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PRABHUDAS LILLADHER

INITIATING COVERAGE
April 2026

Sudeep Pharma (SUDEEPPH IN)

The Kinetic Story

Rating: REDUCE | CMP: INR 682 | TP: INR 638

Swarnendu Bhushan
swarnendubhushan@plindia.com
+91-22-66322260

Saurabh Ahire
saurabhahire@plindia.com
+91-22-66322537

Tejas Kadam
tejaskadam@plindia.com
+91-22-66322556

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RATING REDUCE | CMP INR 682 | TP INR638

Initiating Coverage

Sudeep Pharma (SUDEEPPH IN)

April 23, 2026

Key Data

Key Data	SUDP.BO | SUDEEPPH IN
BSE Code	544619
NSE Code	SUDEEPPHRM
52-W High / Low	INR 795 / INR 524
Face Value	1
Sensex / Nifty	76,664 / 23,898
Market Cap	INR 77 bn / $ 817 mn
Shares Outstanding	112.95 mn
3M Avg. Daily Value	INR 67.89 mn

Shareholding Pattern (%)

Promoters	76.15
FIIs	1.55
Mutual Funds	6.19
Domestic Institutions	11.92
Public & Others	4.18
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	9.5	21.6	-	-
Relative	5.7	29.3	-	-

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (INR mn)	5,020	6,394	7,276	8,217
EBITDA (INR mn)	1,900	2,206	2,509	2,833
Margin (%)	*37.8*	*34.5*	*34.5*	*34.5*
PAT (INR mn)	1,387	1,581	1,762	1,939
EV (INR mn)	67,273	67,759	67,819	67,639
Total Debt (INR mn)	1,353	2,100	2,200	2,400
C&C Eq. (INR mn)	368	630	669	1,050
EPS (INR)	14.3	16.3	18.1	19.9
Gr. (%)	*(84.9)*	*14.0*	*11.4*	*10.0*
DPS (INR)	-	-	-	-
Yield (%)	-	-	-	-
RoE (%)	*32.7*	*27.6*	*23.8*	*21.0*
RoCE (%)	*33.9*	*27.6*	*23.9*	*21.7*
EV/Sales (x)	13.4	10.6	9.3	8.2
EV/EBITDA (x)	35.4	30.7	27.0	23.9
PE (x)	47.8	41.9	37.6	34.2
P/BV (x)	13.4	10.2	8.0	6.5

The Kinetic Story

Quick Pointers

- Foray into battery-grade iron phosphate, to set up 100,000mtpa of capacity in phases
- Pharma, Food & Nutrition capacity expansion by 51,200mtpa to drive volume growth

Valuing Sudeep Pharma (SUDEEPPH) at 32x, we initiate coverage on the stock with 'REDUCE' rating. A niche player in the mineral ingredients space, SUDEEPPH has 2 product segments: Pharma, Food & Nutrition (~65% of total revenue) and Specialty Ingredients. The Specialty Ingredients portfolio accelerated in 2021 with the launch of 4 more technologies, resulting in further downstream value addition. Banking upon its experience in food-grade iron phosphate, the company is foraying into battery-grade precursor to cathode active material (pCAM) iron phosphate, with INR5bn capex for total capacity of 100,000mtpa coming up in phases starting early 2027. Led by volume growth, we expect revenue to clock 18% CAGR during FY25-28E. EBITDA is likely to clock 14% CAGR during FY25-28E. RoE is likely to decline, but remain at around ~20%. We expect EPS CAGR of 12%. Initiate with 'REDUCE', valuing it at 32x FY28 EPS with a target price of Rs638.

Global excipients market is projected to grow at 4.6% CAGR and Indian market, at 11% CAGR during 2024-29. India imports >80% of excipients from countries like China, the US, Europe, Japan and Korea. Declining nutritional value in agricultural produce and lifestyle changes are resulting in strong demand for food fortification. Thus, both global and Indian vitamins and minerals markets are expected to grow at ~7% CAGR through 2024-29.

Expansions to drive growth: SUDEEPPH plans to expand Pharma, Food & Nutrition (PFN) from 35,000mtpa to 86,200mtpa by end of FY26. With this, we expect segmental revenue to clock 15% CAGR in FY26-28E. Existing capacity of 30,000mtpa in India is low on utilization, which leaves scope for volume growth. We expect Specialty Ingredients (SI) to grow at 10% CAGR during FY26-28E.

Foray into battery-grade iron phosphate: SUDEEPPH already has 15,000mtpa fungible food-grade iron phosphate capacity. It intends to establish total 100,000mtpa capacity for battery-grade iron phosphate in 4 phases, starting early 2027, at a total cost of INR5bn. It has already completed a pilot for the same and sent samples to clients for qualification. We estimate option value of INR243 for this segment.

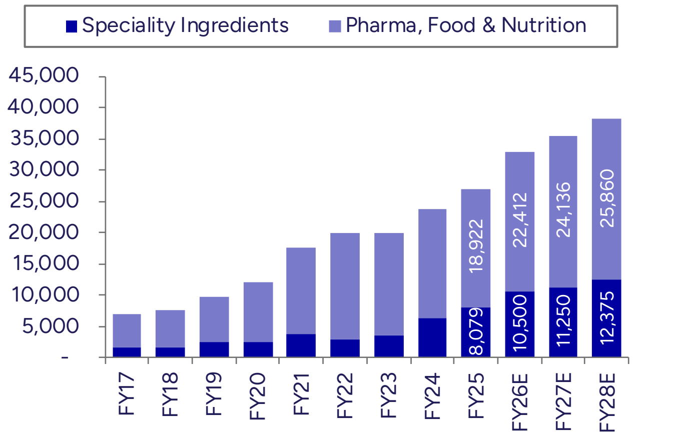
Swarnendu Bhushan
swarnendubhushan@plindia.com | +91-22-66322260

Saurabh Ahire
saurabhahire@plindia.com | +91-22-66322537

Tejas Kadam
tejaskadam@plindia.com | +91-22-66322556

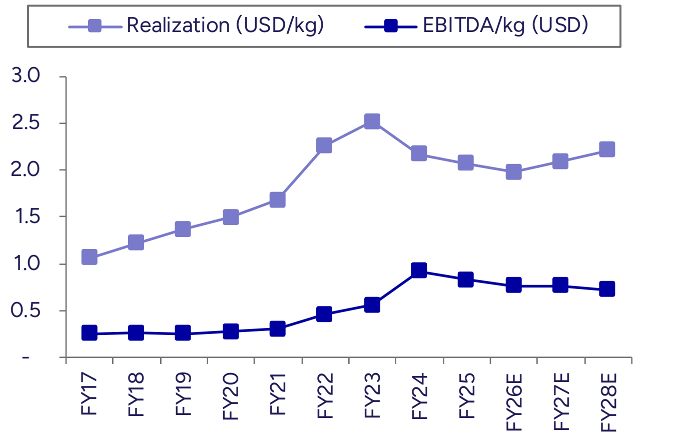
Story in Charts

Exhibit 1 : Volumes to grow 17% CAGR in FY25-28E (mt)



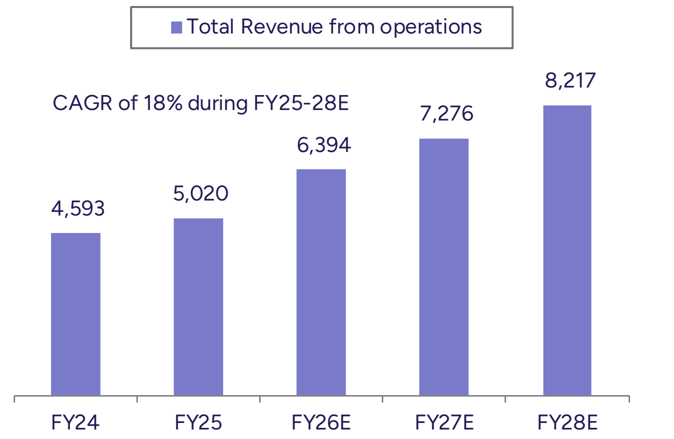
Source: Company, PL

Exhibit 2 : Building conservative realization & EBITDA/kg



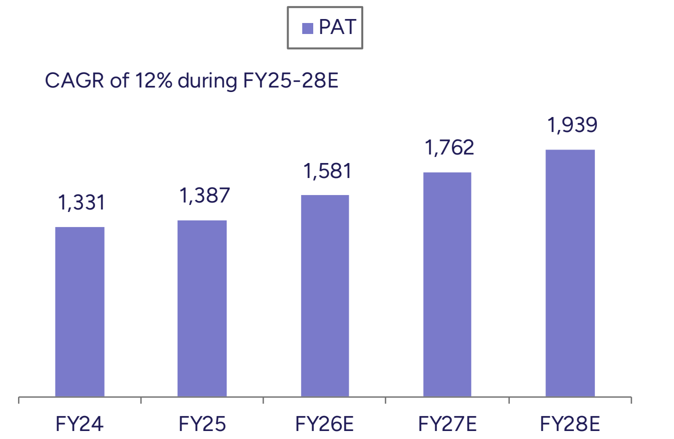
Source: Company, PL

Exhibit 3 : Sales CAGR est at 18% in FY25-28E (INR mn)



