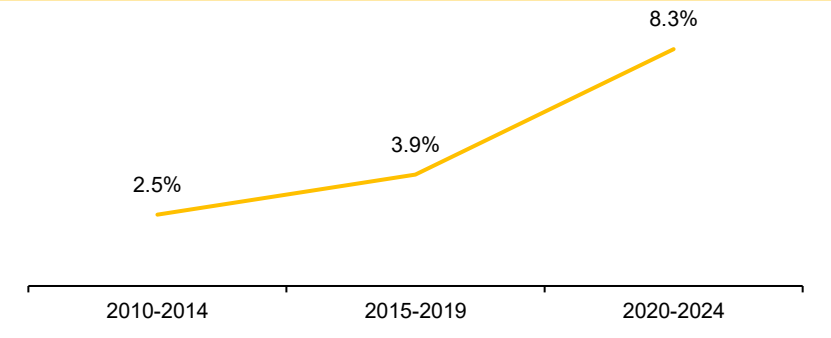
The Europe pharmaceutical market is poised for sustained growth, driven by an aging population, rising chronic disease burden and strong R&D investments.

Exhibit 27: Europe Pharma Market (USD Bn)



Source: IQVIA Global Use of Medicines 2024, Frost & Sullivan, Choice Institutional Equities

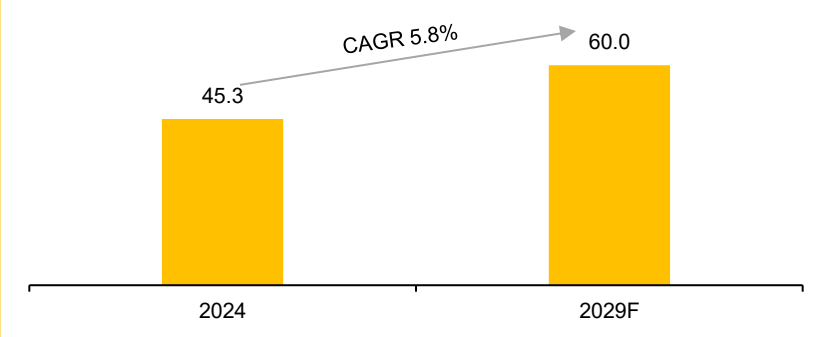
Exhibit 28: Europe Sharpens Its Edge with Rapid R&D Expansion



Source: EFPIA, Choice Institutional Equities

As of 2021, the EU accounted for ~24% of global generic API value versus ~66% produced in Asia Pacific (largely India/China), highlighting Europe's dependence on Asian suppliers and expanding potential for CDMO partnerships with India.

Exhibit 29: Steady Expansion in Europe's API Market



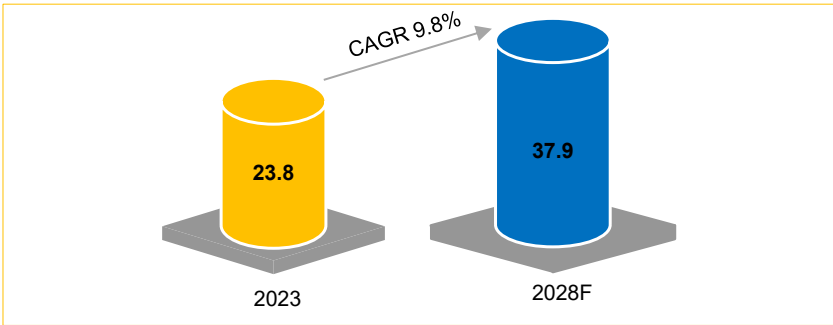
Source: Frost & Sullivan, Choice Institutional Equities

4.1 Mapping the Future: Pharma's Global Growth Trajectory

4.1.4 Indian Pharma's Growth Story : Scale, Strength and Global Impact

India is poised for a new wave of strong pharma growth, driven by rising chronic diseases and greater preventive health awareness post-COVID-19.

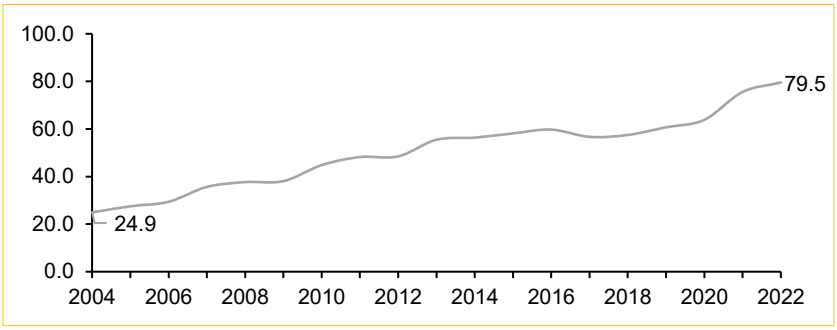
Exhibit 30: India's Pharma Market (USD Bn)



Source: IQVIA -Indian Pharmaceutical Market Insight, Pharmarack, Frost & Sullivan, Choice Institutional Equities

We believe going forward, growth will be powered by innovation-led R&D investments by companies in high-demand areas such as GLP-1s, oncology and biosimilars, putting India on track to become the "Pharmacy of the World".

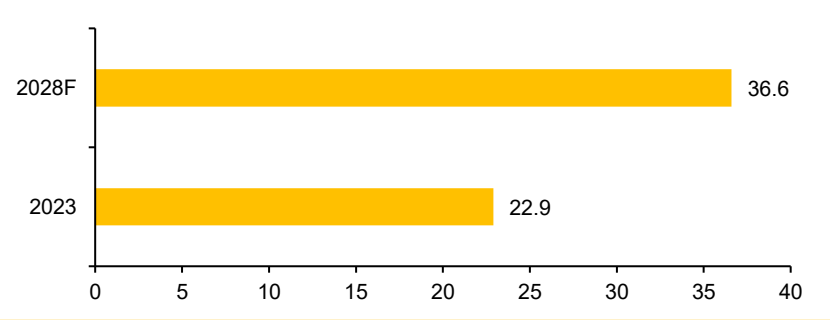
Exhibit 31: Health Expenditure Per Capita (USD)



Source: World Bank, Choice Institutional Equities

We believe India's generic industry has an unmatched global edge, supplying affordable, high-quality medicines to most of the world and commanding a dominant share in export volumes.

