

Retail Research	IPO Note
Sector: Pharmaceuticals	Price Band (Rs): 563 – 593
19 th November 2025	Recommendation: SUBSCRIBE

Sudeep Pharma Ltd.

Company Overview:

Sudeep Pharma Ltd. (SPL) is a manufacturer of excipients and specialty ingredients for the pharmaceuticals, food and nutrition industries. The company has an established presence in both domestic and international markets, including key regions such as the US, South America, Europe, the Middle East, Africa and Asia-Pacific. SPL is the largest producer of food-grade iron phosphate for infant nutrition, clinical nutrition and the F&B sector, in terms of production capacity, with a combined annual manufacturing capacity of 72,246 metric tons as of Jun'25.

Key Highlights:

1. Diversified product portfolio: Since its inception in 1989, the company has expanded its offerings from excipients to a wide variety of over 100 products in the pharmaceuticals, food and nutrition industries. The company's business is structured into two verticals: (1) Pharmaceuticals, food and nutrition and (2) Specialty ingredients. Pharmaceuticals product portfolio includes key mineral salts such as calcium, zinc, iron, potassium, magnesium, sodium, and copper which are integral to a range of health-focused applications. The specialty ingredients vertical offers products including encapsulated preservatives, such as sorbic acid and calcium propionate which are used in baked goods to prolong shelf life and prevent microbial growth. The wide product portfolio results in market leadership in a high barrier industry.

2. Strong clientele: The company has an expansive global customer network across the pharmaceuticals, food and nutrition, and FMCG sectors. The company enjoys long-term relationship with clients across the world with an average tenure of its relationship with the five largest customers of 7.1 years as of Jun'25. SPL's clientele includes companies such as Pfizer, Mankind Pharma, Merck Group, Alembic Pharma, Cadila Pharma among others.

3. Manufacturing capabilities: SPL operates 4 manufacturing facilities with 3 facilities in Gujarat and 1 in Ireland. Two of its manufacturing facility in Gujarat are dedicated to manufacture pharmaceuticals and food-grade minerals, while another facility produces specialty ingredients for food and nutrition industry. The company has received an aggregate of 35 global accreditations and certifications, including 10 product-specific regulatory approvals as of Jun'25. In Mar'24, its largest manufacturing facility (Nandesari Facility I) was approved by the USFDA for the manufacturing of mineral-based ingredients. The company has developed in-house technologies for processes such as encapsulation, spray drying, granulation, trituration, liposomal preparations and blending in order to drive innovation while adhering to stringent quality and safety standards in the industry. SPL is in the process of establishing a manufacturing facility with a proposed annual production capacity of 51,200 MT, expected to become operational by 4QFY26.

4. Strong R&D capabilities: As of Jun'25, the company operates two R&D facilities with a dedicated team of 41 personnel which focuses on R&D efforts such as particle engineering, extending product shelf life, enhancing nutrient bioavailability and addressing formulation challenges. The facilities are equipped with advanced machinery including fluidized bed coaters, spray dryers, tablet compression machines and blenders, that enable the company to refine the production technologies, improve sustainability and expand its product portfolio.

Valuation: Sudeep Pharma is one of the largest manufacturers of excipients and specialty ingredients catering to diverse industries. SPL's manufacturing facilities are approved by global institutions with one of its manufacturing facilities approved by the USFDA resulting in wider market reach. The company is in the process of establishing a manufacturing facility (51,200 MT - ~71% of the current capacity) to cater to the increasing demand. Furthermore, it plans to expand into key minerals required for high-growth businesses in the EV and BESS segment aiding in margin expansion. Over the last three years, SPL has delivered Sales/EBITDA/PAT CAGR of 8%/46%/49% respectively. At upper price band, the stock is trading at P/E multiple of 48.3x, based on post-issue capital. Given SPL's leadership in the niche segment and future foray into high-growth businesses, we expect healthy profit growth aided by margin expansion. We recommend investors to SUBSCRIBE to the issue at the cut-off price.