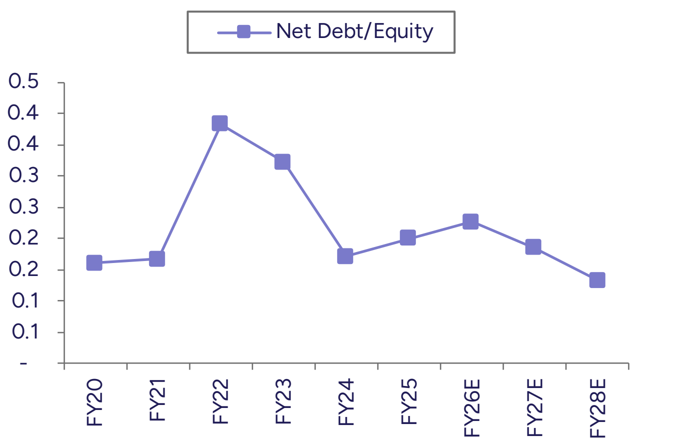
Source: Company, PL

Exhibit 4 : PAT CAGR estimated at 12% in FY25-28E (INR mn)



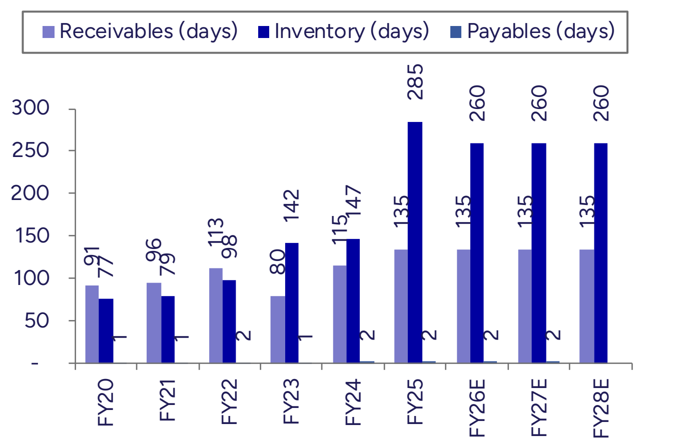
Source: Company, PL

Exhibit 5 : Net debt/equity to remain low



Source: Company, PL

Exhibit 6 : Working capital days to remain high



Source: Company, PL

Company Background

BS in chemistry from the University of Tulsa and master's from the University of Wisconsin–Madison

Mr. Sujit Bhayani founded Sudeep Pharma in 1989 with 2 products and 1 manufacturing plant.

The company supplies 100+ products and has 3 manufacturing plants in India with total manufacturing capacity of 65,000mtpa. It added 7,500mtpa capacity post acquiring 85% stake in NSS, in May'25.

At 15,000mtpa, it has one of the largest global capacities for manufacturing food-grade iron phosphate.

Further, it is adding 51,200mtpa of capacity in Pharma, Food & Nutrition by FY26 end. It has also developed battery-grade iron phosphate and plans to set up 100,000mtpa capacity, in 4 phases, starting early 2027.

The German player, JRS bought 50% stake in SUDEEPPH in 2015, where the two companies were to collaborate on their expertise in excipients and manufacturing. However, there were certain non-compete clauses, restricting growth. The promoters acquired JRS's shares fully in 2024, paving the way for growth.

Three lines of businesses

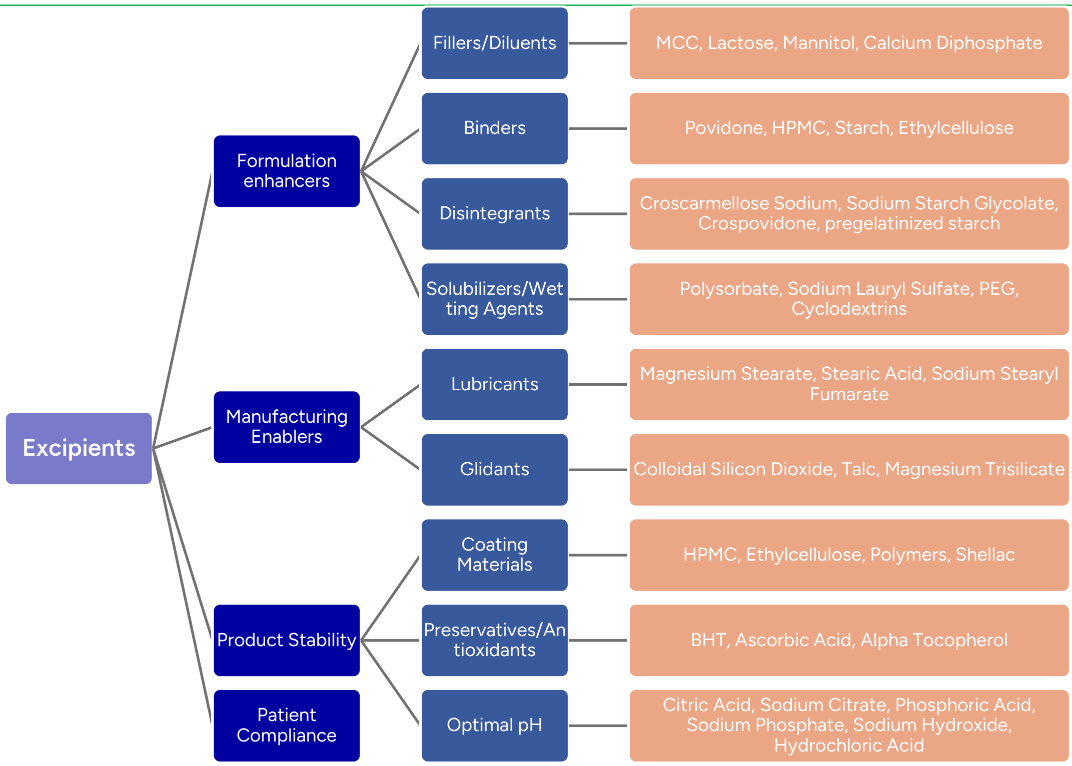
SUDEEPPH has 2 segments as of now: Pharma, Food & Nutrition, and Specialty Ingredients.

The company has already been producing food-grade iron phosphate. Capitalizing on its expertise amid the emerging demand for battery chemicals value chain ex-China, SUDEEPPH has successfully developed battery-grade iron phosphate. It has developed a 200kg/day pilot plant for the same and sent samples for customer qualification. Starting early 2027, a total of 100,000mtpa capacity is planned. This will be the third line of business for the company.

Segment 1: Pharma, Food & Nutrition

- In Pharma segment, SUDEEPPH primarily manufactures excipients. Excipients form 80-90% of the mass of a drug. The rest of the drug is the active pharmaceutical ingredient (API), the most important part, but is incomplete and ineffective without excipients.
- Excipients have multiple important roles to play. For example, they improve the bioavailability of drugs through controlled or targeted release. They increase the chemical as well as physical stability of drugs. Further, they help in manufacturing process through improved flow characteristics etc.
- Excipients can be divided into 4 categories: formulation enhancers, manufacturing enablers, product stability, and patient compliance.
    - Each category is further divided into multiple sub-categories (Exhibit 7). For example, excipients could be used as fillers or diluents for drugs. The largest filler is microcrystalline cellulose (MCC). MCC is plant derived and SUDEEPPH is currently not into this segment. SUDEEPPH manufactures fillers like calcium carbonate ($CaCO_3$) and dibasic calcium phosphate (DCP). It also manufactures lubricants like magnesium stearate.