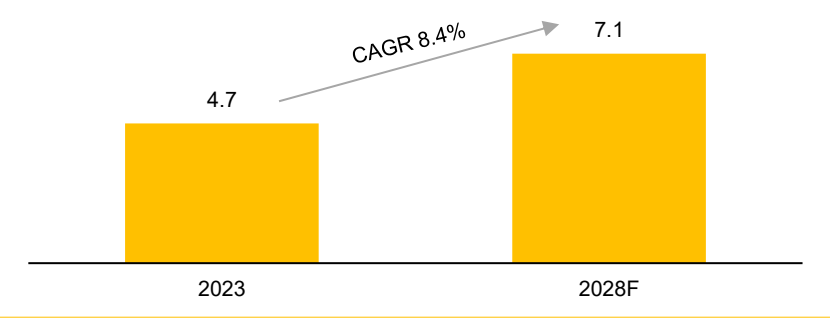
Exhibit 32: India's Generics Market (USD Bn)



Source: IQVIA - Indian Pharmaceutical Market Insight, Pharmarack, Frost & Sullivan, Choice Institutional Equities

The API segment is set for a structural leap forward, driven by backward integration, reduced China reliance and strong policy support.

Exhibit 33: India's API Exports, by Value (USD Bn)

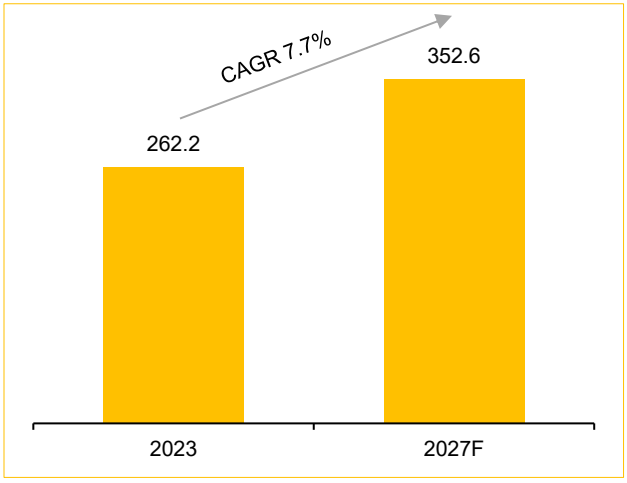


Source: Ministry of Commerce and Industry, Frost & Sullivan, Choice Institutional Equities

4.2 API Market Set for Steady, Demand-driven Growth

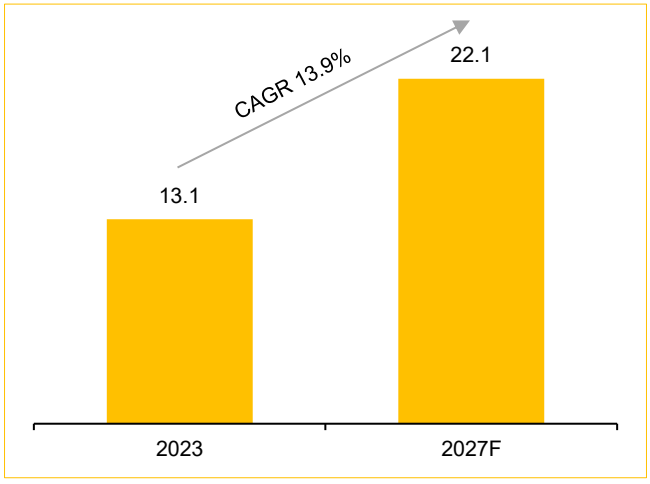
- Global API demand is set to accelerate, driven by expanding healthcare access, rising chronic disease incidence and growing need for affordable medicines in emerging markets.
- The shift towards complex and high-value APIs continues to redefine competitiveness, even as small-molecule APIs (65–70% share) sustain dominance through scale and cost advantage.

Exhibit 34: Global API Market (USD Bn)



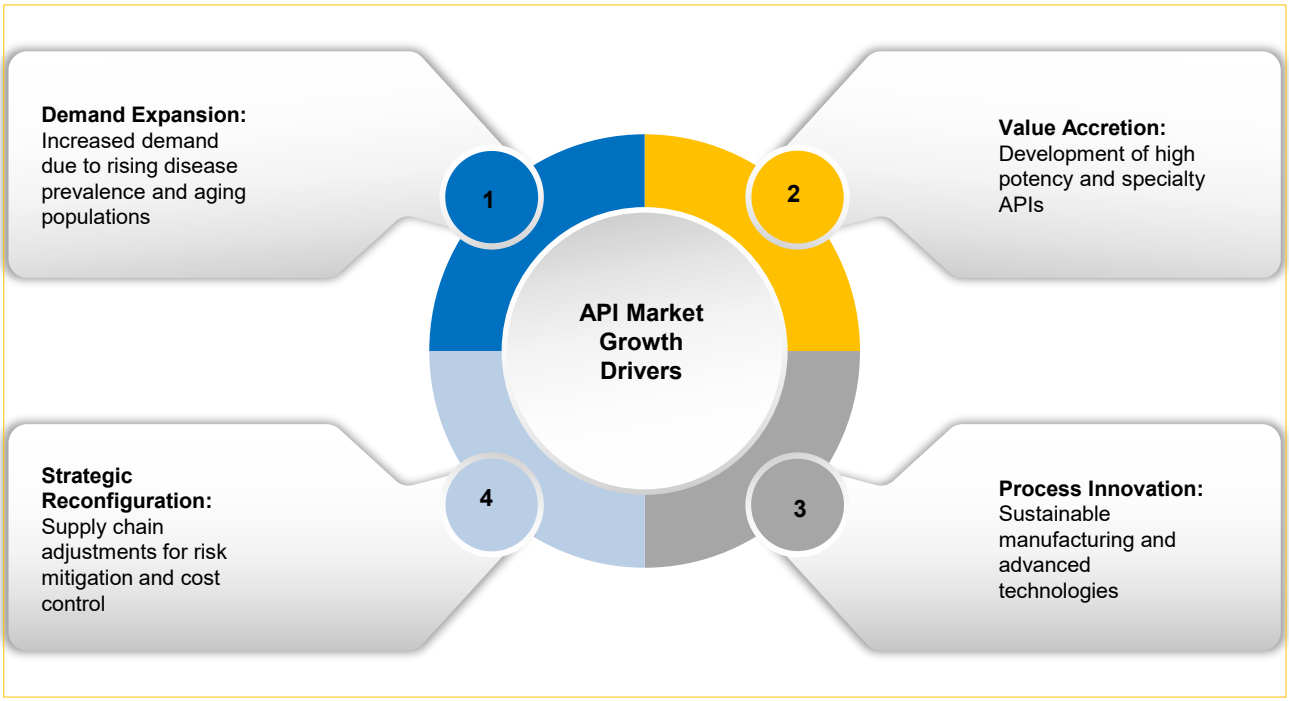
Source: Frost & Sullivan, Choice Institutional Equities