Issue Details	
Date of Opening	21 st November 2025
Date of Closing	25 th November 2025
Price Band (Rs)	563 – 593
Issue Size (Rs cr)	895
Fresh Issue (Rs cr)	95
Offer for Sale (Rs cr)	800 @ UB
No. of shares (@ upper band)	1,50,92,750
Face Value (Rs)	1
Post Issue Market Cap (Rs cr)	6,364 – 6,698
BRLMs	ICICI Securities Ltd., IIFL Capital Services Ltd.
Registrar	MUFG Intime India Pvt. Ltd.
Bid Lot	25 shares and in multiple thereof
QIB shares	50%
Retail shares	35%
NIB shares	15%

Objects of Issue	
	Estimated utilization from net proceeds (Rs cr)
Capital expenditure towards procurement of machinery for the production line located at Nandesari Facility I	75.8
General corporate purposes*	-
Total proceeds from fresh issue*	-

**To be finalised upon determination of the Offer Price and updated in the Prospectus prior to the filing of the Prospectus with the RoC. The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	9,95,03,523	89.4
Public & Others	1,18,43,079	10.6
Total	11,13,46,602	100.0

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	8,60,12,797	76.2
Public & Others	2,69,35,829	23.8
Total	11,29,48,626	100.0

Selling shareholders through OFS	Classification	Number of shares @UB
Sujit Jaysukh Bhayani	Promoter	35,67,670
Sujeet Jaysukh Bhayani HUF	Promoter	84,18,856
Shanil Sujit Bhayani	Promoter	7,50,000
Avani Sujit Bhayani	Promoter	7,54,200
Total		1,34,90,726

Source: RHP, SSL Research

Key Financials

Particulars (Rs cr)	FY23	FY24	FY25	1QFY26
Revenue from Operations	429	459	502	125
EBITDA	89	182	190	44
PAT	62	133	139	31
EBITDA Margin (%)	20.8	39.6	37.8	35.1
PAT Margin (%)	14.5	29.0	27.6	25.0
RoE (%)	27.9	37.4	28.1	-
RoCE (%)	29.7	41.5	30.0	-
P/E (x)*	105.9	49.6	47.6	-
P/BV (x)*	29.6	18.5	13.4	-
Total Debt / Equity	0.4	0.2	0.3	0.2

Source: RHP, SSL Research

*Note: Pre-issue P/E (x) and P/BV (x) based on upper price band;

Risk Factors

- **Revenue concentration:** SPL derives a substantial portion of its revenue from the top 5 customers (~34%/~30% in 1QFY26/FY25). Any loss of such customers or decline in demand may have an adverse impact on the business.
- **Regulatory risk:** The company's manufacturing facilities are subject to periodic inspections and audits by the regulators and customers. Any manufacturing or quality control problems may result in regulatory actions or revocation of certifications and approvals from global authorities like the USFDA. This may negatively impact the business operations.
- **Geographical risk:** Three of its manufacturing facilities and one of the R&D facilities are located in a single region, Vadodara, Gujarat. Any adverse developments in the region may impact operations.
- **R&D delays:** The company must develop, test and manufacture new products which must meet regulatory standards and receive requisite regulatory approvals. Developing new products may take a prolonged period of time and there may be delays associated with the regulatory approval process for such products. Thus, cost ramp-up or delay in product developments may hinder planned business strategies.
- **Supply-chain disruption:** The company relies on third-party suppliers for the supply of raw materials such as mineral calcium, phosphoric acid and sorbic acid. It may experience unanticipated increase in the cost of raw materials due to fluctuations in supply and demand in the domestic and international raw material markets which may adversely impact operations.

Growth Strategies

- Expand into high-growth businesses of minerals required for EV and BESS applications.
- Expand market reach through expansion in regulated markets by leveraging USFDA-approved capabilities.
- Capitalize on government-led public health initiatives for large-scale fortification.
- Develop customized solutions and enter into strategic partnerships to drive growth.
- Enhance manufacturing capabilities.