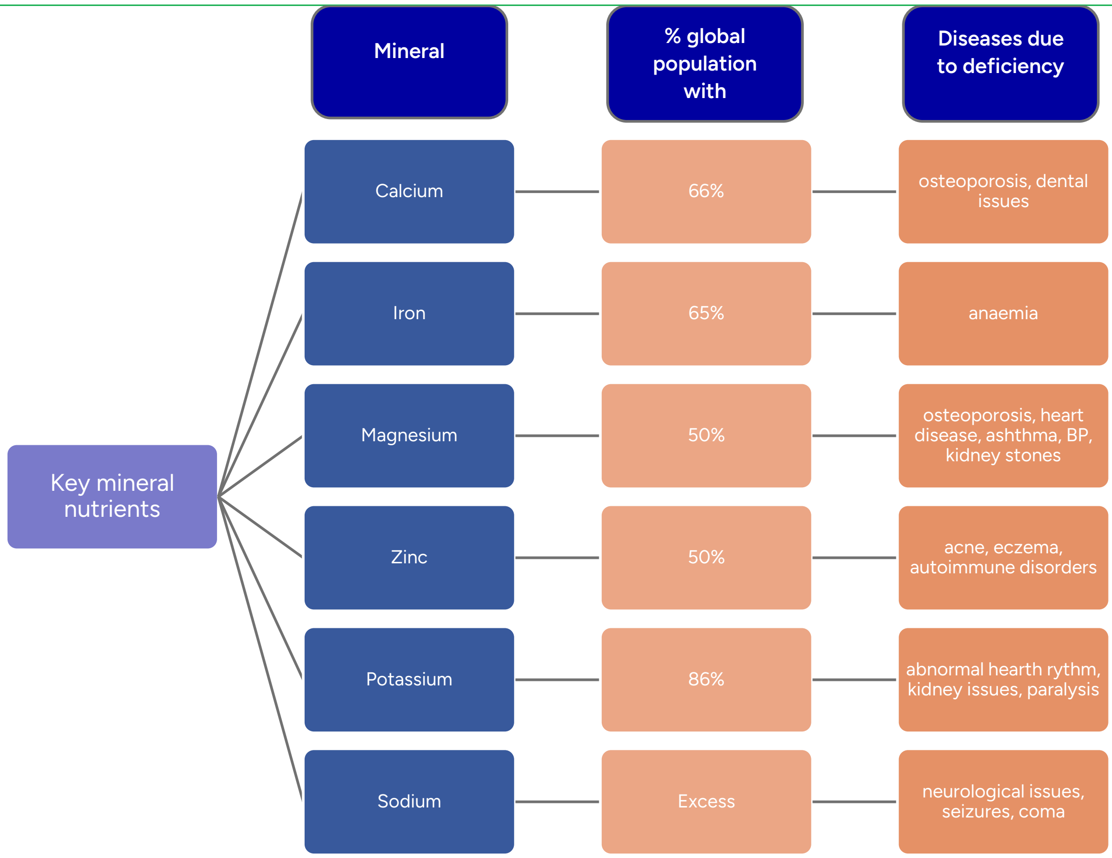
Exhibit 7 : Types of excipients



Source: Company, PL

- In Food & Nutrition, SUDEEPPH produces derivatives of 6 minerals: calcium, iron, magnesium, zinc, sodium and potassium. These derivatives are used for food fortification.
    - Due to lack of proper nutrients in the soil, plant produce may lack adequate nourishment. This can be further aggravated by loss of nutrients during processing. With age also, physiological changes limit body's capacity to absorb nutrients, calling for higher dosage.
    - Nutrient deficiency can cause damage to human body. For example, calcium deficiency could lead to weak bones and teeth. Lack of iron could lead to anaemia. Low levels of potassium could result in kidney issues and even paralysis.
    - Although sodium is the only nutrient that is available in excess in global population on an aggregate basis, it is needed to treat dehydration for example.
- The company has a total of 35,000mtpa capacity for producing derivatives. Utilization rate of this segment stood at ~70% in 9MFY26.
    - Of this, 15,000mtpa capacity is for infant-grade iron phosphate. The capacity is fungible across products.
- The company is adding 51,200mmtpa capacity in this segment by FY26-end at a cost of INR1.5bn.
    - Of this, 15,000mtpa is for infant-grade iron phosphate, taking total iron phosphate capacity to 30,000mtpa post expansion.
- The company is certified by USFDA for manufacturing mineral ingredients. Further, it is the only Indian company and among 9 globally to be certified by the Council of Europe to sell CaCO3 as API.

Exhibit 8 : % of global population with diseases due key mineral deficiency

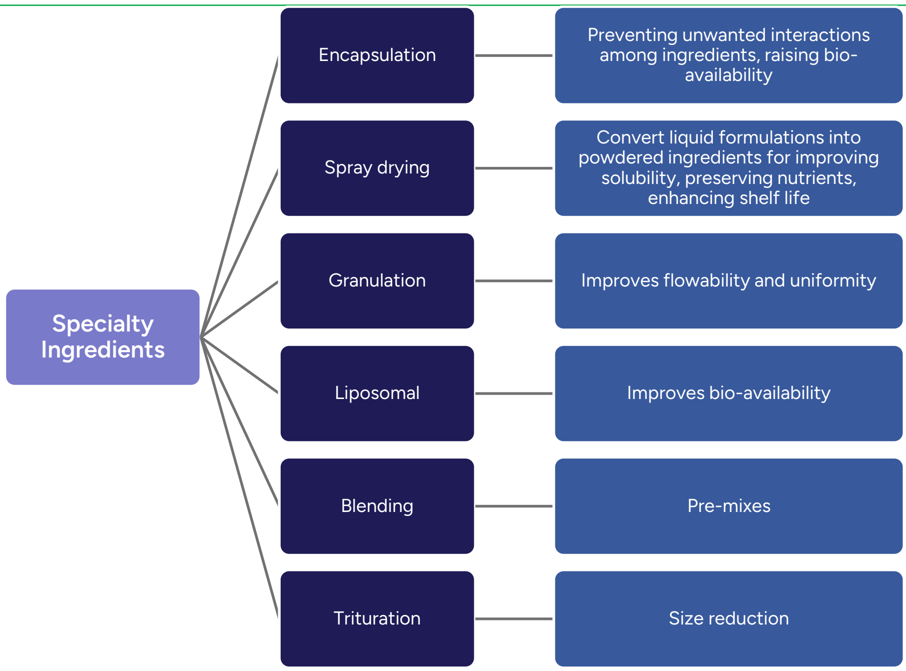


Source: Company, PL

Segment 2: Specialty Ingredients

- Advanced processes have been adopted to address issues of stability, bioavailability, interaction with other ingredients, etc., delivering the final form of the product.
- For example, fish oil, a rich source of omega-3 fatty acids, has a fishy odor and taste. To make it more palatable, it is spray-dried and then encapsulated with whey protein or gum arabic.
- Another example is energy bars, wherein nutrients are triturated (size reduction) with a carrier like lactose or maltodextrin, to achieve precise dosing and uniform dispersion and to avoid clumping.
- Double fortification of salt with iron and iodine requires care as iodine can react with iron, sublime and then escape. Additionally, iron may hydrolize and change color, making it seem less palatable. These issues can be avoided by encapsulating either iron or iodine, thereby separating them physically within the salt mass.
- The company has a total capacity of 30,000mtpa, with utilization of ~30% during 9MFY26.
- *Encapsulated sorbic acid is the largest product in this segment. It controls and prevents microbial growth and improves shelf life of bakery and other perishable products.*
- SUDEEPPH has also acquired 85% stake in NSS in May'25. NSS has a plant in Ireland with a capacity of 7,000mtpa.

Exhibit 9 : SUDEEPPH's areas of expertise



Source: Company, PL

Segment 3: Battery-grade Iron Phosphate

- Global battery demand is expected to rise from 1.5TWh in 2024 to 4.5TWh in 2030 led by electrification and energy storage solutions. LFP constitutes 60% of the batteries sold.
- Iron phosphate is a key raw material used in the cathodes of LFP batteries and BESS.
- SUDEEPPH has already been manufacturing iron phosphate for infant nutrition, which requires stringent regulatory norms in terms of purity as well as traces of impurities.

- Infant nutrition grade emphasizes on extremely low pathogen content, while battery grade focuses on trace metal elements as well as criteria like surface area and particle size.

- SUDEEPPH plans to set up 100,000mtpa battery-grade iron phosphate capacity in 4 phases starting early 2027, at a capex of INR5bn.

Exhibit 10 : Infant-grade iron phosphate – Specifications

Assay of Fe	24-26%
Loss on ignition	0.2
Lead (as Pb)	Max 3mg/kg
Arsenic (as As)	Max 1mg/kg
Mercury (as Hg)	Max 1mg/kg
Chlorides	Max 3.55%
Sulfate	Max 0.12%
Microbial plate count	Max 1,000CFU/g
Yeasts & moulds	Max 40CFU/g
Coliforms	Max 10CFU/g

Source: Company, PL

Exhibit 11 : Battery-grade iron phosphate – Specifications

Purity	≥99.9%
Trace metals	≤0.05%
Particle size	0.5-2µm
Surface area	10-30m2/g
Tap density	≥0.8g/cm3
Moisture	≤0.5%
Impurities (Ca, Na, Mg etc)	each ≤10ppm

Source: Company, PL

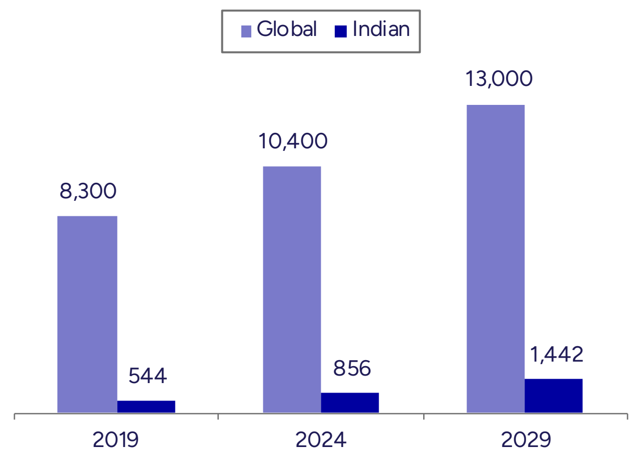
Market sizing

Pharma excipients

- Under Segment 1 of financial reporting-Pharma, Food & Nutrients, the company manufactures pharma and food & nutrition products. Food and nutrition products may further undergo value-addition in Segment 2 or be sold as it is. As a result, it is difficult to segregate markets by reported segments. This section focuses on the Pharma part of Segment 1.

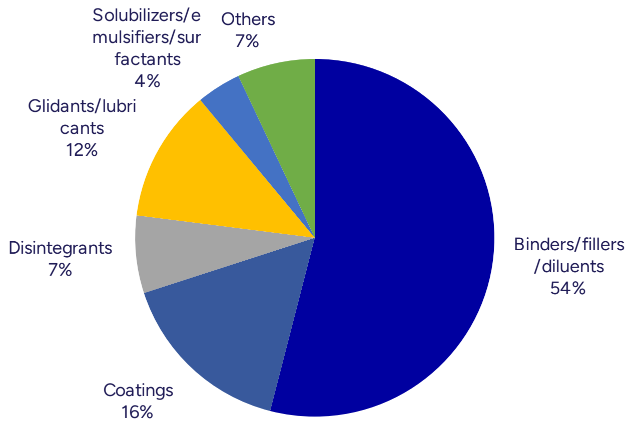
- Global excipients market is expected to grow at 4.6% CAGR, and Indian market, at 11% CAGR during 2024-29. Function wise, largest market share is for binders/fillers/diluents at 54%, followed by coatings at 16%.

