ANANDRATHI

Sudeep Pharma Limited

20-Novemember-25

Subscribe- Long Term

Shivam Gupta
shivamgupta@rathi.com

SHIVAM GUPTA Digitally signed by SHIVAM GUPTA Date: 2025.11.20 16:11:26 +05'30'

Issue Details

Issue Details	
Issue Size (Value in ` million, Upper Band)	8,950.0
Fresh Issue (No. of Shares in Lakhs)	16.0
Offer for Sale (No. of Shares in Lakhs)	134.9
Bid/Issue opens on	21-Nov-25
Bid/Issue closes on	25-Nov-25
Face Value	Rs. 1
Price Band	563-593
Minimum Lot	25

Objects of the Issue:

- **Fresh Issue: ₹950 million**
  - Capital Expenditure towards procurement of machinery for production line Located at Nandesari facility.
  - General corporate purposes.
- **Offer for Sale: ₹ 8,000 million**

Book Running Lead Managers
ICICI Securities Limited
IIFL Capital Services Limited
Registrar to the Offer
MUFG Intime India Private Limited

Capital Structure (₹ million)	Aggregate Value
Authorized share capital	120.0
Subscribed paid up capital (Pre-Offer)	111.1
Paid up capital (post-Offer)	112.9

Share Holding Pattern %	Pre Issue	Post Issue
Promoters & Promoter group	89.4	76.2
Public	10.6	23.8
Total	**100.0%**	**100.0%**

Financials

Particulars (₹ In million)	3M FY26	FY25	FY24	FY23
Revenue	**1,249**	**5,020**	**4,593**	**4,287**
Operating expenses	810	3,120	2,776	3,396
EBITDA	**439**	**1,900**	**1,817**	**891**
Other Income	52	93	61	95
Depreciation	33	106	90	79
EBIT	**458**	**1,887**	**1,787**	**907**
Interest	17	58	39	47
PBT	**441**	**1,829**	**1,748**	**860**
Tax	128	442	416	237
Consolidated PAT	**313**	**1,387**	**1,332**	**623**
EPS	**2.7**	**12.3**	**11.8**	**5.5**
Ratios		**FY25**	**FY24**	**FY23**
EBITDAM	35.1%	37.8%	39.6%	20.8%
PATM	25.0%	27.6%	29.0%	14.5%
Sales growth		9.3%	7.1%	

Company Description

Sudeep Pharma is a technology-driven manufacturer of excipients and specialty ingredients serving the pharmaceutical, food, and nutrition industries. Founded in 1989, the company has expanded its portfolio to over 100 products, including APIs, mineral actives, and specialty formulations under brands like Presscal, Pressmag, Lubriprez, A-comprez, Novelcap, Lipoboost, and Cuvamix. Leveraging advanced technologies such as encapsulation, spray drying, granulation, trituration, liposomal preparations, and blending, Sudeep Pharma focuses on mineral-based ingredients like calcium, iron, zinc, magnesium, potassium, sodium, and copper, catering to applications in infant nutrition, clinical nutrition, fortified foods, beverages, bakery products, and dietary supplements.

The company is recognized globally, operating in nearly 100 countries with regional offices in the USA, Europe, UK, and Latin America, and exports accounting for a significant portion of its revenue. Sudeep Pharma holds certifications including USFDA approval and the Certificate of Suitability (CEP) for calcium carbonate as an API in the EU and is noted for pioneering liposomal ingredient technology in India. Its specialty ingredients, such as micronutrient premixes, encapsulated ingredients, and liposomal and spray-dried formats, enhance stability, bioavailability, texture, and flavor. With a strong focus on quality, regulatory compliance, innovation, and customer engagement—including AI-driven insights and a smart reference system for loyalty—the company has built long-term relationships with over 1,100 clients globally, including major pharmaceutical and food companies, solidifying its position as a trusted provider of high-quality, science-driven solutions.

Valuation & Outlook:

Sudeep Pharma Limited, founded in 1989 and headquartered in Vadodara, is a leading manufacturer of pharmaceutical excipients and specialty mineral ingredients used across pharma, food, and nutrition industries. The company operates three manufacturing facilities in Gujarat with a combined annual capacity of over 65,000 MT and holds multiple global quality certifications including USFDA (AIR), WHO-GMP, EXCiPACT, ISO 9001:2015, Halal, and Kosher. They serve major names such as Pfizer, Merck, Danone, Aurobindo, and Intas, supported by subsidiaries in the US and Europe and the acquisition of Ireland-based Nutrition Supplies Services to strengthen its nutrition premix capabilities.

They hold a strong market position in a high-barrier industry and are among the top producers of pharmaceutical, food, nutrition, and specialty ingredients, with a key focus on mineral-based products and iron phosphate. Their expansive global customer network includes companies in the pharmaceuticals, food and nutrition, and FMCG sectors. As of June 30, 2025, they have served over 1,100 customers across multiple regions, including partnerships spanning several decades.

At the upper price band, the company is valued at 48.3x FY25 P/E, translating to a post-issue market cap of ₹66,979 million. They have also created a wholly owned subsidiary, SAMPL, to leverage their mineral chemistry capabilities in advanced materials, including a new facility for pCAM production beginning with battery-grade iron phosphate for LFP batteries in EVs and energy storage. Additionally, the company aims to strengthen its presence in regulated markets such as the US and Europe by capitalizing on USFDA-approved facilities, boosting exports, and transitioning to direct market access supported by local warehousing and sales teams. Given these factors, the IPO appears fully priced, and we assign a "**Subscribe – Long Term**" rating.

- **Description of Business**:

Sudeep Pharma is a technology-led manufacturer of excipients and specialty ingredients for the pharmaceutical, food and nutrition industries, dedicated to contributing to the global healthcare ecosystem. Leveraging in-house developed technologies such as encapsulation, spray drying, granulation, trituration, liposomal preparations and blending, they continuously drive innovation across the operations. They have established a strong presence in both domestic and international markets, including key regions such as the United States, South America, Europe, the Middle East, Africa and Asia-Pacific.

According to the F&S Report, they are one of the largest producers of food-grade iron phosphate for infant nutrition, clinical nutrition and the food and beverage sectors, with a combined annual manufacturing capacity of 72,246 MT as of June 30, 2025. One of their manufacturing facilities is also approved by the United States Food and Drug Administration (USFDA) for the manufacture of mineral-based ingredients.

Further, the F&S Report identifies them as one of the largest exporters of mineral ingredients for the pharmaceutical, food and nutrition industries from India in terms of export volume in 2024. As of June 30, 2025, they are the only company in India—and one of only nine globally—to hold both a Certificate of Suitability (CEP) from the Council of Europe and written-confirmation certification for the sale of calcium carbonate as an active pharmaceutical ingredient (API) in the European Union. The report also recognizes them as pioneers in India in introducing a product range of liposomal ingredients designed to enhance nutrient absorption and stability.

Since the inception in 1989, they have expanded from producing excipients to offering over 100 products across the pharmaceutical, food and nutrition sectors as of June 30, 2025.These efforts are being further enhanced through the integration of Artificial Intelligence (AI) to improve sales process efficiency and gain insights from customer interactions and sales calls. To strengthen customer engagement, they have developed a smart reference system that enables potential customers to locate nearby users with similar rooftop setups. Existing customers can also refer others through this system and earn 'UTL Credits', which can be redeemed for battery replacements, product upgrades, or services—enhancing customer loyalty and satisfaction.

They operate across the pharmaceutical, food, and nutrition industries, focusing on refined, mineral-based single ingredients essential to these sectors. The product portfolio includes key mineral salts such as calcium, zinc, iron, potassium, magnesium, sodium, and copper, which, according to the F&S Report, play a vital role in various health-focused applications. Many of these mineral's function as excipients that support the efficacy and stability of pharmaceutical formulations, and they also manufacture calcium carbonate used as an active pharmaceutical ingredient (API) for multiple therapeutic applications. As noted in the F&S Report, the minerals they produce act as fortifying agents and additives that enhance the nutritional value of staple foods, beverages, baked goods, dairy products, infant nutrition, and dietary supplements, ensuring regulatory compliance and delivering essential nutrients for consumer health. They maintain rigorous quality and regulatory standards to ensure product safety and efficacy across diverse applications. As of June 30, 2025, they operate in two business verticals, pharmaceutical, food and nutrition; and specialty ingredients, comprising a portfolio of more than 100 products, including excipients, APIs, mineral actives, and specialty ingredients and formulations with brands such as Presscal, Pressmag, Lubriprez, A-comprez, Novelcap, Lipoboost, and Cuvamix.

In the specialty ingredients segment, which they operate through subsidiary SNPL, focuses on developing technology-driven, application-specific mineral and micronutrient systems. According to the F&S Report, this includes customized ingredients designed to improve functionality, stability, and bioavailability across a broad range of food and nutraceutical applications. The portfolio comprises micronutrient premixes, encapsulated ingredients, liposomal and spray-dried formats, granulated minerals, and triturated blends, tailored to address specific formulation or processing needs. For example, micronutrient premixes enhance homogeneity and nutrient stability in infant and clinical products; encapsulated ingredients allow controlled release and protect sensitive APIs; and granulated or spray-dried forms improve flowability, reduce dusting, and enhance manufacturing efficiency. As highlighted in the F&S Report, these specialty ingredients play an important role in improving nutritional profiles, texture, and flavour in applications such as fortified dairy, beverages, bakery products, and dietary supplements. The company's focus on scientific precision and uncompromising quality has enabled them to establish themselves as a trusted partner for customers worldwide. As of June 30, 2025, they have served over 1,100 customers and built longstanding relationships with several marquee clients, including Pfizer Inc., Intas Pharmaceuticals Limited, Mankind Pharma Limited, Merck Group, Alembic Pharmaceutical Limited, Aurobindo Pharma Limited, Cadila Pharmaceutical Limited, IMCD Asia Pte. Ltd., Micro Labs Limited, and Danone S.A.