Product Offerings

Pharma Food and Nutrition

- Lubricants
- Fillers
- Diluents
- API
- Mineral Actives & Fortificants
- Anti-Caking Agents
- Preservatives
- pH Regulators

Speciality Ingredients

- Micro-nutrient Premixes
 - Staple Fortification Premixes
 - Infant Nutrition Premixes
 - Sports Nutrition Premixes
 - Clinical Nutrition Premixes
 - Food and Beverage Premixes
- Liposomal Ingredients
- Encapsulated Ingredients
- Spray Dried Ingredients
- Granulated Ingredients
- Triturates

Source: RHP, SSL Research

Global Clientele



Source: RHP, SSL Research

Manufacturing Capacity

Particulars	FY23	FY24	FY25	1QFY26*
Manufacturing Facility I				
Annual installed capacity (MT)	25,920	36,360	36,360	9,090
Actual production volume (MT)	18,258	18,405	21,834	4,720
Capacity utilization (%)	70.4%	50.6%	60.1%	51.9%
Manufacturing Facility II				
Annual installed capacity (MT)	3,037	3,240	3,240	810
Actual production volume (MT)	1,320	1,770	1,604	455
Capacity utilization (%)	43.5%	54.6%	49.5%	56.1%
Manufacturing Facility III				
Annual installed capacity (MT)	34,176	34,176	34,176	8,544
Actual production volume (MT)	2,172	6,936	9,771	2,192
Capacity utilization (%)	6.4%	20.3%	28.6%	25.7%
Manufacturing Facility IV**				
Annual installed capacity (MT)	-	-	-	813
Actual production volume (MT)	-	-	-	347
Capacity utilization (%)	-	-	-	42.7%
Total				
Annual installed capacity (MT)	63,133	73,776	73,776	19,257
Actual production volume (MT)	21,750	27,111	33,209	7,714
Capacity utilization (%)	34.5%	36.7%	45.0%	40.1%

*Not Annualized; **NSS became a Material Subsidiary of the company w.e.f. May 22, 2025; Source: RHP, SSL Research

Client-wise Revenue Concentration

Particulars	FY23		FY24		FY25		1QFY26	
	Rs cr	as % of revenue	Rs cr	as % of revenue	Rs cr	as % of revenue	Rs cr	as % of revenue
Largest customer	50	11.6	42	9.1	41	8.2	18	14.6
Top 5 customers	149	34.8	124	27.1	149	29.8	45	34.1
Top 10 customers	184	43.0	162	35.3	205	40.8	53	42.1