Exhibit 12 : Pharma excipients to grow at 5% CAGR (US$ mn)



Source: Company, PL

Exhibit 13 : Breakdown by role of excipient (%)



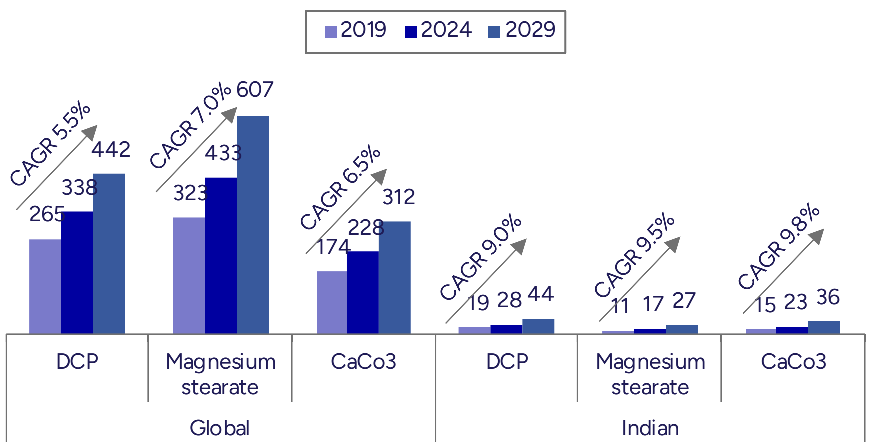
Source: Company, PL

- India imports >80% of excipients from countries like China, the US, Europe, Japan and Korea.

- DCP, CaCO3 and magnesium stearate are the 3 main products of SUDEEPPH. In India, demand for these products is expected to clock a CAGR of 5.5-9.8% during 2025-29.

- Key global competitors for excipients are Lonza, BASF, DSM and Innophos. Some regional competitors are Canton Laboratories, Balchem and Arjuna Natural.

Exhibit 14 : Key products market expected to grow at 6-10% CAGR (US$ mn)



Source: Company, PL

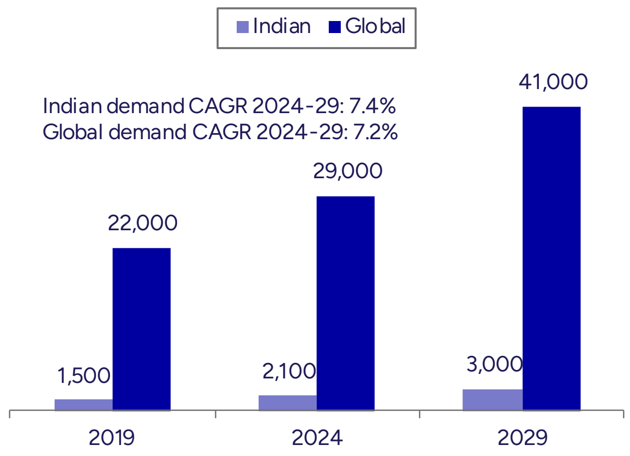
Food & Nutrition and Specialty Ingredients

- It is difficult to segregate Food & Nutrition from Specialty Ingredients segment in terms of market size due to significant overlaps. For example, customers may buy bulk food and nutrition chemicals and undertake the value-added technology processes that comes under Specialty Ingredients themselves or get it done from somewhere else. Similarly, SUDEEPPH may purchase specialty ingredients and undertake value addition before selling them.

- Global vitamins and minerals market stands at US$29bn and is expected to grow at 7.2% CAGR through 2024-29, and Indian market (US$2.1bn), at 7.4% CAGR.

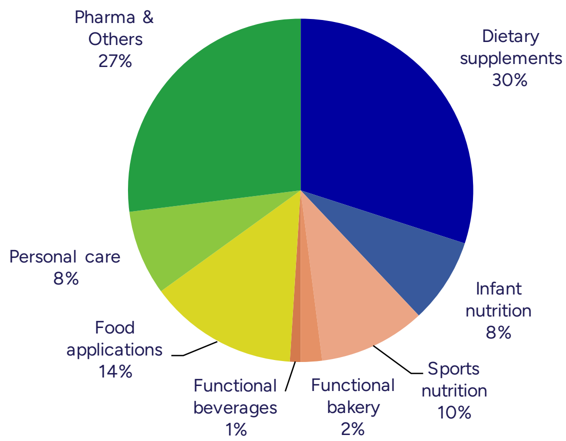
    - Highest application is for dietary supplements at 30%, followed by pharma/others at 27% and food applications at 14%.

Exhibit 15 : Global market growing at 7% CAGR (US$ mn)



Source: Company, PL

Exhibit 16 : Breakdown across categories



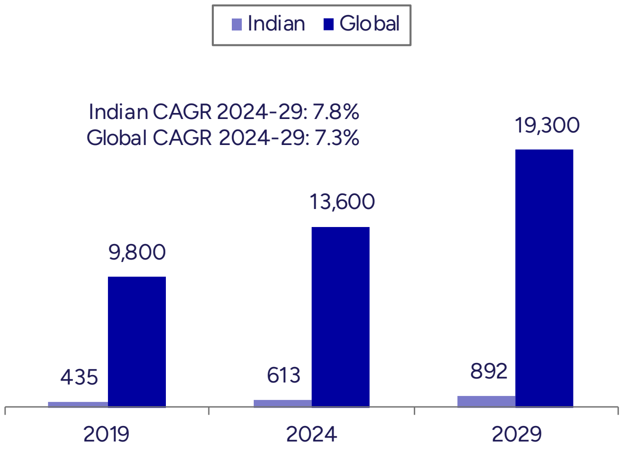
Source: Company, PL

- Global specialty ingredients market is expected to grow at 7.3% CAGR during 2024-29, and Indian market, at 7.8% CAGR.

- In volume terms, the global size appears of 3,404tmtpa in 2024 while Indian market appears of 203tmtpa. Dietary nutrients accounts for 40% of Indian market with products like liposomal Vitamin C and D3 and minerals like iron and magnesium.

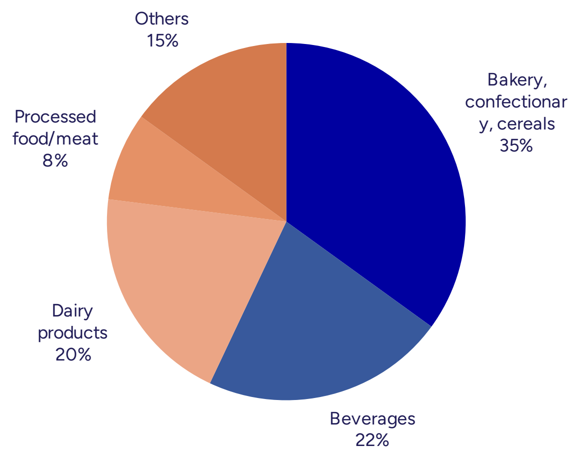
    - Functional foods/beverages is the second largest segment in India with market share of 25% with products like spray-dried vitamins and minerals.

Exhibit 17 : Global specialty ingredients growth at 7% (US$ bn)



Source: Company, PL

Exhibit 18 : Breakdown across consumer segments (global, %)

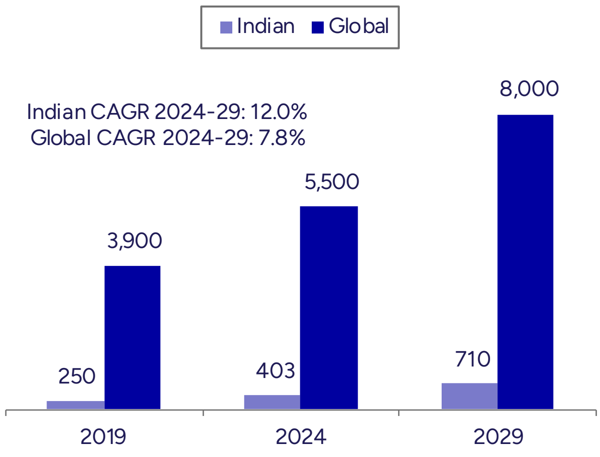


Source: Company, PL

Specialty Ingredients – Technology-wise market size

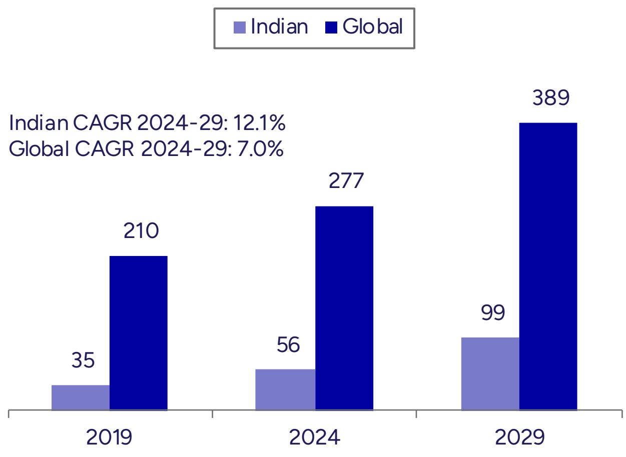
- Encapsulation is the process of coating an active core in order to improve stability, bioavailability and controlled release. Global market for encapsulation is expected to rise at 7.8% CAGR during 2024-29, and Indian market, at 12% CAGR.
- Global granulation market is expected to rise at a CAGR of 7% during 2024-29 while Indian granulation market is expected to rise at a CAGR of 12.1%.