Exhibit 35: India's API Market (USD Bn)



Source: Frost & Sullivan, Choice Institutional Equities

Exhibit 36: API Market Growth Drivers



Source: Choice Institutional Equities

4.3 Key Therapy Frontiers: The Shifting Pillars of Global API Market

- High-value API demand is shifting towards chronic therapies with large patient bases and specialty segments requiring complex or high-potency manufacturing.
- While cardiovascular, vitamins and analgesics remain large in volume, the fastest growth is now concentrated in GLP-1 peptides, oncology, immunology and CNS disorders due to breakthrough innovation and expanding global access.

Exhibit 37: Top Global API Therapies and Expected Growth

Therapy	2024 Market Size (USD Bn)	Expected CAGR (2024–2030)	Key Reasons for Growth
GLP-1 (Diabetes + Obesity)	~65.0*	15.0%+	*Explosive demand; peptide APIs; obesity reimbursement expansion; supply scale-up*
Oncology (HPAPI)	~200.0*	8.5%	Targeted therapies, ADCs, immuno-oncology; specialty containment facilities
Immunology / Autoimmune	~110.0*	8.0%	Chronic lifelong therapy; innovative biologics + small molecules; biosimilar offset
ADHD	15.2	7.0%	Rising diagnosis (adult + pediatric); long-acting & abuse-deterrent formulations
CNS Disorders	~90-95*	6.5%	Aging population; Alzheimer's/Parkinson's launches; psychiatric prevalence
Ophthalmology	~14.0*	6.0%	AMD, diabetic eye disease; long-acting biologics; device-drug combinations
Vitamins	51.7	5.0%	Preventive health; supplements in emerging markets; fortified foods
Anti-asthmatic	21.3	4.5%	Rising diagnosis; inhaler innovation; wider access
Analgesic	43.8	4.0%	Aging population; chronic pain; non-opioid innovation
Contrast Media	6.4	4.0%	Growth in imaging diagnostics; improved agents
Anti-allergic	22.8	3.5%	Increasing allergy incidence; combination therapies
Cardiovascular	153-155	3.5%	Large chronic patient pool; therapy adherence; generic penetration
Anti-hypertensive	36.7	3.5%	Global screening and lifelong therapy
Anaesthetic	7.2	3.0%	More surgeries & outpatient procedures
Anti-histamine	0.3	2.5%	Stable allergy demand; modest OTC growth

Source: SUPRIYA, IQVIA, Evaluate Pharma, Frost & Sullivan, Grand View Research, Choice Institutional Equities

**Market sizes for GLP-1, Oncology, Immunology, CNS and Ophthalmology are global drug market estimates; API share varies based on biologic vs synthetic composition.*

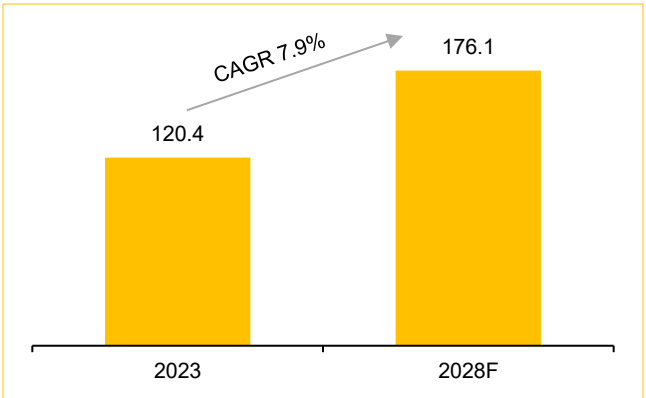
Therapeutic Areas with SUPRIYA's Presence

4.4 CDMOs Redefining the Pharma Value Chain

Global CDMO demand is rising as pharma companies tap external partners to speed development, manage costs and access specialized capabilities.

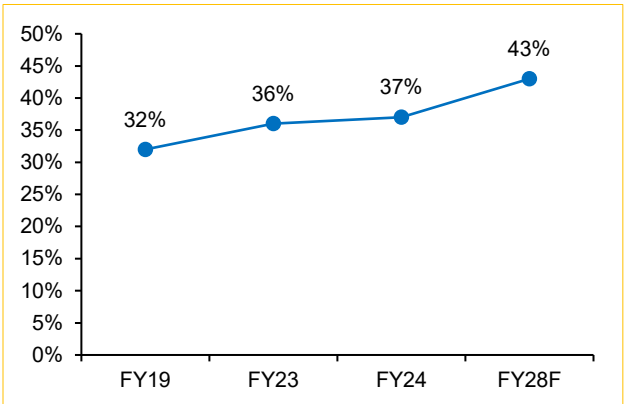
We believe outsourcing will continue to accelerate, as tighter margin and regulatory complexity make CDMOs a more efficient and scalable alternative to in-house manufacturing.

Exhibit 38: Global CDMO Market (USD Bn)



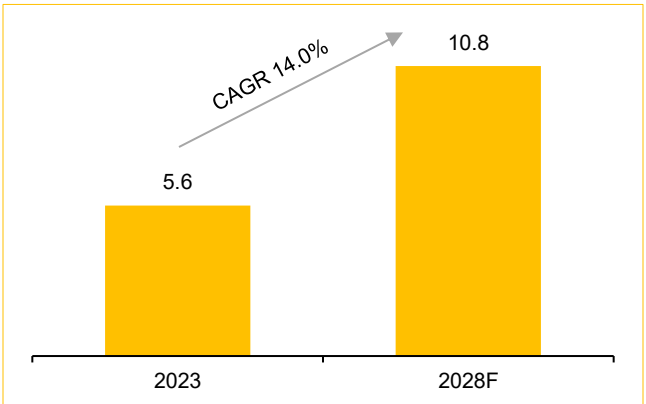
Source: Evaluate Pharma, Frost & Sullivan, Choice Institutional Equities