As of June 30, 2025, they have expanded their global presence to nearly 100 countries. To effectively capitalize on market opportunities and meet the growing demands of local industries, they have established regional sales offices with dedicated teams in key geographies, including the United States, Europe, the United Kingdom, and Latin America. These regional hubs play a crucial role in bridging market gaps, strengthening customer relationships, and driving growth. To further support international sales, they have also entered into stocking agreements with third parties, enabling them to expand the market reach and provide localized support to customers across various regions. By strategically positioning across multiple continents, they have enhanced the global footprint and their ability to deliver localized expertise, with the aim of fostering deeper connections with customers and partners worldwide. As of June 30, 2025, they serve over 1,100 customers spread across around 100 countries. Their largest export markets are in the USA, Europe, APAC, and Africa regions. In the three months ending June 30, 2025, their export sales accounted for 58.68% of their revenue from operations.

The table below sets forth their total export sales, and export sales in their largest and top 5 jurisdictions as a percentage of their revenue from operations for the periods indicated:

Particulars	Three Month ended June 30, 2025		Fiscal 2025		Fiscal 2024		Fiscal 2023	
	(Rs in million)	% of revenue from operation	(Rs in million)	% of revenue from operation	(Rs in million)	% of revenue from operation	(Rs in million)	% of revenue from operation
Export Sales	733	58.7%	2,975	59.3%	2,959	64.4%	2,935	68.5%
Export sales to the largest Jurisdiction	199	15.9%	952	19.0%	1,031	22.5%	1,061	24.7%
Export Sales to top five jurisdiction	412	33.0%	1,638	32.6%	1,681	36.6%	1,829	42.7%

During the three months ended June 30, 2025, and Fiscals 2025, 2024 and 2023, they conducted business in 63, 70, 68 and 77 countries respectively. The table below sets forth geography-wise breakdown of their revenue from operations.

Particulars	Three Month ended June 30, 2025		Fiscal 2025		Fiscal 2024		Fiscal 2023	
	(Rs in million)	% of revenue from operation	(Rs in million)	% of revenue from operation	(Rs in million)	% of revenue from operation	(Rs in million)	% of revenue from operation
Asia Pacific	173.29	13.9%	719.68	14.3%	947.23	20.6%	734.16	17.1%
Europe	218.11	17.5%	481.19	9.6%	497.68	10.8%	663.85	15.5%
India	516.2	41.3%	2044.54	40.7%	1631.69	35.5%	1352.84	31.6%
Middle East & Africa	100.93	8.1%	432.02	8.6%	205.93	4.5%	237.15	5.5%
North America	198.85	15.9%	1164.24	23.2%	1049.88	22.9%	1104.24	25.8%
Others	41.81	3.3%	178.32	3.6%	260.39	5.7%	195.15	4.6%
Revenue from operations	**1249.19**	**100.0%**	**5019.99**	**100.0%**	**4592.8**	**100.0%**	**4287.39**	**100.0%**

They operate three Manufacturing Facilities in Vadodara, Gujarat, with a combined annual available manufacturing capacity of 65,579 MT and a total area of approximately 45,784 square meters as of June 30, 2025. In addition, following acquisition of NSS as a Material Subsidiary on May 22, 2025, they have expanded their footprint with a manufacturing facility in Ireland. The facilities are equipped with advanced technologies and automation systems that enable precise control over manufacturing parameters, ensure consistent product quality, and enhance product purity. The close proximity of the Vadodara facilities allows for greater operational efficiency and seamless coordination across production lines. The Manufacturing Facilities hold one or more approvals from regulatory and quality bodies including the USFDA, EXCiPACT, Roundtable on Sustainable Palm Oil, United Nations' World Food Program (WFP), Food Safety System Certification (FSSC), WHO-GMP, ISO, and HACCP. Several of their products are also certified Kosher and Halal, underscoring their commitment to quality, inclusivity, and global compliance standards.
The following table sets forth the annual production capacity, actual production volume and capacity utilization of their Manufacturing Facilities for the periods indicated:

Particulars	As of & for the three-month ended June 30, 2025	As of and for the year end March 31		
	2025	2025	2024	2023
Manufacturing facility I				
Annual Installed Capacity (MT)	9090	36360	36360	25920
Actual production volume (MT)	4720	21834	18405	18258
Capacity utilization (%)	51.9%	60.0%	50.6%	70.4%
Manufacturing facility II				
Annual Installed Capacity (MT)	810	3240	3240	3037
Actual production volume (MT)	455	1604	1770	1320
Capacity utilization (%)	56.2%	49.5%	54.6%	43.5%
Manufacturing facility III				
Annual Installed Capacity (MT)	8544	34176	34176	34176
Actual production volume (MT)	2192	9771	6936	2172
Capacity utilization (%)	25.7%	28.6%	20.3%	6.4%
Manufacturing facility IV				
Annual Installed Capacity (MT)	813			
Actual production volume (MT)	347			
Capacity utilization (%)	42.7%			

They maintain a strong focus on research and development ("R&D"), supported by two R&D facilities and a team of 41 personnel as of June 30, 2025, including a dedicated R&D center in Vadodara. Leveraging their in-house technologies—such as encapsulation, spray drying, granulation, trituration, liposomal preparations, and blending—the R&D efforts emphasize particle engineering, extending product shelf life, enhancing nutrient bioavailability, and addressing formulation challenges.

These initiatives enable them to deliver innovative ingredients that meet the evolving requirements of the pharmaceutical, food, and nutrition industries worldwide and have also enabled the development of solvent-free processes that align with high standards of safety and quality.

There operations are led by Promoter and Managing Director, Sujit Jaysukh Bhayani, who brings over 34 years of industry experience. He holds a bachelor's degree in chemistry from the University of Tulsa, USA, and has guided the growth with a strong emphasis on innovation, quality, and strategic diversification. Shanil Sujit Bhayani, one of the Promoters, holds a bachelor's degree in business administration from Drexel University, USA, and has nine years of industry experience. His strategic insight and leadership have played a key role in driving their expansion and identifying new opportunities for the company.

➢ **Competitive Strengths:**

- **Market leadership with a diversified product portfolio in a high barrier industry:** They have established strong market leadership with a diversified product portfolio in a high-barrier industry. They are a leading manufacturer of pharmaceutical, food, nutrition, and specialty ingredients in terms of production volume as of June 30, 2025, with a particular emphasis on mineral-based products and iron phosphate. The report also identifies them as a leading manufacturer of specialty food ingredients in India, offering a broad range of products such as encapsulated preservatives—including sorbic acid and calcium propionate—which are widely used in baked goods to extend shelf life and prevent microbial growth. The leadership is further strengthened by their comprehensive product portfolio, which has expanded significantly from the initial focus on excipients to a wide array of specialized ingredient solutions. As of June 30, 2025, they offer more than 100 products, guided by their philosophy of "Listen, Understand, and Create," which drives them to deliver tailored solutions that address the unique needs of the global customer base. They believe this customer-centric approach, supported by continuous technological advancement, has enabled them to maintain the competitive edge in the global marketplace. The diverse product range, designed to meet the precise requirements of pharmaceutical, food, nutrition, and specialty ingredient customers, has allowed them to maintain steady revenue streams and grow their customer base.

Their diverse product range, tailored to meet the precise needs of their pharmaceutical, food, nutrition, and specialty ingredient customers, has enabled them to maintain steady revenue streams and expand their customer base.

Particulars	Three Month ended June 30, 2025		Fiscal 2025		Fiscal 2024		Fiscal 2023	
	(Rs in million)	% of revenue from operation	(Rs in million)	% of revenue from operation	(Rs in million)	% of revenue from operation	(Rs in million)	% of revenue from operation
External Revenue (A)								
Pharmaceutical, food and nutrition	830	66.4%	3,305	65.8%	3,107	65.4%	3,302	77.0%
Specialty ingredients	419	33.6%	1,715	34.2%	1,486	31.3%	986	23.0%
Inter-segment revenues (B)	99	8.0%	79	1.6%	347	7.3%	164	3.8%
Segment revenue (C) = (A+B)	**1,349**	**108.0%**	**5,099**	**101.6%**	**5,099**	**101.6%**	**4,452**	**103.8%**
Elimination of inter-segment revenues (D)	(99)	-8.0%	(79)	-1.6%	(347)	-7.3%	(164)	-3.8%
Consolidated revenue (E) = (C) – (D)	**1,249**	**100.0%**	**5,020**	**100.0%**	**4,752**	**94.7%**	**4,287**	**100.0%**

India's food and nutritional ingredients market is rapidly expanding, driven by increasing health awareness, a growing population, and rising disposable incomes. The demand for fortified foods, dietary supplements, and functional beverages has surged as consumers increasingly prioritize health and wellness. With ongoing innovation and investments, India's food and nutritional ingredient sector is expected to grow further, catering to the evolving needs of health-conscious consumers and addressing malnutrition through fortified and functional food solutions globally. Within the pharmaceutical sector, excipients play an essential role despite being a lower-cost component: although they constitute approximately 95% of a tablet's composition and only 5% of its cost, they are critical to the product's functionality, stability, and efficacy. The Indian excipient market holds significant growth potential, supported by access to cost-effective raw materials and labor, as well as suppliers' ability to quickly adopt new technologies. Rising expenses and workforce shortages in the United States and Europe, coupled with higher energy prices and inflation affecting raw material costs, are expected to drive the outsourcing of drug formulation to Asian countries like India, which benefit from lower manufacturing and labor costs. Despite these growth trends, stringent regulatory processes act as a barrier to entry for new excipient manufacturers. Long development timelines, high R&D investments, and the risk of regulatory non-compliance have limited the development of novel excipients, allowing existing players with established manufacturing and regulatory capabilities to maintain a strong market presence. Backed by their regulatory-accredited facilities and market leadership, they are well positioned to capitalize on growth opportunities across the pharmaceutical, food, and nutrition industries.