Exhibit 19 : Encapsulation market (US$ mn)



Source: Company, PL

Exhibit 20 : Granulation market (US$ mn)

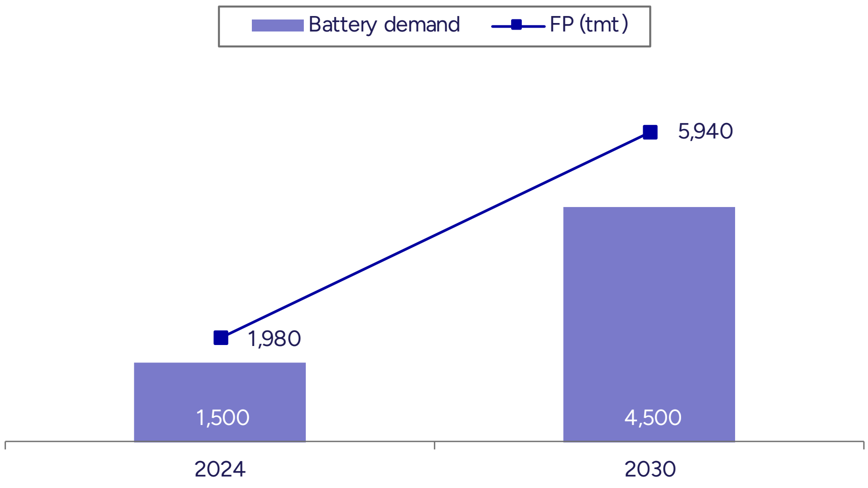


Source: Company, PL

Battery-grade iron phosphate

- Our estimate suggests that 125mmt of iron phosphate is consumed annually, which could rise to 376mmt by 2030. This is considering that 1kWh of LFP requires 139kg of iron phosphate and that 60% of total battery demand would be LFP.

Exhibit 21 : Demand for iron phosphate to grow at a CAGR of 20%



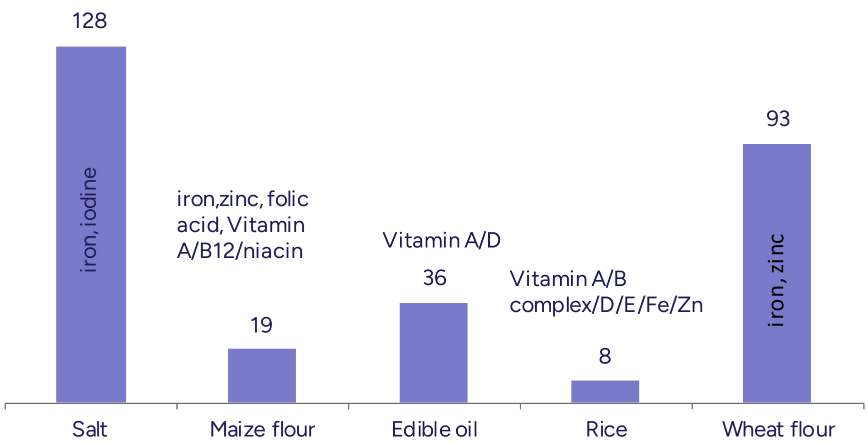
Source: Company, PL

Investment rationale

Specialty Ingredients – Strong demand drivers

- Post COVID, globally, there has been increased awareness about the importance of adequate nutrition. This has resulted in higher demand for food fortified with vitamins, protein and other mineral nutrients.
- Even regulatory bodies are mandating food fortification. As per the Global Fortification Data Exchange, 128 countries have mandated fortification of salt with iodine, which prevents thyroid disfunction and developmental issues, primarily in children and pregnant women. Similarly, several countries have been mandating fortification in other food items like edible oil, rice, wheat and maize flour.
- In 1992, India adopted a national policy for iodine fortification of common edible salt.
  - Following a CCEA approved national rollout in 2022, 100% fortification of all rice procured under all government schemes was achieved by Mar'24.
- Rising number of working women has resulted in higher demand for infant milk formula. Urbanization combined with higher demand for packaged food has resulted in higher demand of vitamins and minerals.

Exhibit 22 : Number of countries with mandatory food fortification, 2025

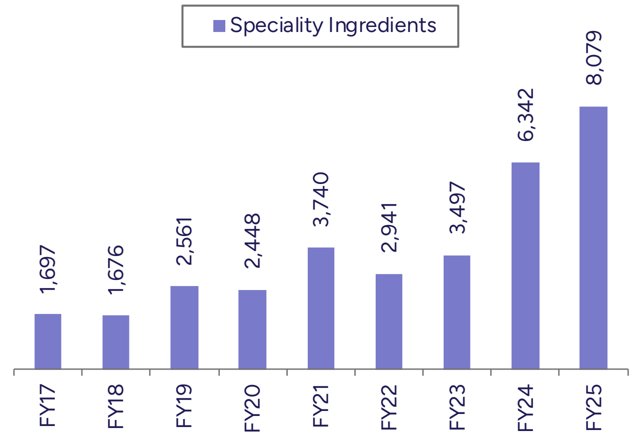


Source: www.fortificationdata.org, PL

Specialty Ingredients – Bolstering capabilities

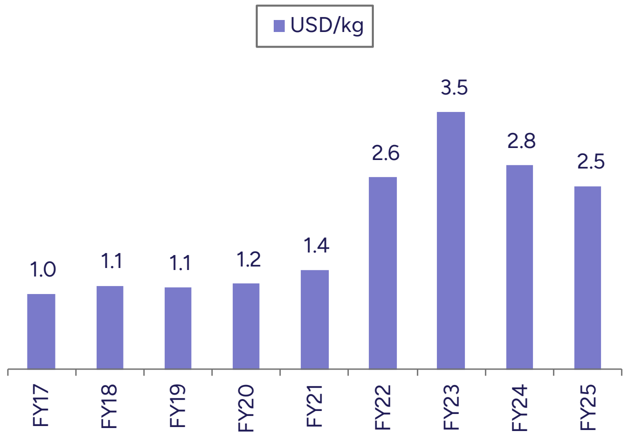
- SUDEEPPH has developed 6 technological capabilities: encapsulation, granulation, spray-drying, liposomal, mixtures and triturates.
- Sales volume in this segment has grown nearly 5x since FY17 to 8,079mt in FY25. Realization also rose to INR211/kg vs. INR69/kg.
- in Apr'25, SUDEEPPH also acquired 85% stake in NSS, Ireland, at INR1.2bn. NSS is into customized nutrient premixes for infant milk formulae, food and beverage applications. Nameplate capacity is 7,500mtpa, while operable capacity is 5,000mtpa, with utilization at ~30%.
- Segmental margin data is not available before Q1FY25. In the past 2 years, EBITDAM has been strong 36%. In 9MFY26, EBITDAM remained at average of 36.4%.

Exhibit 23 : Specialty Ingredients sales vol up ~5x since FY17 (mt)



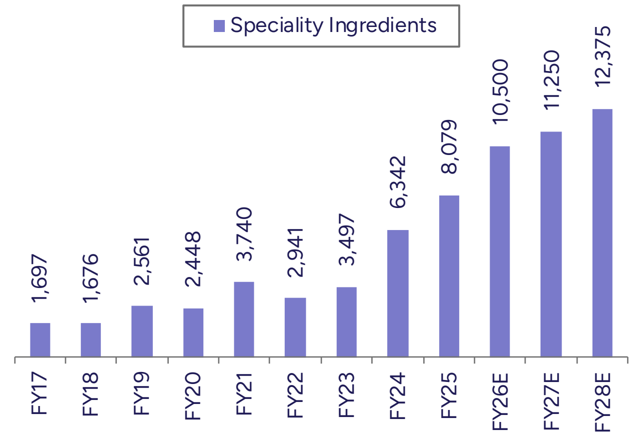
Source: Company, PL

Exhibit 24 : Blended realization of Specialty Ingredients has fallen



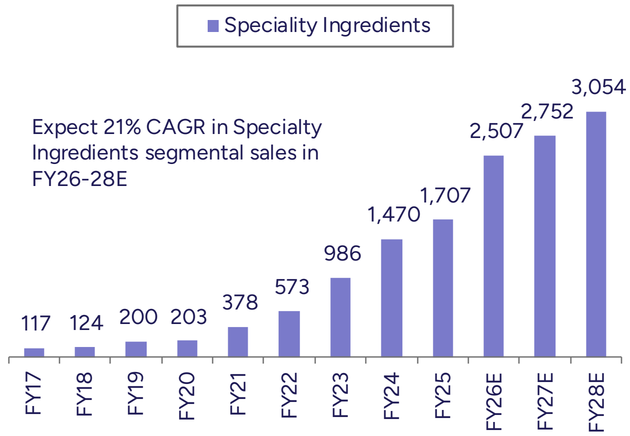
Source: Company, PL

Exhibit 25 : Strong volume growth expected going forward



Source: Company, PL

Exhibit 26 : Revenues to grow at 21% CAGR (INR mn)

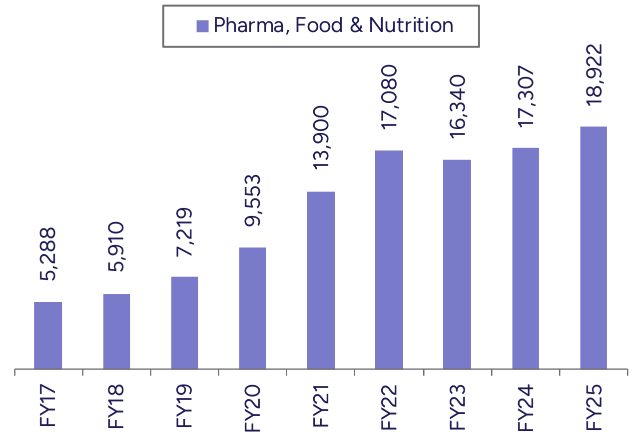


Source: Company, PL

Pharma, Food & Nutrients – Capacity to increase by ~2.5x

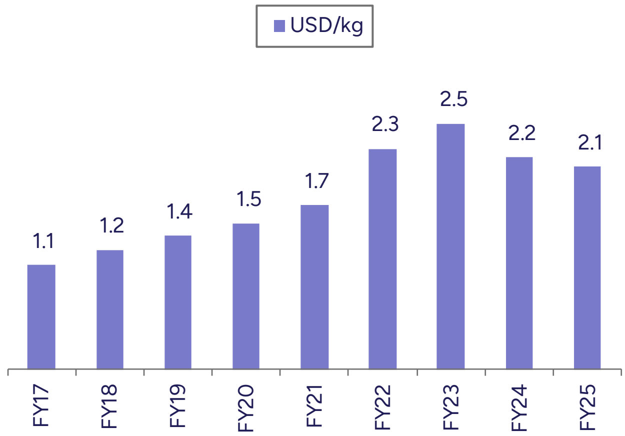
- Existing capacity is ~35,000mtpa. These are batch processes and as per the company, peak utilization is 70-75%. 9MFY26 utilization stood at ~70%. The company is adding 51,200mtpa by FY26-end at a capex of INR1.5bn.
- The incremental capacity is expected to achieve 50-55% utilization within 3 years of commissioning.
- We expect sales CAGR Of 16% in the segment from FY25-FY28E, led by volume expansion.