Exhibit 39: Outsourcing Penetration in India's Export CDMO Market



Source: Frost & Sullivan, Choice Institutional Equities

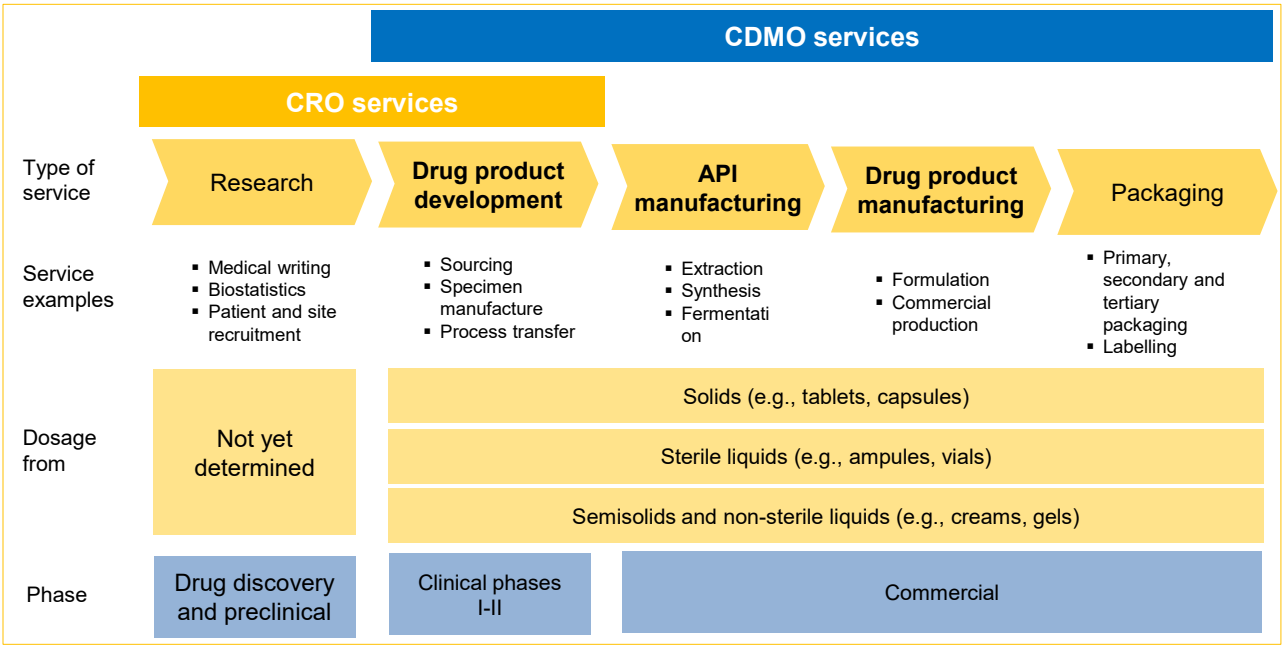
Exhibit 40: India's CDMO Market (USD Bn)



Source: Evaluate Pharma, Frost & Sullivan, Choice Institutional Equities

The US Biosecure Act, which restricts biotech collaborations with major Chinese firms, is accelerating the shift of outsourcing to India.

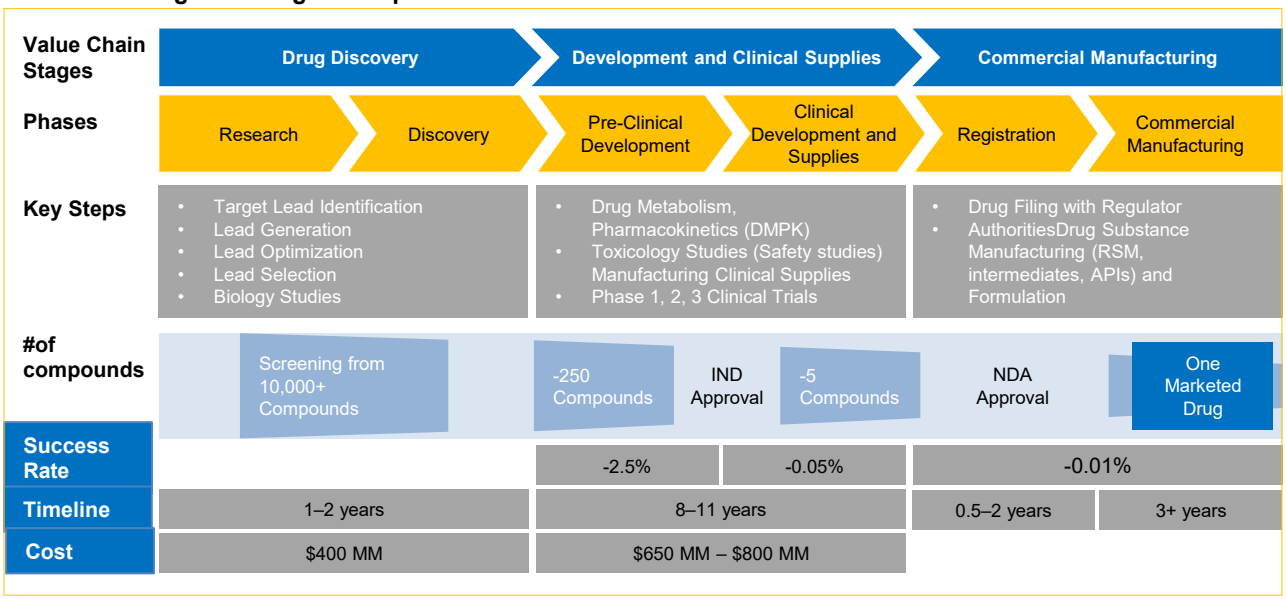
Exhibit 41: Types of CRO & CDMO Service Offerings



Source: Value Educator, Choice Institutional Equities

4.5 From Lab to Launch: The High-Stakes Journey of Drug Development

Exhibit 42: Stages of Drug Development and Commercialisation



Source: Frost & Sullivan, Choice Institutional Equities

The chart above illustrates the comprehensive drug development journey — from early-stage target discovery and preclinical testing, through clinical trials and regulatory approval, to large-scale commercial manufacturing and market launch of a new drug.

1. Drug Research and Discovery

- Starts with identifying a biological target and potential compounds.
- Involves developing hypotheses about how a drug could interact with the target to achieve the desired outcome.

2. Pre-Clinical Development

- Laboratory and animal tests are done to see if the drug is safe and suitable for human testing.
- Takes several years; failure rates are high.