Source: RHP, SSL Research

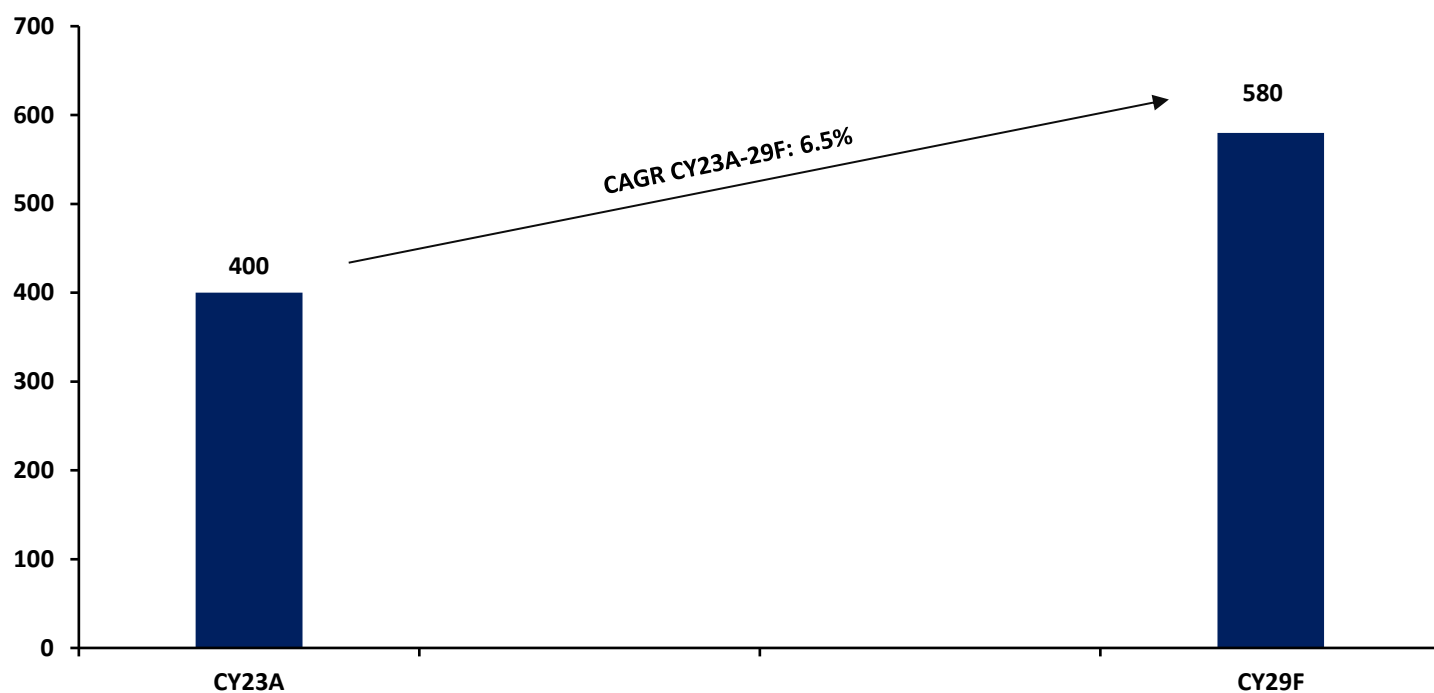
Geography-wise Revenue Split

Particulars	FY23		FY24		FY25		1QFY26	
	Rs cr	as % of revenue	Rs cr	as % of revenue	Rs cr	as % of revenue	Rs cr	as % of revenue
Asia-Pacific	73	17.1	95	20.6	72	14.3	17	13.9
Europe	66	15.5	50	10.8	48	9.6	22	17.5
India	135	31.6	163	35.5	204	40.7	52	41.3
Middle East and Africa	24	5.5	21	4.5	43	8.6	10	8.1
North America	110	25.8	105	22.9	116	23.2	20	15.9
Others	20	4.6	26	5.7	18	3.6	4	3.3
Revenue from operations	429	100.0	459	100.0	502	100.0	125	100.0