- **Distinguished global customer base with long-standing relationships with key customers:** Their expansive global customer network includes companies in the pharmaceuticals, food and nutrition, and FMCG sectors. As of June 30, 2025, they have served over 1,100 customers across multiple regions, including partnerships spanning several decades. Their robust customer base includes over 40 blue-chip multinational companies across the pharmaceutical, food, and nutrition industries. Their marquee customers include Pfizer Inc., Intas Pharmaceuticals Limited, Mankind Pharma Limited, Merck Group, Alembic Pharmaceutical Limited, Aurobindo Pharma Limited, Cadila Pharmaceutical Limited, IMCD Asia Pte. Ltd., Micro Labs Limited, and Danone S.A. Their largest customer accounted for 14.58%, 8.15%, 9.14%, and 11.55% of revenue from operations for the three months ended June 30, 2025, and Fiscals 2025, 2024, and 2023, respectively. As of June 30, 2025, they have 14 global Fortune 500 companies as customers. The average tenure of their relationship with their five largest customers in terms of revenue from operations for the three months ended June 30, 2025, is 7.08 years.

The following table sets forth the contribution to their revenue from operations from their largest, top five and top 10 customers for the periods indicated:

Particulars	Three Month ended June 30, 2025		Fiscal 2025		Fiscal 2024		Fiscal 2023	
	(Rs in million)	% of revenue from operation	(Rs in million)	% of revenue from operation	(Rs in million)	% of revenue from operation	(Rs in million)	% of revenue from operation
Largest customer	182	14.6%	409	8.2%	420	9.1%	495	11.6%
Top 5 customer	453	34.1%	1,494	29.8%	1,245	27.1%	1,492	34.8%
Top 10 customer	526	42.1%	2,047	40.8%	1,623	35.3%	1,843	43.0%

- **Well-equipped and regulatory compliant Manufacturing Facilities:** They operate four Manufacturing Facilities with 12 production lines as of June 30, 2025. Two of these facilities, located in Gujarat, are dedicated to the manufacturing of pharmaceutical and food-grade minerals, while one facility in Gujarat exclusively produces specialty ingredients for the food and nutrition industry. Further, pursuant to their acquisition of NSS as a Material Subsidiary with effect from May 22, 2025, they also have a manufacturing facility in Ireland. These facilities span a total land area of approximately 68,446 square meters and have a total annual available production capacity of 72,246 MT, as of June 30, 2025. Their facilities are equipped with advanced automation and modern machinery that enable precise control over production parameters, ensuring consistent quality and enhanced purity. To further strengthen their manufacturing capabilities, they have developed six proprietary technologies for processes such as encapsulation, spray drying, granulation, trituration, liposomal preparations, and blending, which, are particularly critical for sectors like critical nutrition and infant nutrition, where adherence to stringent quality and safety standards is paramount. Each of these processes contributes to their ability to deliver quality products that comply with regulatory standards for purity and efficacy. Their comprehensive in-house testing facility includes a fully equipped quality control laboratory that conducts microbial and chemical analysis, stability testing, and impurity assessments, ensuring adherence to industry benchmarks. There Manufacturing Facilities have received an aggregate of 35 global accreditations and certifications, including 10 product-specific regulatory approvals (including from jurisdictions such as the United States and Europe) as of June 30, 2025. These include certifications from USFDA, EXCiPACT, Roundtable on Sustainable Palm Oil, Drug Master File, World Food Program, Food Safety System Certification, Centre for Drug Evaluation, China, World Health Organisation – Good Manufacturing Practices, International Organization for Standardization, and Hazard Analysis and Critical Control Points. Additionally, some of their products are certified "Kosher" and "Halal." In March 2024, their largest manufacturing facility, Nandesari Facility I, received USFDA approval for the manufacture of mineral-based food ingredients. This positioned them as the first and only company in India, and one of the few companies globally, to achieve USFDA certification for mineral-based ingredients. As of June 30, 2025, they have a network of 15 warehouses in the United States, Europe, Latin America, Africa, and Asia, operated by them and their partners, which help with the storage and efficient delivery of their products, out of which one warehouse is owned by them. Further, they continually invest in expanding their manufacturing infrastructure. Set forth below is expenditure incurred by them on capacity expansion and infrastructural development during the periods indicated:

Particulars	Three Months ended June 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
Expenses incurred on capacity expansion & infrastructural development (Rs. million)	130	605	531	360
Expenses incurred on capacity expansion & infrastructural development as a percentage of revenue from operations (%)	10.4%	12.0%	11.6%	8.4%

They are in the process of commissioning another manufacturing facility at Nandesari, Gujarat, with an annual capacity of 51,200 MT, and expect to commission this facility by the fourth quarter of Fiscal 2026. They expect this facility to enhance their capability to meet growing customer demand effectively, ensuring that they can support sustained growth and secure new opportunities across the pharmaceuticals, food, and nutrition industries. They believe that such initiatives to strengthen their production infrastructure better position them to provide innovative solutions and serve their global customer base efficiently.

- **Strong research and development capabilities:** Their R&D capabilities have been critical to their success and a differentiating factor from their competitors. Their R&D efforts focus on particle engineering, extending product shelf life, enhancing nutrient bioavailability, and addressing formulation challenges. As of June 30, 2025, they operate two R&D facilities with a dedicated team of 41 personnel. These facilities are equipped with advanced machinery including fluidized bed coaters, spray dryers, tablet compression machines, and blenders, which enable them to refine their production technologies, improve sustainability, and expand their product portfolio. They have undertaken over 420 R&D projects during the last three Fiscals, and the three months ended June 30, 2025, driven by a combination of customer-driven requirements and in-house initiatives to address market opportunities, create innovative solutions for existing formulations, or overcome operational challenges. As a result of these initiatives, they successfully commercialized 127 products, including newly developed products as well as variants of existing products, such as different stock-keeping units, ingredient strengths, and optimized formulations designed to meet diverse industry needs. According to the F&S Report, their R&D initiatives assist them in extending product shelf life and vitality, improving ingredient absorption, resolving formulation challenges, integrating technological developments in their manufacturing capabilities, developing market-ready solutions, improving nutrient bioavailability, undertaking particle engineering, and ensuring targeted release of excipients. Their R&D capabilities are underpinned by advanced technologies for processes such as encapsulation, spray drying, granulation, trituration, liposomal preparations, and blending, which enhance their ability to deliver specialized products. These processes ensure the production of uniform, free-flowing granules for optimal handling and compatibility in tablets and capsules. Their encapsulation technology allows precise coating and protection of active ingredients, improving stability and targeted release. Their R&D team focuses on identifying new product opportunities and addressing emerging customer needs. Their R&D efforts enabled them to develop Lipoboost, a line of liposomal ingredients engineered for enhanced bioavailability. This range leverages liposomal technology to improve nutrient absorption and stability, providing more effective ingredient delivery for nutraceutical and functional food applications. In addition, they introduced Novelcap, a brand of encapsulated ingredients designed to tackle formulation challenges such as stability, taste, and controlled release.

➢ **Key Strategies*:***

- **Expand into high-growth businesses:** They have established a wholly owned subsidiary, Sudeep Advanced Materials Private Limited ("SAMPL"), to leverage their expertise in mineral chemistry and precision processing. SAMPL is in the process of setting up a manufacturing facility to produce precursor cathode active materials ("pCAM"), beginning with battery-grade iron phosphate for lithium iron phosphate batteries used in electric vehicles and energy storage systems. Through a job work agreement dated April 23, 2025, SAMPL has engaged them to perform key processing operations such as synthesizing, drying, and calcination. Through this, they aim to efficiently utilize their existing infrastructure while building next-generation capabilities under SAMPL. They utilize their proprietary eco-friendly manufacturing process to manufacture iron phosphate under their brand, EcoCath™. They intend to leverage their established manufacturing ecosystem, regulatory credibility, and integrated supply chain to scale production and expand the manufacturing capacity of their Nandesari Facility I for different grades of iron phosphate and to strengthen their production processes by adopting more efficient methods. To achieve this, they intend to invest in advanced technologies, modern machinery, and equipment that will help them scale in a sustainable manner.

- **Expand market reach through multiple growth initiatives:** They aim to increase their market reach through the following growth initiatives:

  - ***Leverage USFDA-approved capabilities for expansion in regulated markets***: Their Manufacturing Facilities have received several global approvals, including USFDA approval for the manufacture of mineral-based food ingredients at Nandesari Facility I, as of June 30, 2025. These approvals have enabled them to expand their operations in highly regulated markets such as the United States and Europe, where product compliance, quality consistency, and traceability are critical. They are in the process of scaling their exports of key ingredients such as calcium carbonate and iron phosphate, which, according to the F&S Report, are essential for fortified foods, dietary supplements, and oral solid formulations. In order to strengthen their global position, they are transitioning from a distributor-led model to direct market access, supported by investments in warehousing infrastructure in the United States and Europe, and growing local sales and technical support teams in key regions. They are undertaking such initiatives to reduce lead times, enhance service, and increase their visibility and control across the customer value chain. They also aim to cross-sell their products to existing customers in the food and nutraceutical industries.