3. Clinical Development

- Phase I: Safety and dosage in healthy volunteers or small patient group.
- Phase II: Efficacy and side effects in a larger group.
- Phase III: Large-scale testing to confirm effectiveness and monitor adverse reactions.

4. Clinical Supplies

- Early and late-stage formulation (tablet, capsule, injectable, etc.).

5. Registration

- Submission of comprehensive data to regulators.
- Approval allows for commercial launch.

6. Commercial Manufacturing

- Facilities must meet high regulatory standards.

5.1 Relative Analysis (SUPRIYA V/S Peers)

Operational Metrics

Companies	No of Facilities	R&D Centers	No of Products	Countries Served	Export Share	No of Employees & Workers	Reactor Capacity (KLPD)
Supriya Lifescience	2	2	40	120	85.0%	1,071	932
Solara Active Pharma	6	1	60	70	58.5%	1,810	2,673
Neuland Labs	3	1	100	80	82.0%	1,901	1,799
Aarti Drugs	13	2	130	100	35.0%	2,865	1,300
Divi's Labs*	3	3	160	100	88.0%	18,305	16,550

Source: SUPRIYA, SOLARA, NLL, ARTD, DIVI, Choice Institutional Equities

Financial Metrics

Companies	FY25 Revenue (INR Bn)	FY25 EBITDA (INR Bn)	FY25 PAT (INR Bn)	FY25 EBITDA Margin (%)	FY25 PAT Margin (%)	FY25 EPS	FY25 ROE (%)	FY25 ROCE (%)
Supriya Lifescience	7.0	2.6	1.9	**37.4**	**27.0**	23.4	18.9	**24.1**
Solara Active Pharma	12.8	2.1	0.0	16.1	0.0	0.1	0.1	6.0
Neuland Labs	14.8	3.2	2.6	21.9	17.6	202.7	14.8	18.7
Aarti Drugs	23.9	2.9	1.7	12.0	7.0	18.4	12.7	13.1
Divi's Labs*	93.6	29.7	21.9	31.7	23.4	82.5	15.4	20.4

Source: SUPRIYA, SOLARA, NLL, ARTD, DIVI, Choice Institutional Equities

Valuation Metrics

Companies	CMP (INR)	Market Cap (INR Bn)	TTM PE (x)	EV/EBITDA (x)	Debt to Equity (x)	Fixed Asset T/O
Supriya Lifescience	743	60.0	33.6	22.6	0.0	1.6
Solara Active Pharma	541	19.5	303.7	16.8	0.7	1.1
Neuland Labs	17,201	220.7	91.9	78.8	0.1	1.5
Aarti Drugs	475	43.3	21.9	17.4	0.5	2.8
Divi's Labs*	6,534	1,734.6	69.8	46.7	0.0	1.7

Source: SUPRIYA, SOLARA, NLL, ARTD, DIVI, Choice Institutional Equities

**from our coverage universe*

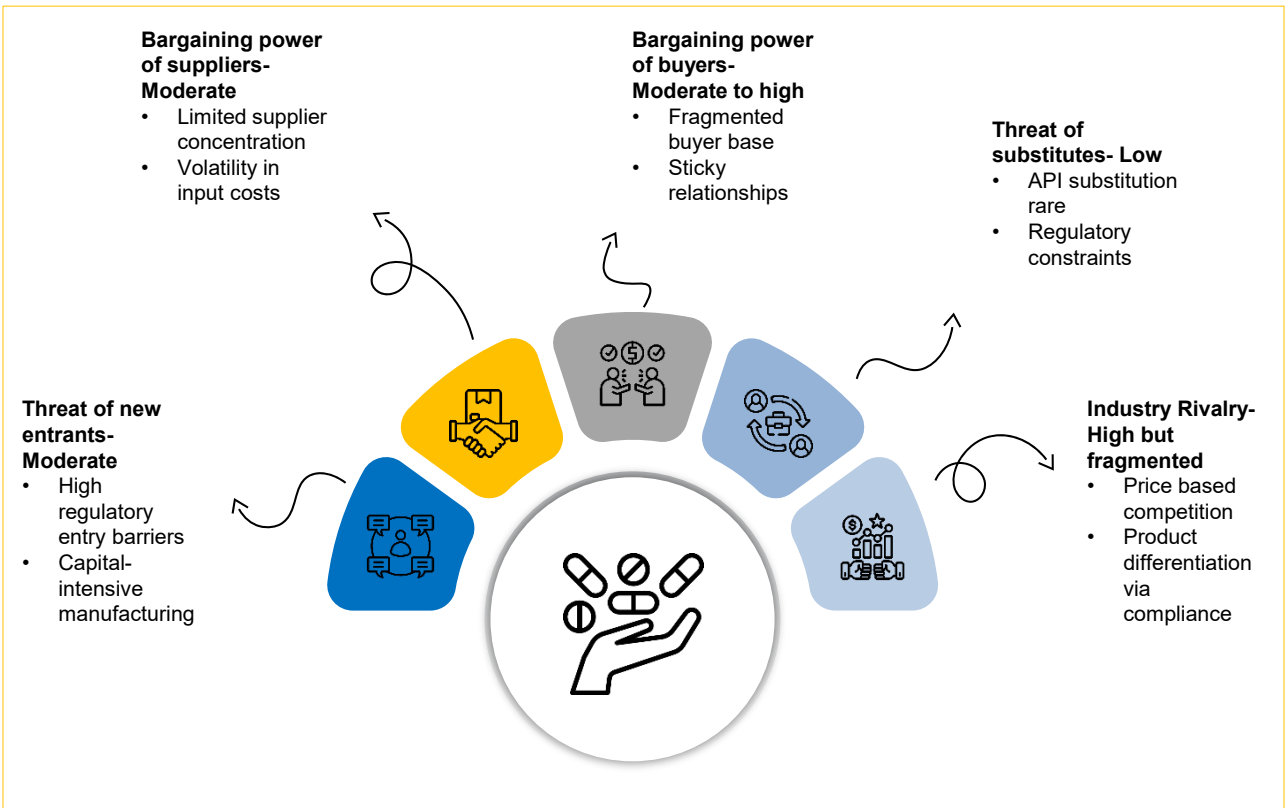
The peer set reflects common participation in the Indian API segment, with Aarti Drugs positioned across APIs and specialty chemicals and Divi's Labs spanning API CDMO and generics, allowing a like-for-like comparison of manufacturing scale, export mix and profitability metrics.

5.2 SWOT Analysis

Our View: Strong niche API leadership and efficient operations create a solid base for CDMO-led growth, though limited backward integration and execution risks remain key challenges.