Source: RHP, SSL Research

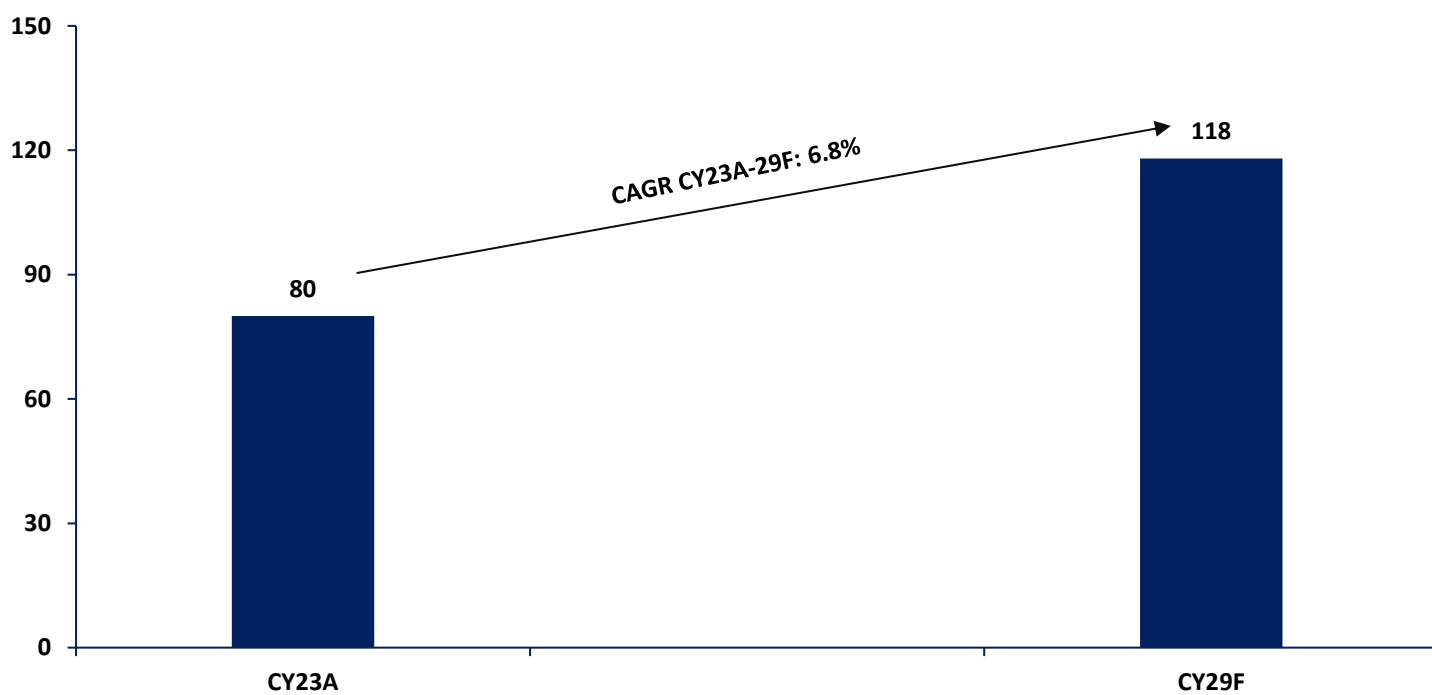
Industry Overview

Global Food Ingredient Market by Value, CY23A-29F (in USD bn)