Exhibit 27 : Volume was constrained due to JRS partnership (mt)



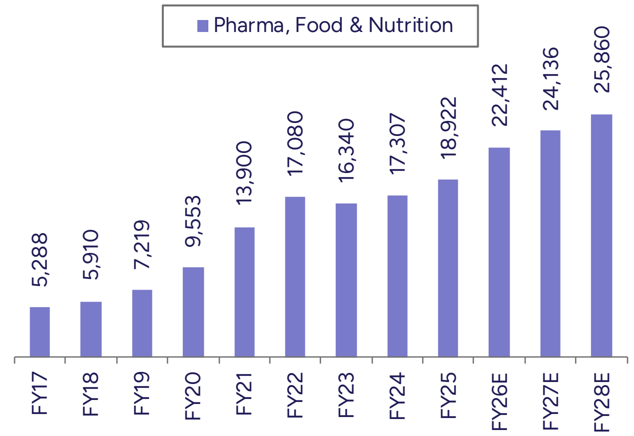
Source: Company, PL

Exhibit 28 : Blended realization has been falling



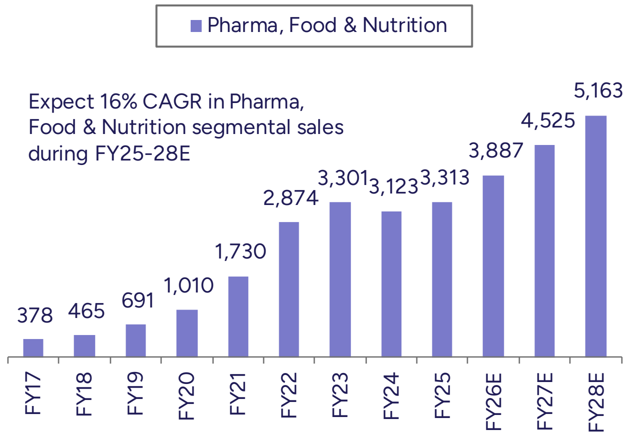
Source: Company, PL

Exhibit 29 : Expect volume to grow at 11% CAGR over FY25-FY28E



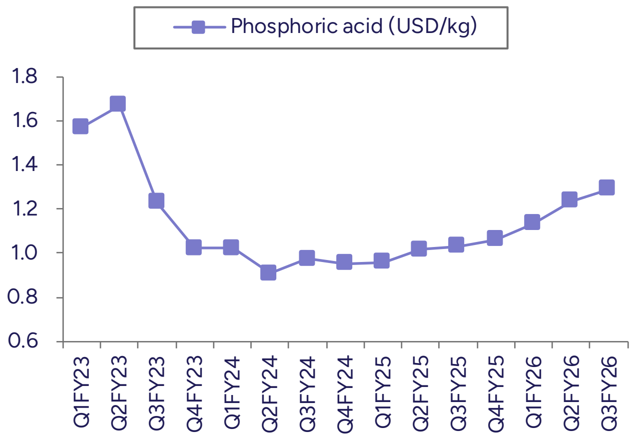
Source: Company, PL

Exhibit 30 : Sales CAGR of 16% estimated over FY25-FY28E (INR mn)



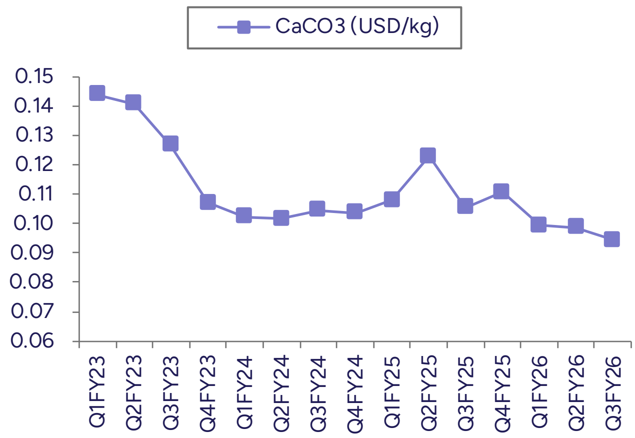
Source: Company, PL

Exhibit 31 : Phosphoric acid prices have been rising



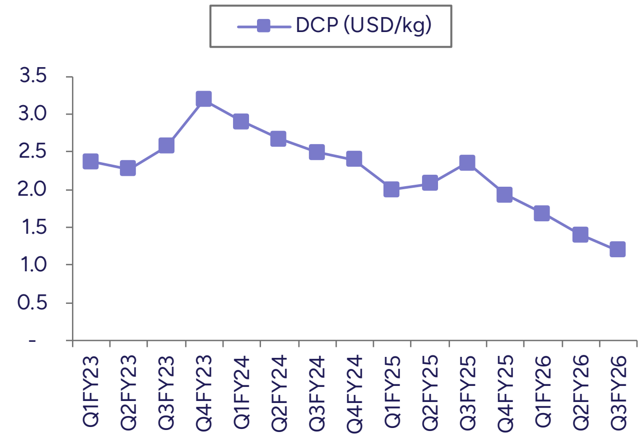
Source: Company, PL

Exhibit 32 : CaCO3 raw material price has been declining



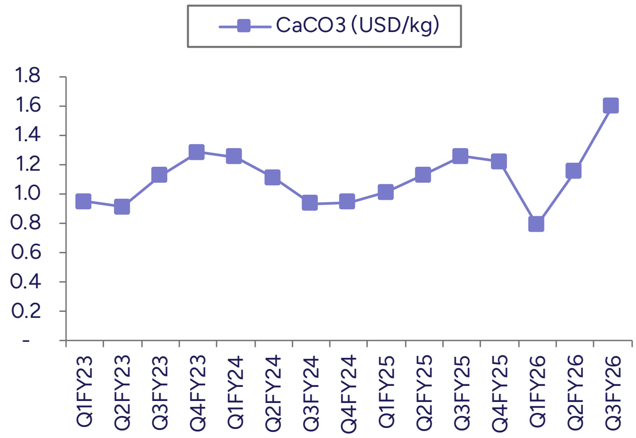
Source: Company, PL

Exhibit 33 : Spread of DCP has been declining



Source: Company, PL

Exhibit 34 : Spread of CaCO3 has been rising



Source: Company, PL

Battery-grade Iron Phosphate – Option value of INR243/share

- SUDEEPPH has already developed battery-grade iron phosphate and shared samples with potential customers. It further expects to exploit the global demand for non-China source of battery chemicals.
- It plans to set up total 100,000mtpa of battery-grade iron phosphate capacity, in 4 phases of 25,000mtpa each, starting early 2027. Total capex expected is INR5bn.
- However, there is a lot of overcapacity in batteries as well as in battery chemicals, as highlighted in our thematic Battery Chemicals: Beyond the dazzle.
- If the project is successfully executed and peak sales are achieved by FY32, we estimate an option value of INR243/share from the 100,000mtpa capacity.