Source: SUPRIYA, Choice Institutional Equities

5.3 Michael Porter's Five Forces Analysis



Our View: A tightly regulated market with sticky CDMO relationships and complex formulations keeps competitive intensity low.

Source: SUPRIYA, Choice Institutional Equities

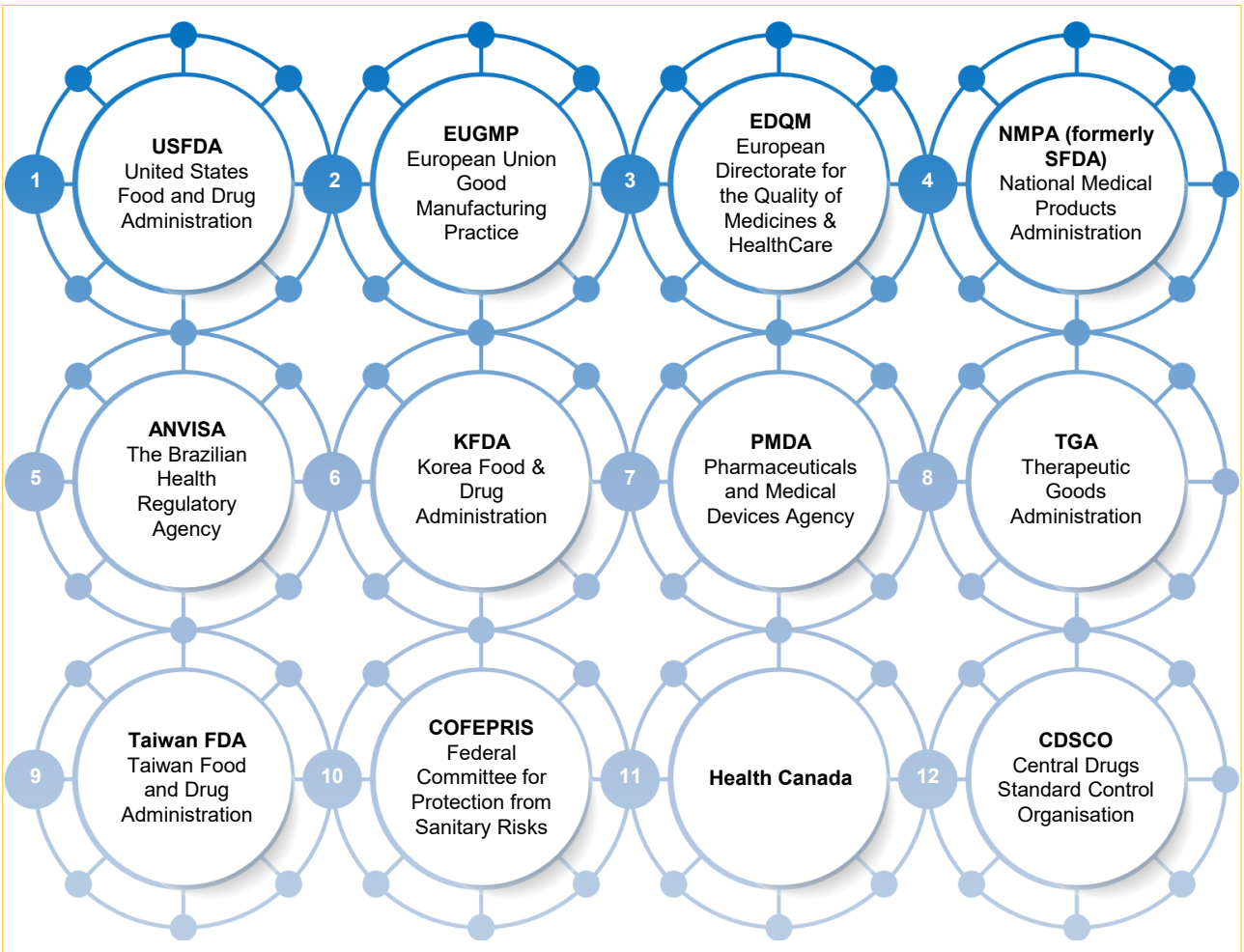
6.1 Introduction

SUPRIYA is a leading manufacturer of specialty and niche APIs with a strong focus on therapies such as antihistamines, anti-allergics, anaesthetics, and CNS-related molecules. With over ***40 years of operating legacy***, the company has built a reputation for process chemistry excellence, regulatory compliance and consistent global supply reliability. It operates through ***EU-GMP, WHO-GMP and NMPA-approved facilities, exporting to 120+ countries*** across Europe, Latin America, Asia and Emerging markets. Backed by aggressive yet disciplined capacity expansion, SUPRIYA is now ***transitioning from an API-led business model to an integrated manufacturing platform,*** with upcoming investments in CDMO services and FDF through its Ambernath facility.

SUPRIYA's manufacturing capabilities

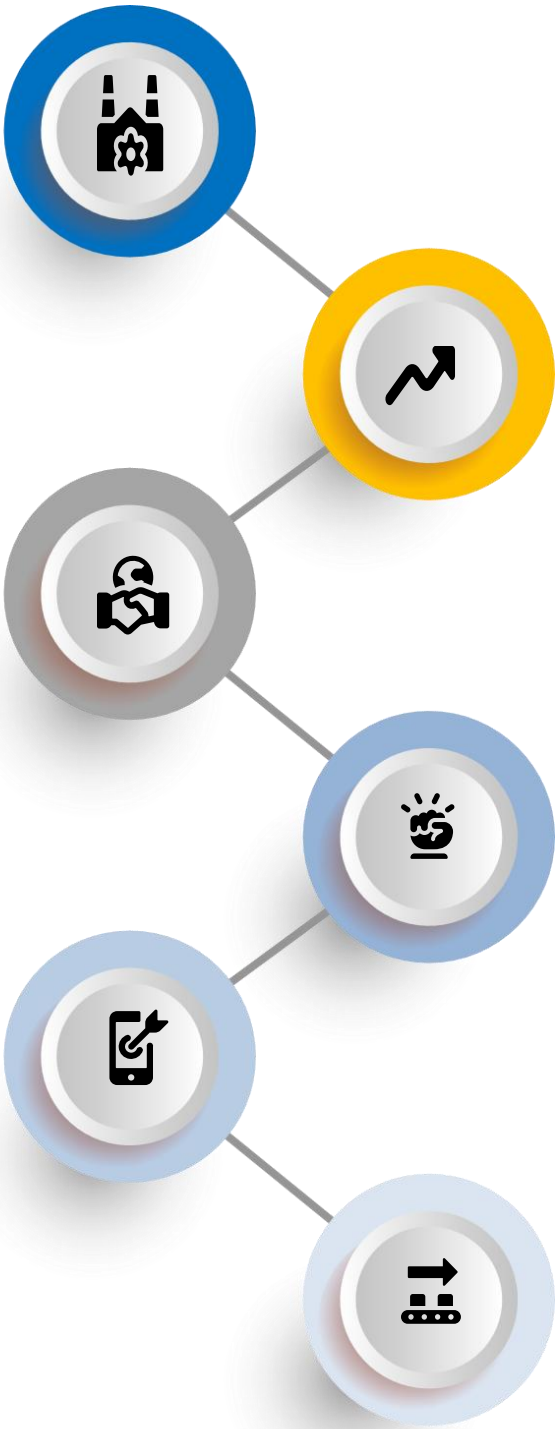
Block	Location	Year of Establishment	Capacity (KLPD)
A	Lote, Parshuram	1993	157
B		1994	195
C		2014	30
D		2021	215
E		2024	335
-	Ambernath	Expected H2FY26	NA