  - **E*xpand market reach with Lipoboost liposomal ingredients and Novelcap encapsulated products*:** They developed Lipoboost, a line of liposomal ingredients engineered for enhanced bioavailability, and Novelcap, a brand of encapsulated ingredients, to address specific formulation challenges across functional foods, nutraceuticals, dietary supplements, and clinical nutrition. These products have been designed to improve the bioavailability, stability, and delivery of APIs across various product formats. They expect the demand for these products to develop in regulated markets such as Europe and North America, along with emerging markets such as India and Southeast Asia. According to the F&S Report, the competitive landscape for products under these brands is driven by the usage of advanced technology employed for their production, and is primarily concentrated in Europe and North America, with less participation from Asian suppliers. They believe that their ability to develop product formats comparable with global benchmarks, supported by their R&D capabilities and regulatory certifications, positions them as a credible and cost-effective alternative in regulated markets.

  - ***Capitalize on government-led public health initiatives for large-scale fortification*:** A key area of growth for them lies in large-scale public health fortification initiatives driven by governments and global organizations to uplift the health of underserved populations. With their deep expertise in micronutrient premixes and specialized food minerals, they believe they are well positioned to support nationwide food fortification efforts aimed at improving public health. In India, they are focused on rice fortification initiatives, supported by the Government of India under programs like the Targeted Public Distribution System, Integrated Child Development Services, and PM POSHAN. These initiatives are aimed at large-scale eradication of malnutrition and micronutrient deficiencies. Similarly, they are focused on fortification efforts in African and Southeast Asian countries, where, according to the F&S Report, large-scale fortification is being implemented to combat nutritional deficiencies in vulnerable populations. They intend to leverage their deep understanding of micronutrient needs and formulation capabilities to capitalize on such government-backed initiatives, providing solutions that address critical health challenges. This approach will enable them to contribute meaningfully to global health while also expanding their market presence in regions with high fortification demand.

- **Develop customized solutions and enter into strategic partnerships to drive growth:** They intend to develop customized solutions and enter strategic partnerships that help them meet the unique requirements of their customers across diverse sectors. They intend to develop specialized food minerals, premixes, and innovative delivery formats like encapsulated products to continue to support evolving market needs. They intend to enter new international partnerships to drive their market presence. They are focused on leveraging emerging opportunities and forming strategic alliances that provide immediate access and local expertise in global markets. They intend to enhance their brand reputation in various international markets by adopting localized manufacturing and marketing strategies to cater to specific customer groups. Further, they will continue to accelerate product adjustments based on market feedback since they believe that it is important to remain agile and innovate products in their lines of business in order to remain competitive. They have also established sales teams across Europe, with an office in the Netherlands and warehouses in Spain and the Netherlands, to ensure distribution and closer engagement with their key markets.

- **Integrate recently acquired entities and continue evaluating inorganic growth opportunities:** They are exploring opportunities for inorganic growth to expand their business operations, enter new markets, consolidate market position in existing business verticals, unlock potential efficiency and synergy benefits and expand their products portfolio. For instance, their Subsidiary, Sudeep Pharma B.V., entered into an agreement dated April 9, 2025, for the purchase of 85.00% of the shareholding of NSS, pursuant to which NSS became their Material Subsidiary with effect from May 22, 2025. NSS is engaged in the business of manufacturing of vitamin and mineral blends in the form of dry blends, water soluble blends, oil soluble blends, amino acid and nucleotide blends for high care infant nutrition and critical care segments. They expect this acquisition will strengthen their presence in Europe by enabling us to gain access to a domestic manufacturing facility along with several customer approvals and novel formulations catering to critical care and infant nutrition market. It will enable them to expand their product offerings thereby leading to new revenue streams and increased cross-selling opportunities to drive long-term growth. They intend to maintain a disciplined approach to inorganic opportunities and consider various selection criteria such as skills of the management team, scale of operations, technological capabilities, valuation and cultural fit.

- **Enhance manufacturing capabilities:** India's pharmaceutical industry is rapidly growing and is the largest producer of generic medicines globally, contributing 20% to the total generic drug production volumes. The Indian excipient market holds significant growth potential, driven largely by the accessibility of cost-effective raw materials and labour, along with suppliers' adeptness in swiftly embracing new technologies. The company's rising expenses and workforce shortages in the United States and Europe, coupled with rising energy prices in Europe and escalating inflation affecting raw material expenses, will drive the outsourcing of drug formulation to Asian nations like India, because of their lower manufacturing and labour costs. We are focused on expanding their manufacturing capacity to capitalize on future growth opportunities. They are currently in the process of setting up a manufacturing facility in Nandesari, Gujarat to produce excipients. This facility will be spread across 17,529 square meters with a proposed annual production capacity of 51,200 MT become operational by the second quarter of Fiscal 2026. We will implement various automation initiatives at this facility to minimize human intervention which will help achieve operational efficiencies.

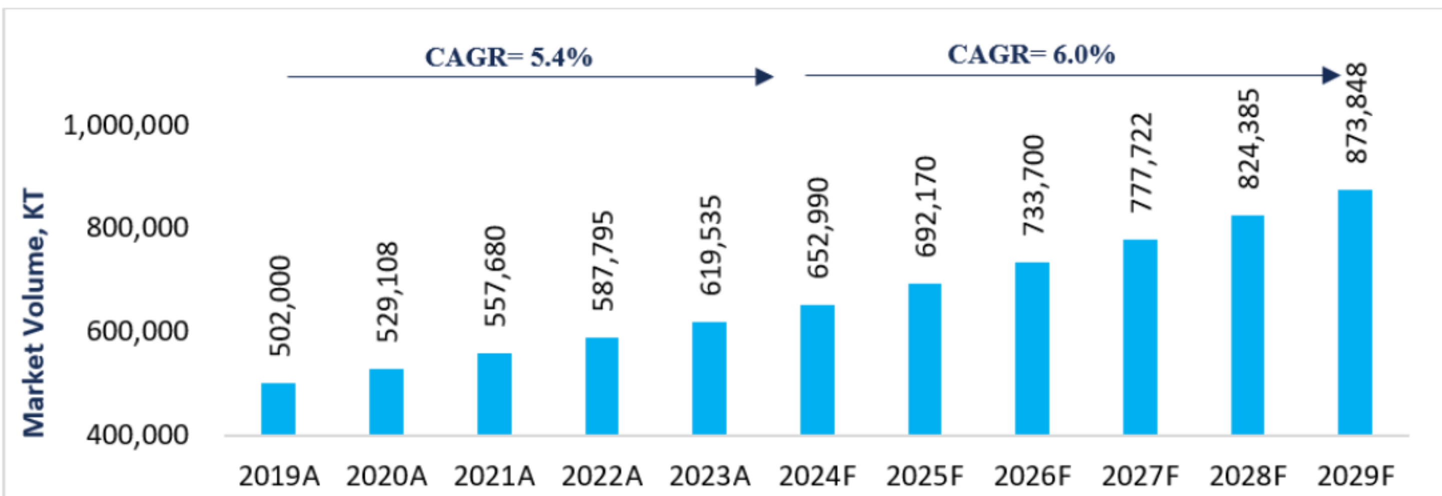
➢ **Industry Snapshot*:***

- In 2024, the global demand for **food ingredients** is estimated at approximately USD 423 billion. The market is expected to grow at a compound annual growth rate (CAGR) of 6.5% between 2024 and 2029, reaching USD 580 billion by 2029.
- In terms of volume, total consumption was around 652,990 kilotons in 2024 and is projected to reach 873,848 kilotons by 2029, reflecting a CAGR of 6.0%. For comparison, in 2018, the market volume demand was approximately 502,000 kilotons.

The graphs below depict the demand for food Ingredients between 2019 and 2029:

Global Food Ingredient Market, by Value, 2019A to 2029F

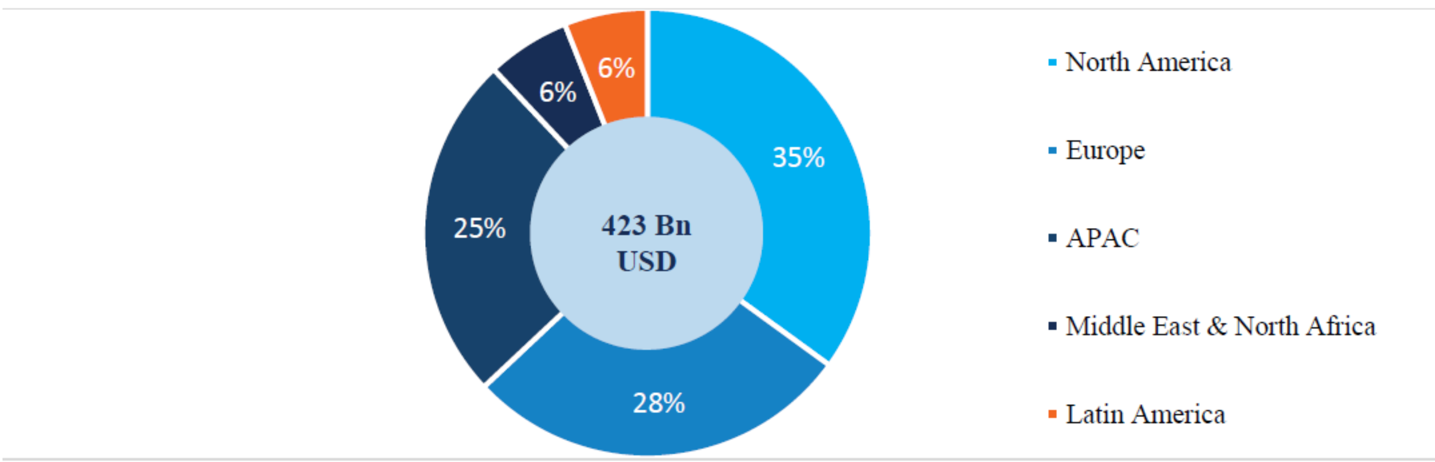
Global Food Ingredient Market, by Volume, 2019A to 2029F