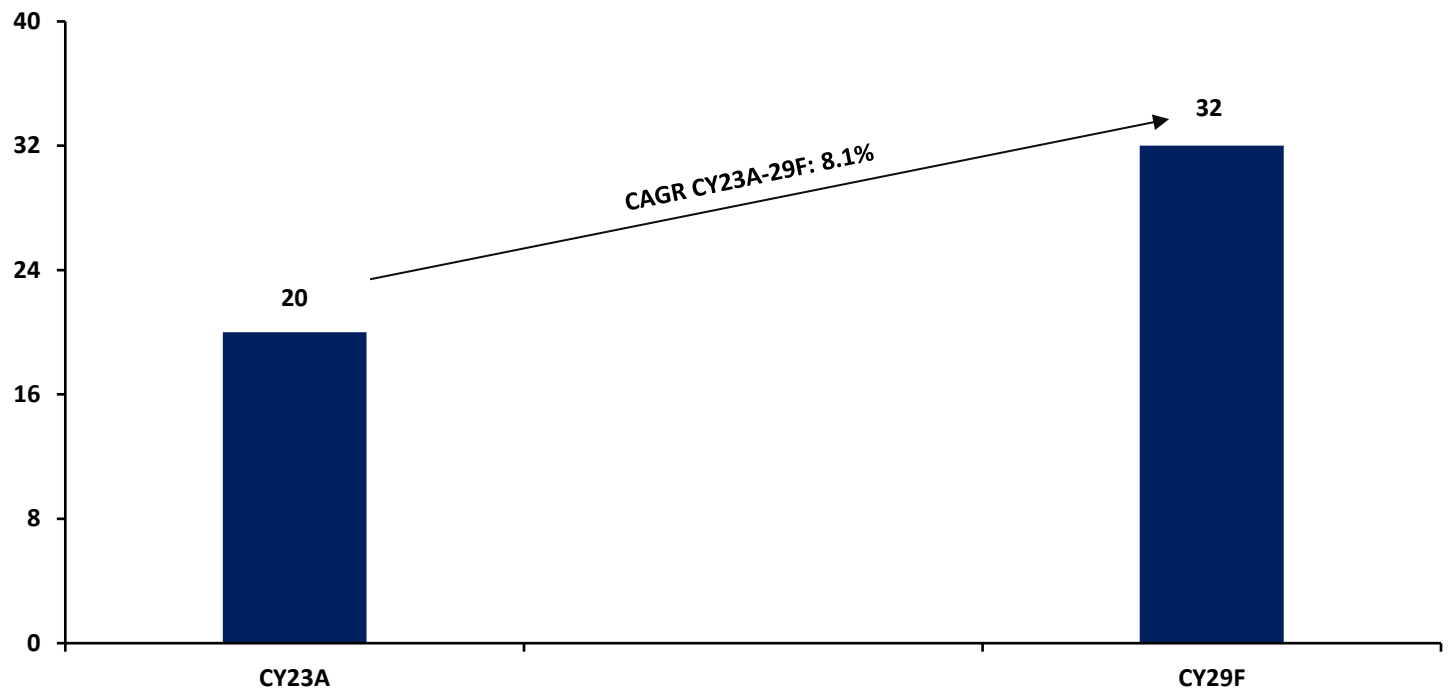


Source: RHP, SSL Research

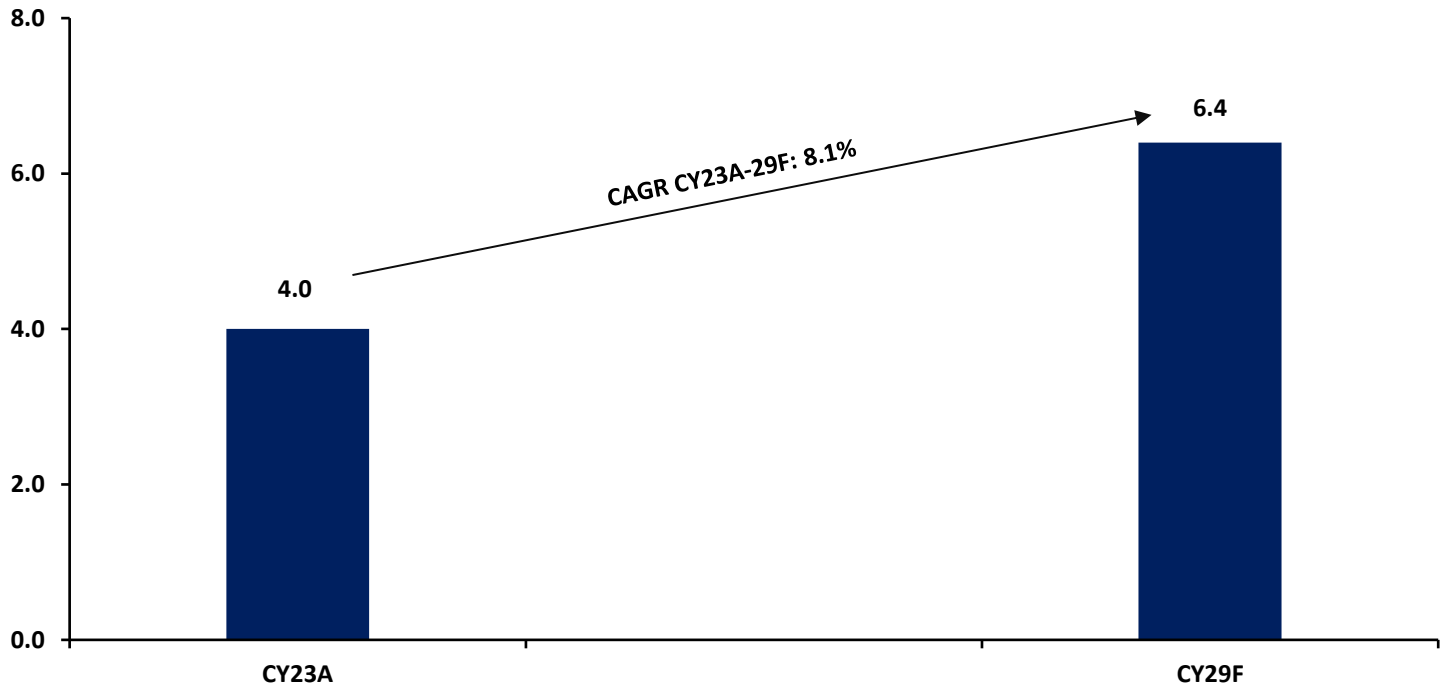
Global Specialty Food Ingredient Market by Value, CY23A-29F (in USD bn)



Source: RHP, SSL Research

India Food Ingredient Market by Value, CY23A-29F (in USD bn)

Source: RHP, SSL Research

India Specialty Food Ingredient Market by Value, CY23A-29F (in USD bn)