Exhibit 43: Global agencies that have approved SUPRIYA's manufacturing facilities



Source: SUPRIYA, Choice Institutional Equities

6.2 Key Milestones



2008
The company is officially established.

2009-2011
Commenced production and received import drug licenses for key drugs.

2013-2015
Enters new global markets with COFEPRIS, KFDA, EUGMP and EDQM approvals.

2017-2020
Received multiple USFDA approvals, some of which were for second and third time.

2021
Listed on BSE and NSE. Received Health Canada and NMPA approvals.

2024-2025
Commenced operations at new R&D lab in Ambernath and Module E at Lote Parshuram.

Source: SUPRIYA, Choice Institutional Equities

6.3 SUPRIYA's API Operations, Portfolio Depth and Client Base

SUPRIYA's API Operations and Therapeutic Portfolio Overview

- APIs form the core of SUPRIYA's operations, accounting for 100% of current revenue. The company develops, manufactures and supplies pharmacopoeia-compliant APIs to regulated and semi-regulated markets, catering primarily to global generic formulation companies.
- With the commissioning of Module E in FY25, the company's total installed reactor capacity stands at 932 KL, up from 597 KL previously.

Exhibit 44: The API portfolio spans 38+ commercial molecules across multiple therapeutic categories

Therapy Area	Representative Molecules	Primary Use Cases
Analgesic	Paracetamol, Ibuprofen, Morphine	Pain relief, fever reduction
Anaesthetic	Lidocaine, Propofol, Sevoflurane	Local or general anesthesia during procedures
Anti-histamine	Diphenhydramine, Loratadine, Cetirizine	Allergic reactions, hay fever, urticaria
Vitamins	Vitamin C, Vitamin D, Vitamin B12	Nutritional supplementation, deficiency prevention
Anti-asthmatic	Salbutamol, Montelukast, Budesonide	Asthma management, bronchoconstriction relief
Anti-allergic	Cetirizine, Fexofenadine, Loratadine	Allergic rhinitis, urticaria, itching
Cardiovascular	Atorvastatin, Aspirin, Clopidogrel	Cholesterol management, heart attack prevention
Contrast media	Iohexol, Gadopentetate, Barium sulfate	Imaging enhancement for CT, MRI, X-rays
Anti-hypertensive	Lisinopril, Amlodipine, Losartan	High blood pressure management
ADHD	Methylphenidate, Amphetamine salts	Attention deficit hyperactivity disorder

Source: SUPRIYA, Choice Institutional Equities

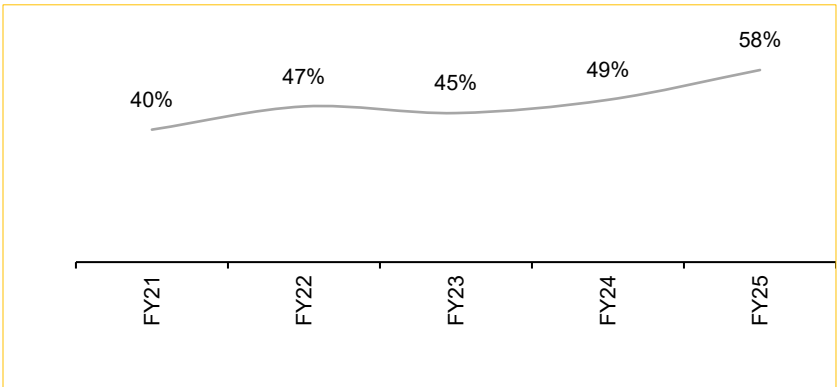
Exhibit 45: SUPRIYA has a strong client base with 1,500+ customers including

Source: SUPRIYA, Choice Institutional Equities

The chart shows contribution of the top ten customers to the revenue.

The company is in plans to reduce its customer concentration with geographical expansion as well as CDMO opportunities.

Exhibit 46: Top-ten Customer Contribution to Revenue



Source: SUPRIYA, Choice Institutional Equities

6.4 Key Growth Strategies of the Company

Two New R&D Centres

SUPRIYA's growth is anchored in R&D, supported by two fully functional labs:

- The 800 sqm Lote Parshuram lab focuses on lifecycle management, backward integration and new product development.
- The Ambernath R&D centre enables the next phase of growth, particularly CDMO opportunities.

CMO/CDMO Space

It has secured a ***10-year CDMO contract*** with a major European player, expected to generate INR 600 Mn peak revenue from FY27. ***Two similar opportunities are in the pipeline***, alongside multiple other prospects under evaluation.

New Markets

SUPRIYA serves 1,500+ customers across 120+ countries. The company is also ***expanding selectively in North America, Japan, Australia and New Zealand*** to strengthen its global footprint.

Capacity Enhancement

SUPRIYA commissioned the Module E production block at Lote Parshuram. The expansion supports deeper backward integration, new product launches and CMO/CDMO growth. Additionally, a formulation facility and dedicated R&D center are being developed at Ambernath to drive innovation-led expansion.