Exhibit 35 : Key assumptions

Capacity (mtpa)	1,00,000
Peak Utilization (%)	90
Capex (Rs mn)	5,000
Realization (USD/kg)	1.4
INR/USD	90

Source: Company, PL

Exhibit 36 : Segment valuation (INR mn)

Revenues	**11,340**
EBITDAM (%)	25
EBITDA	**2,835**
Interest cost	233
EBIT	**2,602**
Depr	250
PBT	**2,352**
Tax rate (%)	25
PAT	**1,759**
PE (x)	30
Market cap	52,771
Reducing for time value	27,408
Shares o/s (mn)	113
Per share (Rs)	**243**

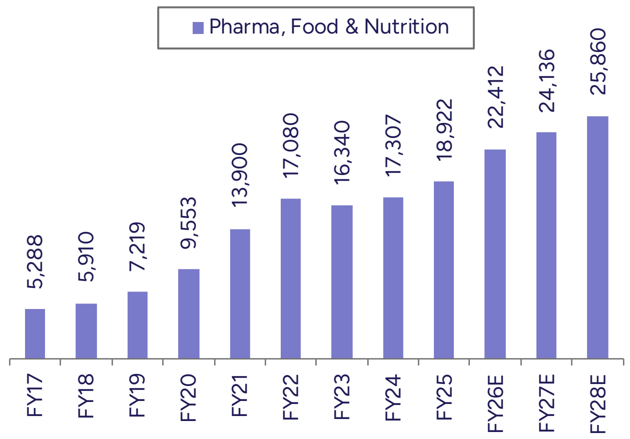
Source: Company, PL

Financials & valuations

Revenue to clock 13% CAGR over FY26-28E

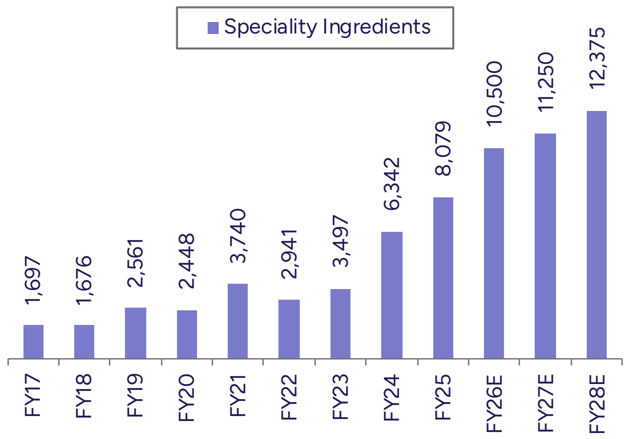
- Aided by capacity addition and utilization ramp-up in the Specialty Ingredients segment, we anticipate total sales volume to rise from 27,001mt in FY25 to 43,235mt in FY28.
- We build-in conservative realizations for both segments, slightly higher realisation compared with FY25, due to change in product mix.
- On a combined basis, we expect sales CAGR of 18% for SUDEEPPH during FY25-28E. On a conservative basis, we build in gross margin of 64%.
- Considering that new capacity ramp-up could involve higher operational cost initially, we build in EBITDAM of 34.5%. We expect EBITDA to grow at 14% CAGR during FY25-28E.

Exhibit 37 : Sales volume of PFN to grow at 11% CAGR over FY25-FY28E (mt)



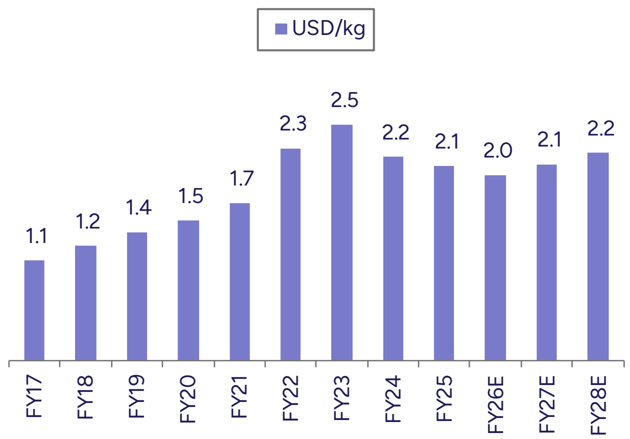
Source: Company, PL

Exhibit 38 : Sales volume of SI to grow at 15% CAGR over FY25-FY28E(mt)



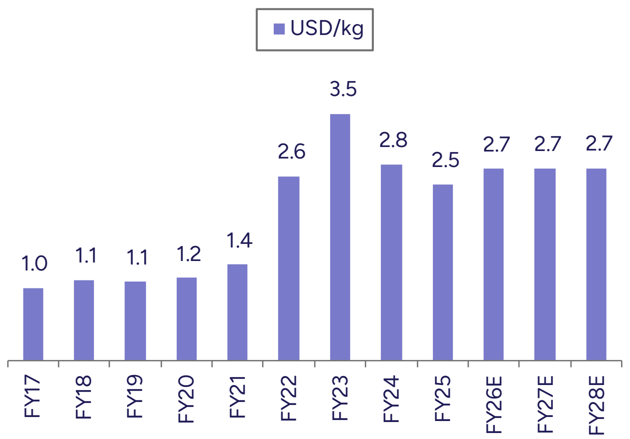
Source: Company, PL

Exhibit 39 : FY26 Realization of PFN marginally lower than FY25



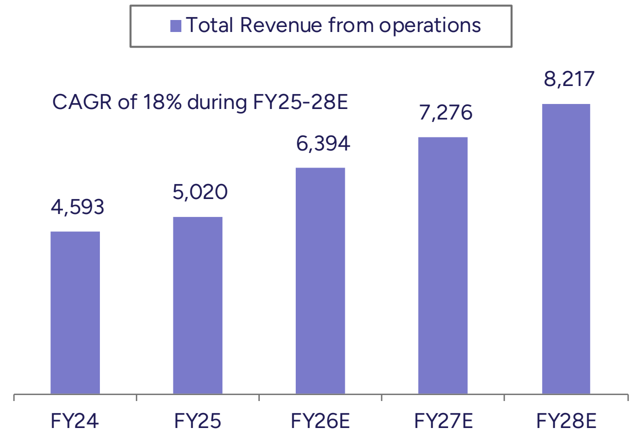
Source: Company, PL

Exhibit 40 : Realization of SI slightly higher than FY25



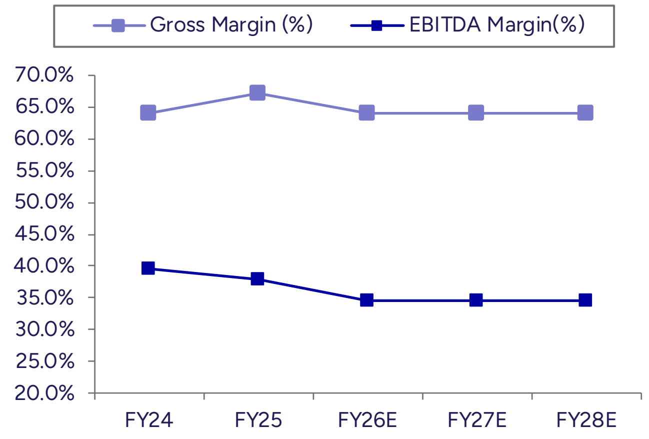
Source: Company, PL

Exhibit 41 : Sales to grow at 18% CAGR (INR mn)



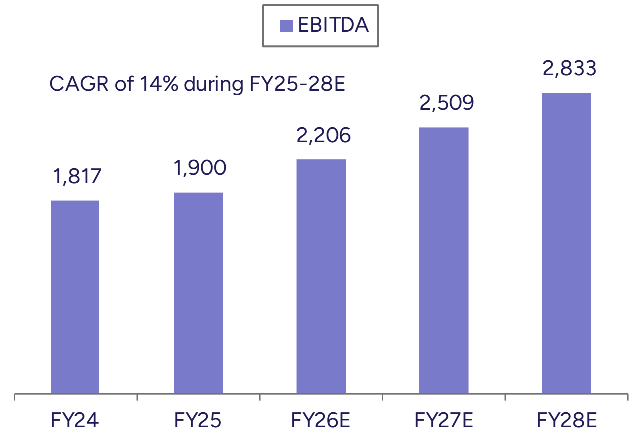
Source: Company, PL

Exhibit 42 : Margins to remain high



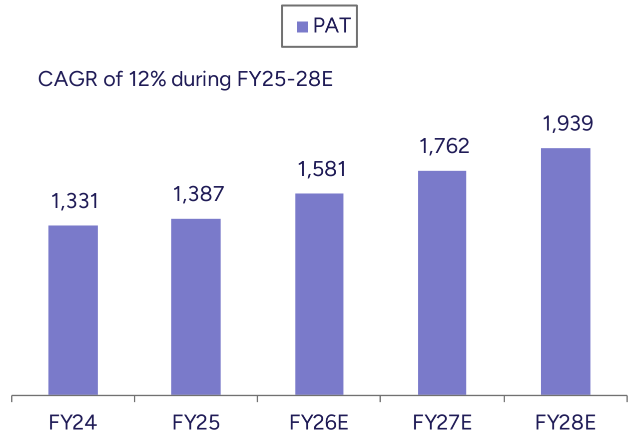
Source: Company, PL

Exhibit 43 : Expect 14% CAGR in EBITDA (INR mn)



Source: Company, PL

Exhibit 44 : Expect 12% PAT CAGR (INR mn)



Source: Company, PL

Key risks

Margins could decline: SUDEEPPH does not have many like-to-like global competitors. However, if one studies Balchem, its gross margin is ~35%. Although the product baskets of SUDEEPPH and Balchem are not entirely the same, considering that the processes are not very complex, we may see a dip in gross margins as more competitors come in.

Foray into battery-grade iron phosphate: The whole battery value chain is witnessing overcapacity. As a result, even if SUDEEPPH is successful in commercializing its battery-grade iron phosphate, margins and return ratios would remain under stress. Also, while the company has one of the largest capacities for food-grade iron phosphate, sales in FY25, as per our estimate, stood at ~500mt as against its 15,000mtpa capacity.

Inability to decrease working capital: The company has opened new warehouses in Europe and the US, as a result of which inventory days are high. The company aims to bring the same down. Inability to do so may affect return ratios.