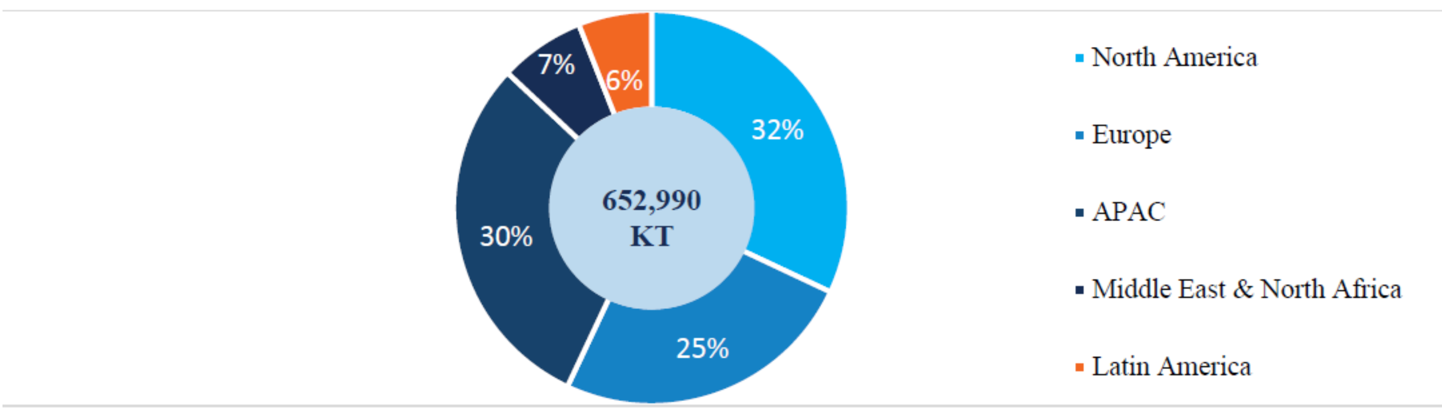
The global food ingredients market exhibits distinct regional trends driven by consumer preferences, regulatory environments, and industry innovations. **North America**, holding the largest share at 35%, is driven by demand for clean-label, organic, and plant-based ingredients, supported by strong R&D in functional additives and flavor innovation. Europe, accounting for approximately 28%, focuses on sustainability and natural solutions, with an emphasis on reducing artificial additives and enhancing supply chain traceability, in line with stringent regulatory frameworks.
The **Asia-Pacific region**, representing 25% of the market, is experiencing rapid growth due to increasing urbanization, rising disposable incomes, and a preference for convenient foods fortified with nutritional ingredients to meet health-conscious consumer demands.
The **MENA (Middle East and North Africa) region and the Rest of the World (RoW)** each contribute 6%, with MENA showing growing interest in halal-certified ingredients and functional food solutions. These dynamics demonstrate how regional priorities shape the global food ingredients landscape, balancing tradition with innovation.

The graphs below show the regional segmentation for Food ingredients in 2024.

Global Food Ingredient Market, By Value, by Region, 2024A

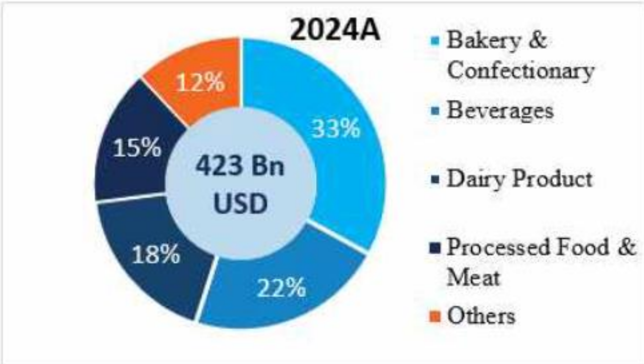


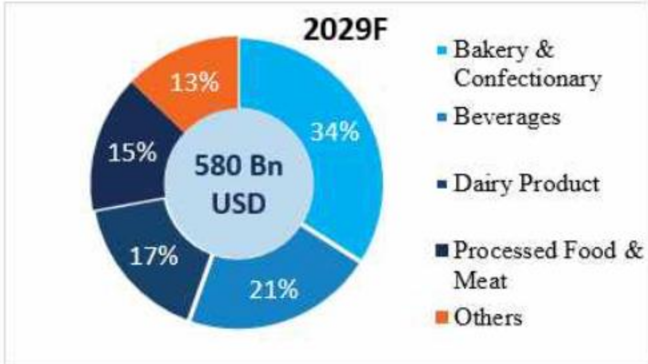
Global Food Ingredient Market Volume by Region, 2024A



Source: Frost & Sullivan

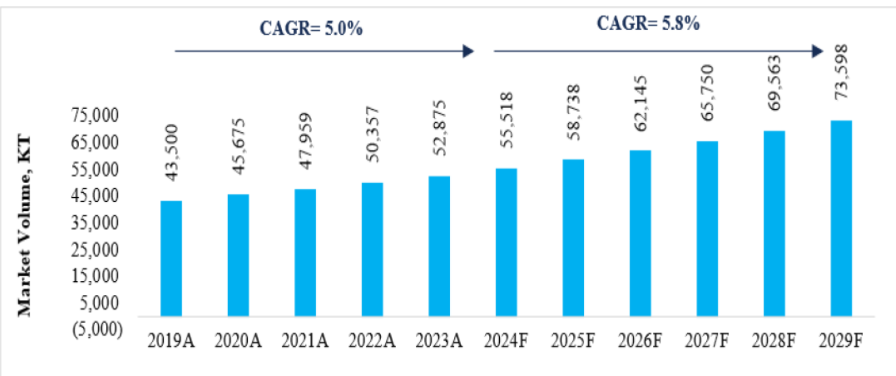
The Bakery and Confectionery segment accounts for the highest usage of food ingredients, with a market share of approximately 33%, primarily utilizing leavening agents such as baking powder, sweeteners like sucrose and glucose syrup, and emulsifiers. The Beverage sector holds a significant share of 22%, incorporating ingredients such as flavoring agents, citric acid, and preservatives like sodium benzoate, with examples including vitamin-enriched juices, flavored teas, and carbonated drinks. Dairy Products rely on stabilizers such as carrageenan and calcium fortifiers to improve texture and consistency, as seen in products like yogurt, cheese, and milk powders. The Processed Food and Meat segment accounts for 15% of the market, often incorporating flavor enhancers like MSG, curing agents such as sodium nitrite, and antioxidants to maintain freshness, evident in sausages, ready-to-eat meals, and canned goods. The graphs below depict the application share of food ingredients for 2024 to 2029:





In 2024, the global demand for **specialty food ingredients** is estimated at approximately 85 billion USD. The market is projected to grow at a CAGR of 6.8% between 2024 and 2029, reaching 118 billion USD by 2029. In terms of volume, total consumption was around 55,518 kilotons in 2024 and is expected to reach 73,598 kilotons by 2029, reflecting a CAGR of 5.8%. For comparison, market volume demand in 2019 was approximately 43,500 kilotons. The graphs below illustrate the demand for specialty food ingredients between 2019 and 2029.

Global Specialty Food Ingredient Market, by Volume, 2019A to 2029F

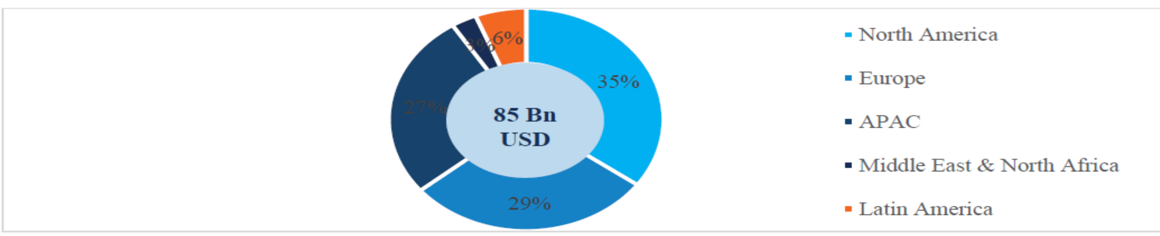


Global Specialty Food Ingredient Market, by Value, 2019A to 2029F

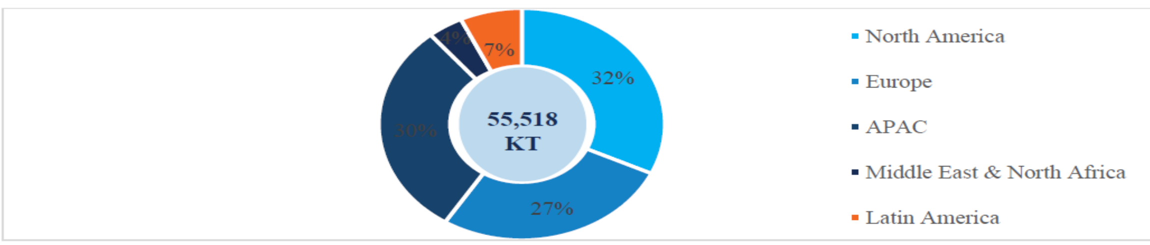
Note: Historic Years (2019 to 2024) Forecasted Years (2025 to 2029) *Source: Frost & Sullivan*

The specialty food ingredients market is experiencing significant global growth, with North America leading as the largest consumer, accounting for approximately 35% of the market share. This dominance is driven by high demand for processed foods, shifting consumer preferences toward healthier and functional food options, and a strong focus on convenience-oriented products such as ready-to-eat (RTE) and ready-to-cook (RTC) meals. Europe follows closely, contributing 29% of the market share, supported by strict food regulations and growing consumer interest in clean-label and natural ingredients. Meanwhile, the Asia-Pacific region is rapidly emerging as a key player, closely rivalling Europe, propelled by its large population, rising disposable incomes, and increasing urbanization, which drive demand for specialty ingredients across various applications. These regional dynamics illustrate the diverse factors shaping the global specialty food ingredients market.