Source: SUPRIYA, Choice Institutional Equities

6.5 Key Managerial Personnel

Name	Designation	Qualification	Experience
 **Dr. Satish Wagh**	Executive Chairman	BSc, Honorary PhD in Entrepreneurship from Faculty of Management Studies	Dr. Wagh has completed his double graduation in Chemistry & Economics and has also been awarded the Prestigious Doctor of Philosophy in Entrepreneurship from The National American University. He has more than 36 years of rich experience in Pharma & Chemical Industry.
 **Dr. Saloni Wagh**	Managing Director	MSc, PhD (Chemistry)	Dr. Saloni Satish Wagh has more than 5 years of experience in Business Operations and Marketing and is involved in company operations.
 **Shivani Wagh**	Joint Managing Director	BMS, Masters in Commerce, Masters in International Business Management	Ms. Shivani Wagh joined the company in 2014. Her expertise spans sales, marketing, business development, and global customer collaborations. She is known for driving revenue growth, strategic execution and building strong customer relationships.
 **Krishna Raghunathan**	CFO	CA, BSc (Zoology)	He has 23+ years of experience in financial management. He has worked with leading organizations such as Granules India Ltd., Dr. Reddy's Laboratories Ltd., and Aptar Group. His extensive industry exposure enables strong strategic, analytical and operational financial leadership.
 **Sushanta Mishra**	Chief Scientific Officer	MSc, PhD in Chemistry	He joined the Company on September 7, 2021, and holds a master's degree in science from Sambalpur University, a master's degree in technology in advance chemical analysis from IIT Roorkee and a PhD in chemistry from Sambalpur University. He has over 15 years of experience in Research & Development.
 **Sreekant Sreedharan**	General Manager	BCom, MBA	He has joined the company on January 4, 2023, and has more than 20 years of experience and has been associated with organizations like Ranbaxy Laboratories, Wockhardt Ltd, Jubilant Generics, Aurore Life science and Exemed Pharmaceuticals.

Financials & Ratios

Income Statement (Consolidated in INR Mn)

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Revenue	5,704	6,965	8,358	10,029	12,537
Gross Profit	3,486	4,853	5,683	6,820	8,525
EBITDA	1,730	2,608	2,800	3,410	4,388
Depreciation	158	204	241	273	353
EBIT	1,572	2,403	2,559	3,137	4,035
Other Income	106	98	125	150	251
Interest Expense	21	17	17	17	17
PBT	1,657	2,485	2,668	3,271	4,269
PAT	1,191	1,880	2,001	2,453	3,202
EPS (INR)	14.8	23.4	24.9	30.5	39.8

Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios (%)					
Revenue	23.7	22.1	20.0	20.0	25.0
Gross Profit	24.5	39.2	17.1	20.0	25.0
EBITDA	34.2	50.7	7.4	21.8	28.7
PAT	32.6	57.8	6.4	22.6	30.5
Margins (%)					
Gross Profit Margin	61.1	69.7	68.0	68.0	68.0
EBITDA Margin	30.3	37.4	33.5	34.0	35.0
PBT Margin	29.1	35.7	31.9	32.6	34.1
Tax Rate	28.1	24.4	25.0	25.0	25.0
PAT Margin	20.9	27.0	23.9	24.5	25.5
Profitability (%)					
ROE	14.6	18.9	16.8	17.2	18.4
ROIC	15.3	19.8	18.9	21.2	22.6
ROCE	19.3	24.1	21.5	22.0	23.2
Financial Leverage (x)					
OCF/EBITDA	0.7	0.6	0.7	0.7	0.7
OCF/Net Profit	1.0	0.9	0.9	0.9	0.9
Debt to Equity	0.0	0.0	0.0	0.0	0.0
Interest Coverage	74.5	142.6	151.8	186.1	239.3
Fixed Asset T/O	1.9	1.6	1.7	1.8	1.7
Working Capital (x)					
Inventory Days	140	205	200	200	200
Debtor Days	71	70	70	70	70
Payable Days	98	129	120	120	120
Cash Conversion Cycle	114	146	150	150	150
Valuation Metrics					
No of Shares (Mn)	80.5	80.5	80.5	80.5	80.5
EPS (INR)	14.8	23.4	24.9	30.5	39.8
BVPS (INR)	101.3	123.8	147.7	177.2	216.0
Market Cap (INR Bn)	59.8	59.8	59.8	59.8	59.8
PE	50.2	31.8	29.9	24.4	18.7
P/BV	7.3	6.0	5.0	4.2	3.4
EV/EBITDA	34.1	22.6	20.7	16.6	12.7
EV/Sales	10.4	8.5	6.9	5.6	4.5

Source: SUPRIYA, Choice Institutional Equities

Balance Sheet (Consolidated in INR Mn)

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Net Worth	8,154	9,968	11,888	14,260	17,382
Borrowings	55	54	54	54	54
Trade Payables	596	745	879	1,055	1,319
Other Non-Current Liabilities	240	283	283	283	283
Other Current Liabilities	171	73	73	73	73
Total Net Worth & Liabilities	**9,214**	**11,123**	**13,177**	**15,726**	**19,111**
Net Block	3,037	4,468	5,018	5,545	7,192
Capital WIP	1,536	1,527	1,527	1,527	1,527
Goodwill & Intangible Assets	17	14	14	14	14
Investments	638	632	632	632	632
Trade Receivables	1,117	1,344	1,603	1,923	2,404
Cash & Cash Equivalents	750	792	1,755	3,163	3,980
Other Non-Current Assets	7	112	112	112	112
Other Current Assets	2,114	2,235	2,517	2,810	3,250
Total Assets	**9,214**	**11,123**	**13,177**	**15,726**	**19,111**

Cash Flows (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Cash Flows from Operations	1,133	1,646	1,851	2,305	2,915
Cash Flows from Investing	(1,736)	(1,522)	(790)	(800)	(2,000)
Cash Flows from Financing	(224)	(82)	(97)	(97)	(97)

DuPont Analysis	FY24	FY25	FY26E	FY27E	FY28E
Tax Burden (%)	71.9	75.6	75.0	75.0	75.0
Interest Burden (%)	105.4	103.4	104.2	104.3	105.8
EBIT Margin (%)	27.6	34.5	30.6	31.3	32.2
Asset Turnover (x)	0.6	0.6	0.6	0.6	0.7
Equity Multiplier (x)	1.1	1.1	1.1	1.1	1.1
ROE (%)	**14.6**	**18.9**	**16.8**	**17.2**	**18.4**

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Large Cap*	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in statis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

***Large Cap: More Than INR 20,000 Cr Market Cap**
***Mid & Small Cap: Less Than INR 20,000 Cr Market Cap**

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