Financials

Income Statement (INR mn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	**5,020**	**6,394**	**7,276**	**8,217**
YoY gr. (%)	*9.3*	*27.4*	*13.8*	*12.9*
Cost of Goods Sold	1,648	2,302	2,619	2,958
Gross Profit	3,372	4,092	4,657	5,259
Margin (%)	*67.2*	*64.0*	*64.0*	*64.0*
Employee Cost	383	607	728	822
Other Expenses	1,089	1,279	1,420	1,604
EBITDA	**1,900**	**2,206**	**2,509**	**2,833**
YoY gr. (%)	*4.6*	*16.1*	*13.8*	*12.9*
Margin (%)	*37.8*	*34.5*	*34.5*	*34.5*
Depreciation and Amortization	106	148	226	326
EBIT	**1,794**	**2,058**	**2,283**	**2,507**
Margin (%)	*35.7*	*32.2*	*31.4*	*30.5*
Net Interest	58	105	110	120
Other Income	93	128	146	164
Profit Before Tax	**1,829**	**2,081**	**2,319**	**2,551**
Margin (%)	*36.4*	*32.5*	*31.9*	*31.0*
Total Tax	441	499	556	612
Effective Tax Rate (%)	*24.1*	*24.0*	*24.0*	*24.0*
Profit After Tax	**1,387**	**1,581**	**1,762**	**1,939**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**1,387**	**1,581**	**1,762**	**1,939**
YoY gr. (%)	*4.2*	*14.0*	*11.4*	*10.0*
Margin (%)	*27.6*	*24.7*	*24.2*	*23.6*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**1,387**	**1,581**	**1,762**	**1,939**
YoY gr. (%)	*4.2*	*14.0*	*11.4*	*10.0*
Margin (%)	*27.6*	*24.7*	*24.2*	*23.6*
Other Comprehensive Income	(16)	-	-	-
Total Comprehensive Income	1,371	1,581	1,762	1,939
Equity Shares O/s (m)	**97**	**97**	**97**	**97**
EPS (INR)	**14.3**	**16.3**	**18.1**	**19.9**

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	**2,017**	**3,517**	**5,017**	**6,517**
Tangibles	2,017	3,517	5,017	6,517
Intangibles	-	-	-	-
Acc: Dep / Amortization	**247**	**395**	**620**	**946**
Tangibles	247	395	620	946
Intangibles	-	-	-	-
Net Fixed Assets	**1,771**	**3,123**	**4,397**	**5,571**
Tangibles	1,771	3,123	4,397	5,571
Intangibles	-	-	-	-
Capital Work In Progress	884	884	884	884
Goodwill	-	-	-	-
Non-Current Investments	42	64	73	82
Net Deferred Tax Assets	(40)	(66)	(78)	(91)
Other Non-Current Assets	210	192	218	247
Current Assets				
Investments	1	1	1	1
Inventories	1,287	1,640	1,866	2,107
Trade Receivables	1,854	2,361	2,687	3,034
Cash & Bank Balance	368	630	669	1,050
Other Current Assets	629	831	946	1,068
Total Assets	**7,172**	**9,881**	**11,914**	**14,236**
Equity				
Equity Share Capital	97	97	97	97
Other Equity	4,834	6,415	8,177	10,116
Total Networth	**4,931**	**6,512**	**8,274**	**10,214**
Non-Current Liabilities				
Long Term Borrowings	396	600	600	600
Provisions	18	19	22	25
Other Non Current Liabilities	17	32	36	41
Current Liabilities				
ST Debt / Current of LT Debt	957	1,500	1,600	1,800
Trade Payables	605	799	910	1,027
Other Current Liabilities	186	328	370	414
Total Equity & Liabilities	**7,172**	**9,881**	**11,914**	**14,236**

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	1,829	2,081	2,319	2,551
Add. Depreciation	106	148	226	326
Add. Interest	58	105	110	120
Less Financial Other Income	93	128	146	164
Add. Other	(10)	-	-	-
Op. Profit before WC Changes	1,983	2,334	2,655	2,997
Net Changes-WC	(1,090)	(737)	(554)	(591)
Direct Tax	(406)	(499)	(556)	(612)
Net Cash from Op. Activities	**487**	**1,097**	**1,544**	**1,794**
Capital Expenditures	(639)	(1,500)	(1,500)	(1,500)
Interest / Dividend Income	1	-	-	-
Others	(150)	-	-	-
Net Cash from Invt. Activities	**(788)**	**(1,500)**	**(1,500)**	**(1,500)**
Issue of Share Cap. / Premium	380	204	-	-
Debt Changes	(86)	-	-	-
Dividend Paid	-	-	-	-
Interest Paid	(54)	(105)	(110)	(120)
Others	287	565	106	207
Net Cash from Fin. Activities	**527**	**664**	**(4)**	**87**
Net Change in Cash	**227**	**261**	**40**	**380**
Free Cash Flow	(155)	(403)	44	294

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Net Revenues	**1,575**	**1,249**	**1,627**	**1,723**
YoY gr. (%)	*#REF!*	*55.9*	*9.3*	*49.2*
Raw Material Expenses	598	423	609	602
Gross Profit	978	826	1,017	1,121
Margin (%)	*62.1*	*66.1*	*62.5*	*65.1*
EBITDA	**588**	**439**	**555**	**600**
YoY gr. (%)	-	*54.5*	*(12.6)*	*52.6*
Margin (%)	*37.3*	*35.1*	*34.1*	*34.8*
Depreciation / Depletion	28	33	38	39
EBIT	**560**	**406**	**517**	**561**
Margin (%)	*35.5*	*32.5*	*31.8*	*32.6*
Net Interest	18	17	23	12
Other Income	37	52	102	68
Profit before Tax	**579**	**441**	**595**	**618**
Margin (%)	*36.8*	*35.3*	*36.6*	*35.8*
Total Tax	137	128	128	141
Effective Tax Rate (%)	*23.6*	*29.0*	*21.4*	*22.8*
Profit After Tax	**443**	**313**	**468**	**477**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**443**	**313**	**468**	**477**
YoY gr. (%)	-	*83.0*	*(4.0)*	*66.1*
Margin (%)	*28.1*	*25.0*	*28.8*	*27.7*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**443**	**313**	**468**	**477**
YoY gr. (%)	-	*83.0*	*(4.0)*	*66.1*
Margin (%)	*28.1*	*25.0*	*28.8*	*27.7*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**443**	**313**	**468**	**477**
Avg. Shares O/s (m)	97	97	97	113
EPS (INR)	**4.6**	**3.2**	**4.8**	**4.2**

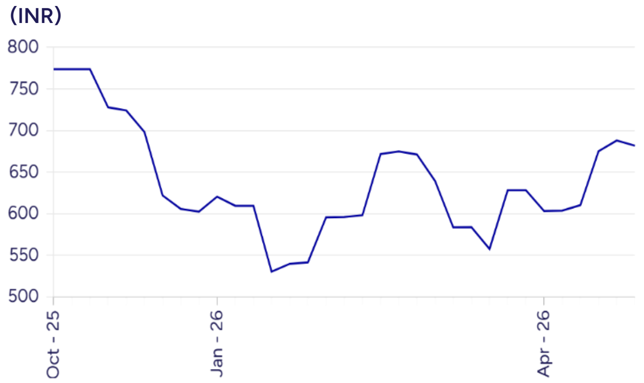
Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share (INR)				
EPS	14.3	16.3	18.1	19.9
CEPS	15.4	17.8	20.4	23.3
BVPS	50.7	67.0	85.1	105.0
FCF	(1.6)	(4.1)	0.4	3.0
DPS	-	-	-	-
Return Ratio (%)				
RoCE	33.9	27.6	23.9	21.7
ROIC	27.0	22.5	19.5	17.8
RoE	32.7	27.6	23.8	21.0
Balance Sheet				
Net Debt : Equity (x)	0.2	0.2	0.2	0.1
Net Working Capital (Days)	184	183	183	183
Valuation (x)				
PER	47.7	41.9	37.6	34.1
P/B	13.4	10.1	8.0	6.4
P/CEPS	44.3	38.3	33.3	29.2
EV/EBITDA	35.4	30.7	27.0	23.8
EV/Sales	13.4	10.5	9.3	8.2
Dividend Yield (%)	-	-	-	-
FCFF Yield (%)	-	-	-	0.4
PEG Ratio	-	2.9	3.2	3.4

Source: Company, PL

Price Chart



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Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Aarti Industries	ACCUMULATE	452	422
2	Bharat Petroleum Corporation	Accumulate	307	277
3	Bharti Airtel	Accumulate	2313	2038
4	Clean Science and Technology	HOLD	720	732
5	Deepak Nitrite	REDUCE	1354	1473
6	Fine Organic Industries	BUY	5311	4492
7	GAIL (India)	Buy	170	145
8	Gujarat Fluorochemicals	HOLD	3316	3330
9	Gujarat Gas	Accumulate	342	313
10	Gujarat State Petronet	Hold	242	236
11	Hindustan Petroleum Corporation	Buy	383	331
12	Indian Oil Corporation	Accumulate	145	134
13	Indraprastha Gas	Buy	174	148
14	Jubilant Ingrevia	HOLD	657	635
15	Laxmi Organic Industries	REDUCE	116	125
16	Mahanagar Gas	Accumulate	1114	955
17	Mangalore Refinery & Petrochemicals	Accumulate	192	179
18	Navin Fluorine International	ACCUMULATE	6816	6062
19	NOCIL	HOLD	163	165
20	Oil & Natural Gas Corporation	Accumulate	309	287
21	Oil India	Accumulate	511	482
22	PCBL Chemical	HOLD	267	270
23	Petronet LNG	Accumulate	269	255
24	Reliance Industries	BUY	1719	1305
25	SRF	HOLD	2531	2435
26	Vinati Organics	ACCUMULATE	1372	1284

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BUY	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

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Corporate Office: 6th Floor, Tower 2B South Annex, One World Centre, 841, Senapati Bapat Marg, Lower Parel, Mumbai - 400013

Registered Office: 3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018

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cn=AMNISH AGGARWAL
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