Global Specialty Food Ingredient Market Revenue, by Region, 2024A



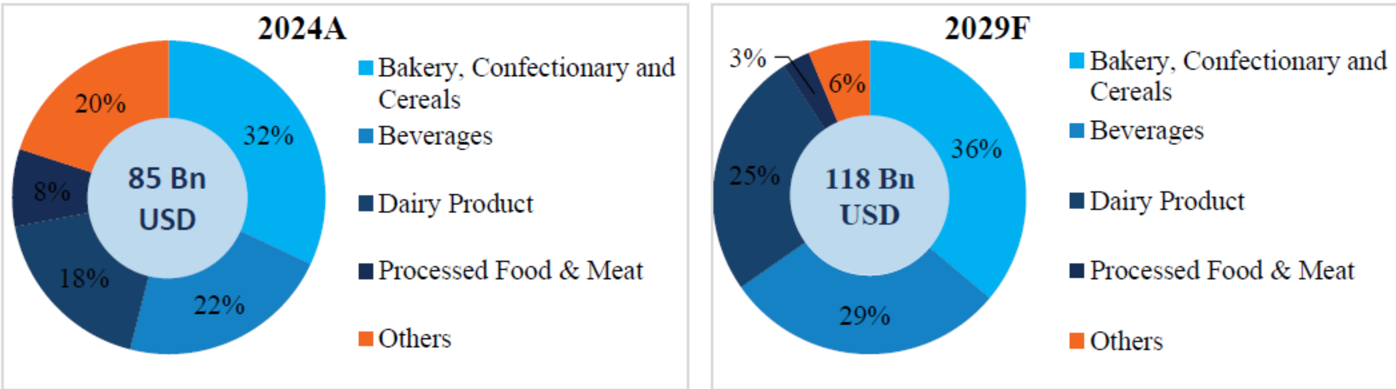
Global Specialty Food Ingredient Market Volume by Region, 2024A



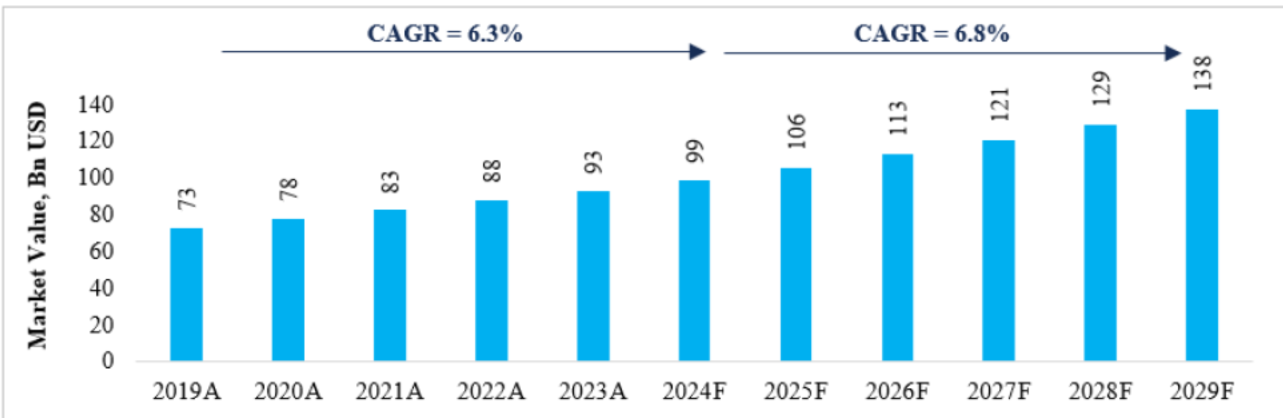
Source: Frost & Sullivan

Bakery and confectionery represent the largest application segment for specialty food ingredients, driven by the demand for controlled-release ingredients, enzymes, preservatives, texturizers, dough conditioners, and flavouring agents or flavour enhancers, among others. Dairy applications utilize key ingredients such as emulsifiers, stabilizers, flavour enhancers, and texturizers to improve product quality and functionality. In the nutrition sector, infant nutrition and sports nutrition prominently feature encapsulated ingredients, including encapsulated calcium, magnesium, iron, iodine, potassium, manganese, copper, and vitamins, to meet specific dietary and functional needs. Some minerals are also certified as APIs, highlighting their critical therapeutic role. In processed food and meat, preservatives, antioxidants, and flavour enhancers are crucial for extending shelf life, ensuring safety, and enhancing taste, making them indispensable for processed meats and ready-to-eat products. Sudeep Pharma's 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. Many of these minerals act as excipients, supporting the efficacy and stability of pharmaceutical formulations. In food and nutrition, their products serve as fortifying agents and additives that enhance the nutritional value of confectionery, staple foods, beverages, baked goods, dairy products, infant nutrition, and dietary supplements, ensuring compliance with regulatory standards and delivering essential nutrients for consumer health.

Global Specialty Food Ingredient Market Revenue, by Application, 2024A to 2029F

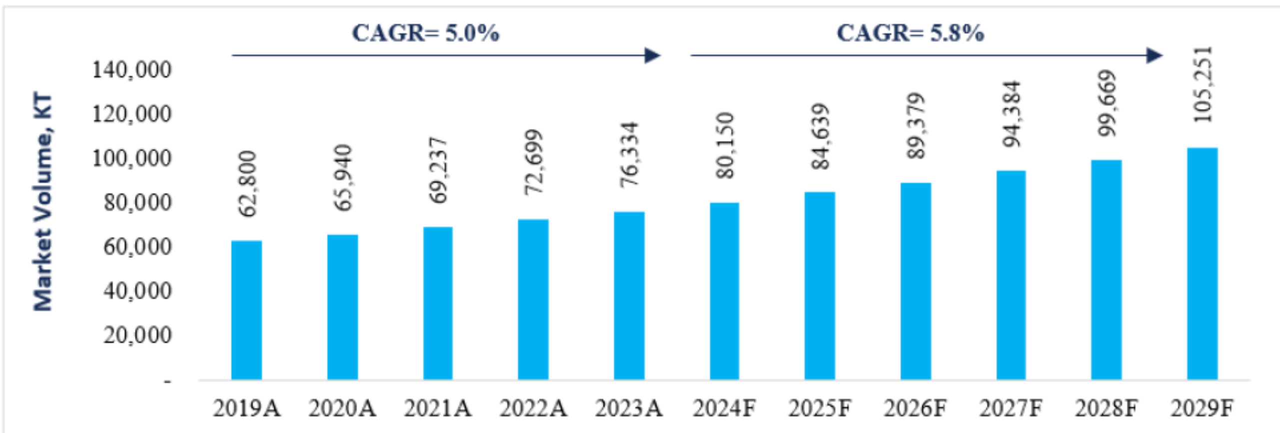


In 2024, the global demand for **nutritional ingredients** is estimated at approximately 99 billion USD. The market is projected to grow at a CAGR of 6.8% between 2024 and 2029, reaching 138 billion USD by 2029. In terms of volume, total consumption was around 80,150 kilotons in 2023 and is expected to reach 105,251 kilotons by 2029, reflecting a CAGR of 5.6%. By comparison, market volume demand in 2019 was approximately 62,800 kilotons. The graphs below depict the demand for nutritional ingredients between 2019 and 2029:



Note: Historic Years (2019 to 2024) Forecasted Years (2025 to 2029) *Source: Frost & Sullivan*

Global Nutritional Ingredients Market, by Volume, 2019A to 2029F

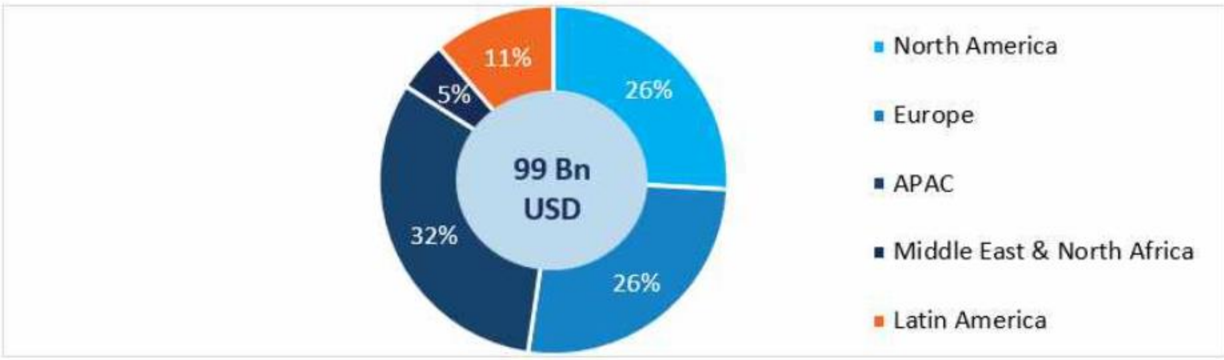


Note: Historic Years (2019 to 2024) Forecasted Years (2025 to 2029) *Source: Frost & Sullivan*