Source: RHP, SSL Research

Financial Snapshot

INCOME STATEMENT				
Particulars (Rs cr)	FY23	FY24	FY25	1QFY26
Revenue from Operations	429	459	502	125
YoY growth (%)	-	7.1%	9.3%	-
COGS (incl Stock Adj)	182	165	165	42
Gross Profit	246	294	337	83
Gross margins (%)	57.4%	64.0%	67.2%	66.1%
Employee Cost	66	29	38	12
Other Operating Expenses	91	83	109	26
EBITDA	89	182	190	44
EBITDA margins (%)	20.8%	39.6%	37.8%	35.1%
Other Income	10	6	9	5
Interest Exp.	5	4	6	2
Depreciation	8	9	11	3
PBT	86	175	183	44
Exceptional item	-	-	-	-
Tax	24	42	44	13
PAT	62	133	139	31
PAT margin (%)	14.5%	29.0%	27.6%	25.0%
EPS (Rs)	5.6	12.0	12.5	2.8

BALANCE SHEET				
Particulars (Rs cr)	FY23	FY24	FY25	1QFY26
Assets				
Net Block	149	167	177	226
Capital WIP	26	45	88	110
Intangible Assets	0	0	0	0
Goodwill	-	-	-	69
Right of use assets	8	13	12	12
Other Non-current Assets	6	14	16	25
Current Assets				
Current Investment	3	0	0	0
Inventories	71	67	129	158
Trade receivables	94	145	185	188
Cash and Bank Balances	10	14	52	58
Short-term loans and advances	1	1	0	0
Other Current Assets	51	49	58	77
Total Current Assets	230	275	424	481
Current Liabilities & Provisions				
Trade payables	38	51	60	60
Other current liabilities	62	15	17	21
Short-term provisions	8	7	1	1
Total Current Liabilities	108	73	78	81
Net Current Assets	122	203	346	399
Assets Classified as held for sale	-	-	-	-
Total Assets	312	441	639	841
Liabilities				
Share Capital	1	1	10	10
Reserves and Surplus	222	355	483	671
Total Shareholders' Funds	223	356	493	681
Minority Interest	-	-	-	13
Total Debt	82	75	135	136
Long Term Provisions	0	1	2	2
Lease Liabilities	1	3	2	2
Other Long-Term Liabilities	-	-	-	-
Net Deferred Tax Liability	5	6	6	7
Total Liabilities	312	441	639	841

Cash Flow Statement (Rs cr)	FY23	FY24	FY25	1QFY26
Cash flow from Operating Activities	48	66	49	(5)
Cash flow from Investing Activities	(50)	(49)	(79)	(151)
Cash flow from Financing Activities	(10)	(13)	53	158
Free Cash Flow	1	16	(16)	(20)

RATIOS			
Particulars	FY23	FY24	FY25
Profitability			
Return on Assets	14.8%	25.9%	19.3%
Return on Capital Employed	29.7%	41.5%	30.0%
Return on Equity	27.9%	37.4%	28.1%
Margin Analysis			
Gross Margin	57.4%	64.0%	67.2%
EBITDA Margin	20.8%	39.6%	37.8%
Net Profit Margin	14.5%	29.0%	27.6%
Short-Term Liquidity			
Current Ratio (x)	1.3	2.0	2.4
Quick Ratio (x)	0.9	1.5	1.7
Avg. Days Sales Outstanding	80	115	135
Avg. Days Inventory Outstanding	142	147	285
Avg. Days Payables	41	67	71
Fixed asset turnover (x)	2.9	2.7	2.8
Debt-service coverage (x)	1.0	2.3	1.3
Long-Term Solvency			
Total Debt / Equity (x)	0.4	0.2	0.3
Interest Coverage Ratio (x)	19.1	45.6	32.3
Valuation Ratios*			
EV/EBITDA (x)	74.9	36.7	35.2
P/E (x)	105.9	49.6	47.6
P/B (x)	29.6	18.5	13.4
EV/Sales (x)	15.6	14.5	13.3
P/Sales (x)	15.4	14.4	13.2

*Valuation ratios are based on pre-issue capital at the upper price band

Source: RHP, SSL Research

Peer Comparison – Financials (FY25)

Sudeep Pharma Ltd. does not have any listed like-to-like industry peers in India.

SBICAP Securities Ltd.

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SEBI Registration No.: Stock Broker: INZ000200032 | CDSL: IN-DP-314-2017 | NSDL: IN-DP-NSDL-369-2014 | Research Analyst: INH000000602

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