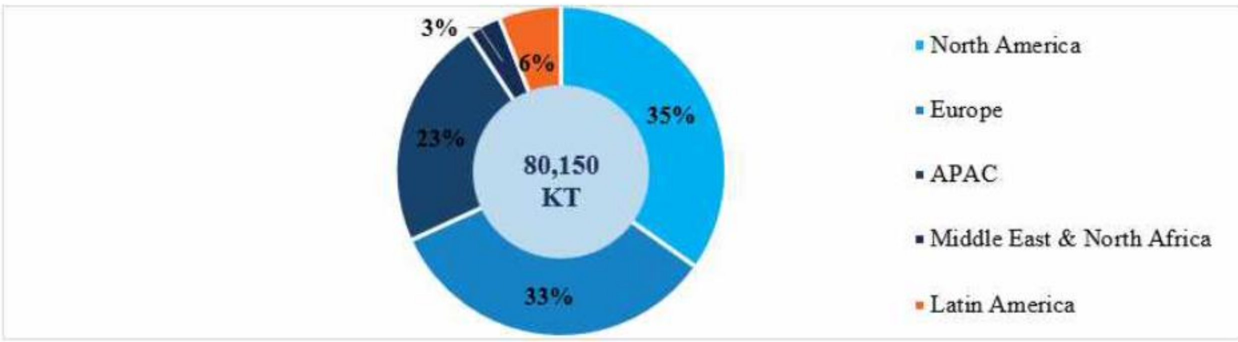
Rapid urbanization has positioned the Asia-Pacific ("APAC") region as the largest market for nutritional ingredients in terms of both value and volume, making it the fastest-growing region globally. This growth is driven by increasing prevalence of vitamin and mineral deficiencies, creating significant opportunities for dietary supplement manufacturers as well as food and beverage companies to scale production to meet rising demand. Additionally, the growing incidence of chronic conditions such as diabetes, arthritis, cardiovascular diseases, and osteoporosis further supports demand for nutritional products. The expansion of e-commerce platforms has also reshaped supplement purchasing habits, positively influencing the nutritional ingredients market.

In North America, both the COVID-19 pandemic and the post-pandemic period have witnessed a notable surge in demand for nutritional ingredients across the food and beverage industry, dietary supplements, and functional foods, particularly in the United States. The pandemic heightened awareness of immune health, driving demand for supplements such as vitamin C, vitamin D, zinc, and elderberry.

In Europe, health remains a key priority, supporting demand for functional ingredients targeting immune, gut, joint, and metabolic health. There is also a growing shift toward white-label health supplements due to cost-of-living considerations, with local brands preferred over international alternatives—a trend expected to continue.



Global Nutritional Ingredients Market Volume by Region, 2024A

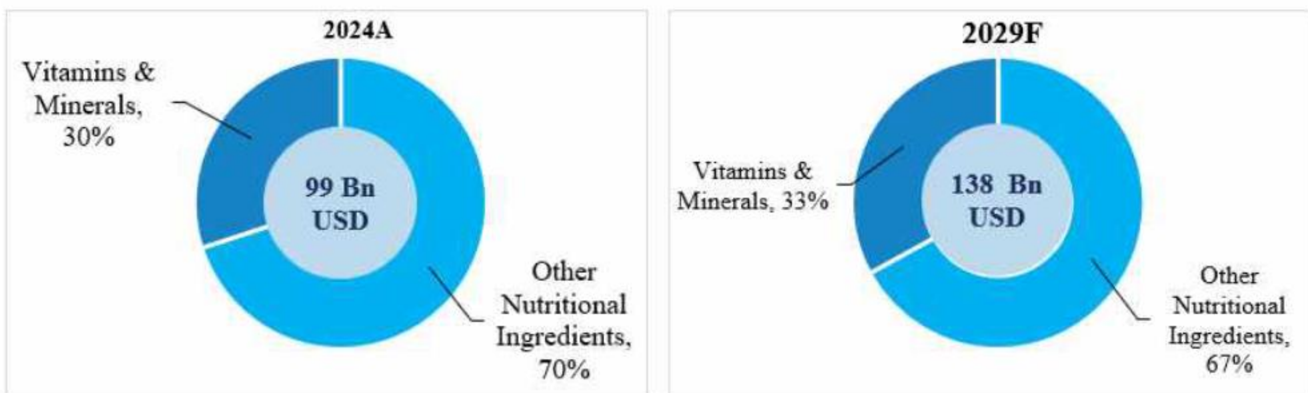


Source: Frost & Sullivan

Nutritional ingredients encompass a wide range of vitamins and minerals, including Vitamin A, Vitamin B Complex, Vitamin C, Vitamin D, Vitamin E, Vitamin K, Potassium, Calcium, Zinc, Iron, Sodium, Magnesium, as well as other key nutrients such as casein and caseinates, collagen peptides, creatine, DHEA, medium-chain triglycerides (MCTs), melatonin, milk proteins (concentrates and isolates), MSM, omega-3 and omega-6 fatty acids, phytosterols, plant proteins, prebiotics, and probiotics. These ingredients are carefully formulated for specific applications across dietary supplements, functional foods and beverages, sports nutrition, and infant nutrition. They provide targeted health benefits, including supporting brain function, promoting heart health, enhancing digestion, and boosting the immune system. Encapsulated forms of minerals such as calcium, magnesium, iron, iodine, potassium, manganese, copper, and vitamins are particularly prominent in infant and sports nutrition products to address specific dietary and functional requirements.

Nutritional ingredients comprise a broad range of vitamins and minerals, including Vitamin A, Vitamin B Complex, Vitamin C, Vitamin D, Vitamin E, Vitamin K, Potassium, Calcium, Zinc, Iron, Sodium, and Magnesium, along with other key nutrients such as casein and caseinates, collagen peptides, creatine, DHEA, medium-chain triglycerides (MCTs), melatonin, milk proteins (concentrates and isolates), MSM, omega-3 and omega-6 fatty acids, phytosterols, plant proteins, prebiotics, and probiotics. These ingredients are carefully formulated for specific applications, including dietary supplements, functional foods and beverages, sports nutrition, and infant nutrition. They deliver targeted health benefits, such as supporting brain function, promoting heart health, enhancing digestion, and strengthening the immune system. Encapsulated forms of minerals—such as calcium, magnesium, iron, iodine, potassium, manganese, copper, and vitamins—are particularly important in infant and sports nutrition to address precise dietary and functional needs.

Global Nutritional Ingredients Market Revenue, by Type, 2024A to 2029F



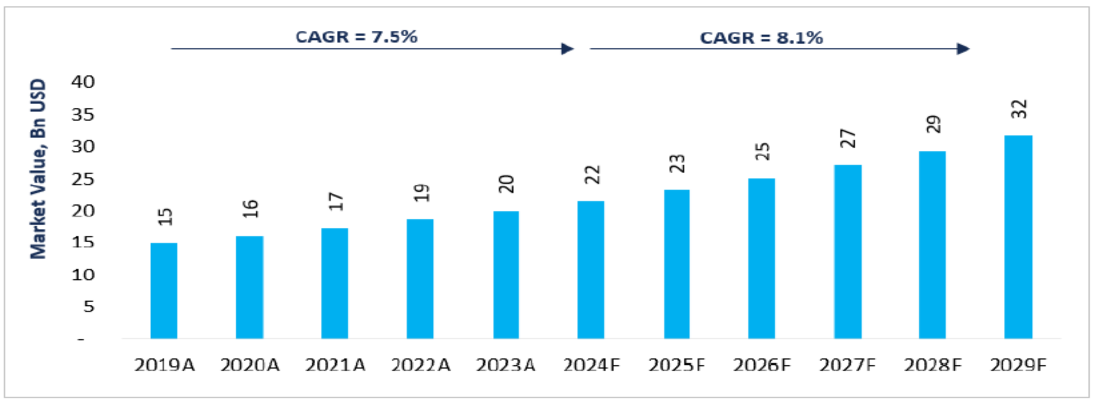
Note: Other nutritional ingredients include Omega 3, Omega 6, DHA, casein and caseinates, collagen peptides, creatine, DHEA, medium-chain triglycerides (MCTs), melatonin, milk (milk protein concentrate and isolate), MSM, phytosterols, plant proteins, prebiotics, probiotics, etc.

India's Food and Nutritional Ingredients Market

India's food and nutritional ingredients market is experiencing robust growth, driven by rising health awareness, urbanization, a growing middle class, and increasing disposable incomes. The demand for fortified foods, dietary supplements, and functional beverages is rising, fueled by consumer focus on wellness and government initiatives such as Poshan Abhiyaan and the mandatory fortification of staples like rice, wheat flour, oil, and salt. Key ingredients such as vitamins, minerals, probiotics, amino acids, and plant-based proteins are seeing significant uptake, with granulated and microencapsulated forms gaining traction due to improved bioavailability and stability. Industries like dairy and snacks are increasingly using premixes to enhance nutritional profiles, aligning with consumer preference for healthier and fortified options. With ongoing innovation and investment, India's food and nutritional ingredients sector is poised to become a global leader, addressing malnutrition while catering to the evolving needs of health-conscious consumers through fortified and functional food solutions. In 2024, India's demand for **food ingredients** is estimated at USD 22 billion, with total consumption of 33,170 kilotons (KT). The market is projected to grow at a CAGR of 8.1% in value and 7.8% in volume, reaching USD 32 billion and 48,289 KT by 2029. For comparison, in 2019, the market volume demand was 23,650 KT, highlighting strong growth over the past five years.

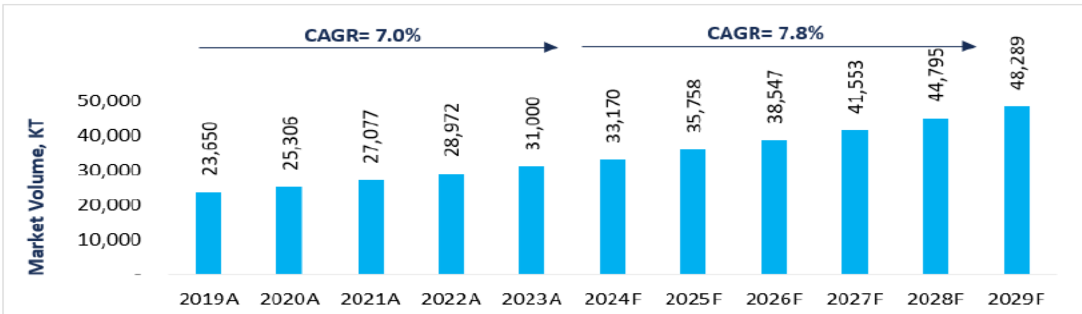
The graphs below depict the demand for food Ingredients between 2019 and 2029:

India Food Ingredient Market, by Value, 2019A to 2029F



Note: Historic Years (2019 to 2024) Forecasted Years (2025 to 2029) *Source: Frost & Sullivan*

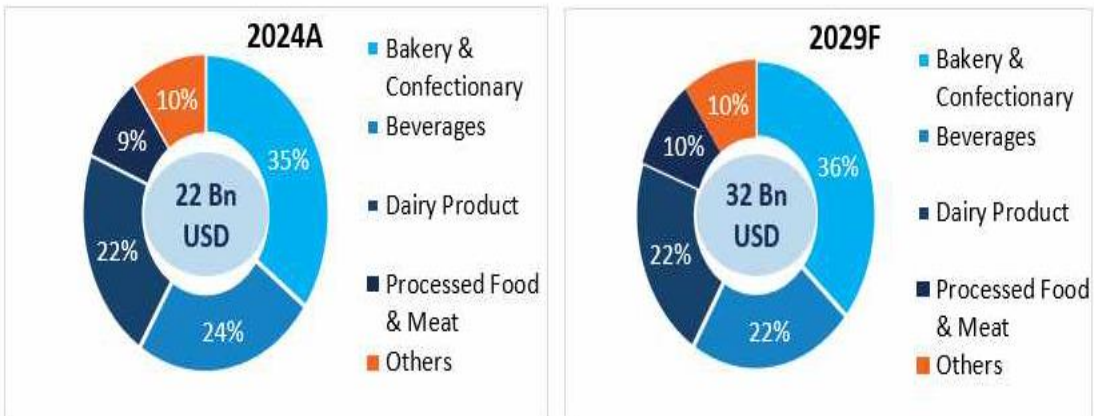
India Food Ingredient Market, by Volume, 2019A to 2029F



Note: Historic Years (2019 to 2024) Forecasted Years (2025 to 2029) *Source: Frost & Sullivan*

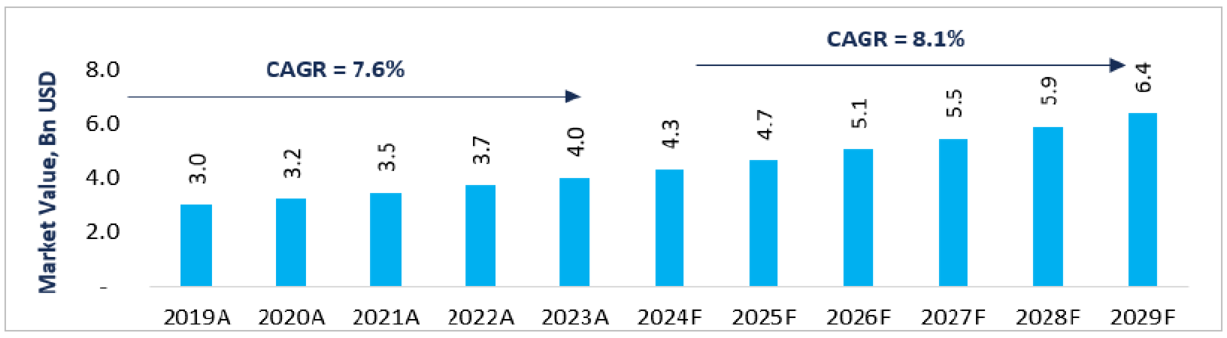
The Indian food ingredients market is primarily led by the bakery and confectionery segment, which holds a 35% market share. Ingredients such as preservatives, emulsifiers, and flours are widely used in this segment to enhance shelf life, texture, and structure. The beverages sector accounts for 24% of the market, with flavours, colourants, preservatives, thickeners like pectin, and proteins playing a vital role in creating appealing, shelf-stable products, including soft drinks, juices, functional beverages, and health-focused drinks. Dairy products rely on emulsifiers, thickeners, enzymes, as well as colours and flavours to stabilize yogurt, cheese, and ice cream, while improving texture, shelf life, and sensory appeal. Other applications, including snacks, sauces, and condiments, utilize preservatives, thickeners, and flavours to maintain quality, safety, and taste. These trends reflect the diverse and critical role of food ingredients in meeting the evolving preferences of Indian consumers, particularly the growing demand for fortified, convenient, and visually appealing products.

India Food Ingredient Market Revenue, by Type, 2024A to 2029F



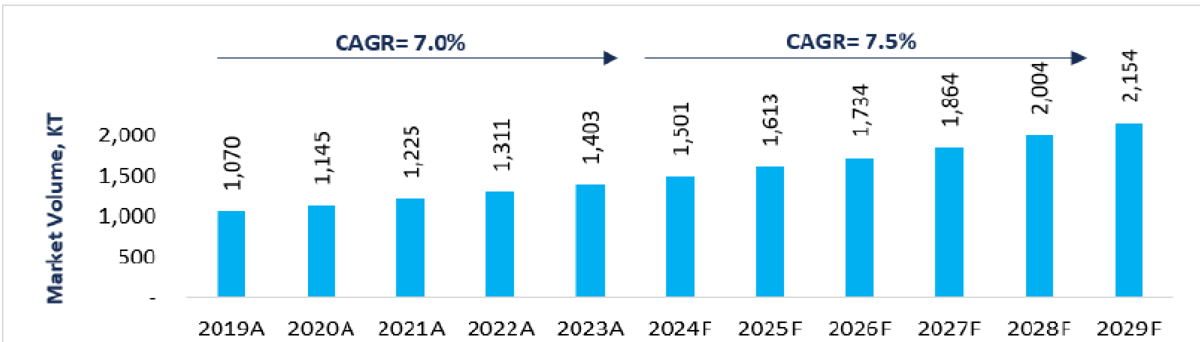
India's specialty food ingredients market is witnessing rapid evolution, fueled by increasing consumer demand for innovative, high-quality, and functional food solutions. Key ingredients such as encapsulated preservatives play a vital role in extending the shelf life of bakery and processed products without compromising freshness, while encapsulated acidulants enhance and manage flavors in confectionery and beverages. Leavening agents ensure consistent texture and volume in baked goods, supporting superior product quality. The growing shift toward clean-label, plant-based, and sustainable solutions has made specialty food ingredients essential for aligning products with consumer preferences and regulatory requirements, while improving both functional and sensory attributes. This dynamic sector continues to drive innovation across India's diverse food industry. As of June 30, 2025, Sudeep Pharma stands out as a leading manufacturer of pharmaceutical, food, nutrition, and specialty ingredients, with a particular focus on mineral-based products and iron phosphate. The company offers a broad portfolio of specialty food ingredients, including encapsulated preservatives such as sorbic acid and calcium propionate, widely used in baked goods, dairy, and other perishable products to extend shelf life and prevent microbial growth. Encapsulated acidulants like malic, fumaric, and citric acids help regulate flavor release, enhance taste profiles, and improve pH stability in confectionery, beverages, and processed foods. Leavening agents, including encapsulated sodium bicarbonate and dicalcium phosphate, are critical for maintaining consistent texture and volume in bakery items. Moreover, flavor enhancers such as magnesium sulfate and magnesium oxide improve the taste of savory products, while fat powders derived from palm, soya, high-oleic sunflower oil (HOSO), and medium-chain triglycerides (MCT) enhance functionality in powdered mixes and nutritional products. Emulsifiers, including dimagnesium phosphate and trimagnesium phosphate, stabilize processed food formulations, and texture enhancers like dicalcium phosphate improve the mouthfeel of snacks and baked goods, ensuring high-quality, consumer-ready products across India's growing specialty food market.

In 2024, India's demand for **specialty food ingredients** is estimated at approximately 4.3 billion USD. The market is projected to grow at a compound annual growth rate (CAGR) of 8.1% between 2024 and 2029, reaching a value of 6.4 billion USD by 2029. In terms of volume, total consumption was around 1,501 kilotons (KT) in 2024 and is expected to rise to 2,154 kilotons by 2029, reflecting a CAGR of 7.5%. By comparison, the market volume demand in 2019 was approximately 1,070 kilotons, indicating strong growth over the past five years and significant expansion potential in the coming years.



Note: Historic Years (2019 to 2024) Forecasted Years (2025 to 2029) *Source: Frost & Sullivan*

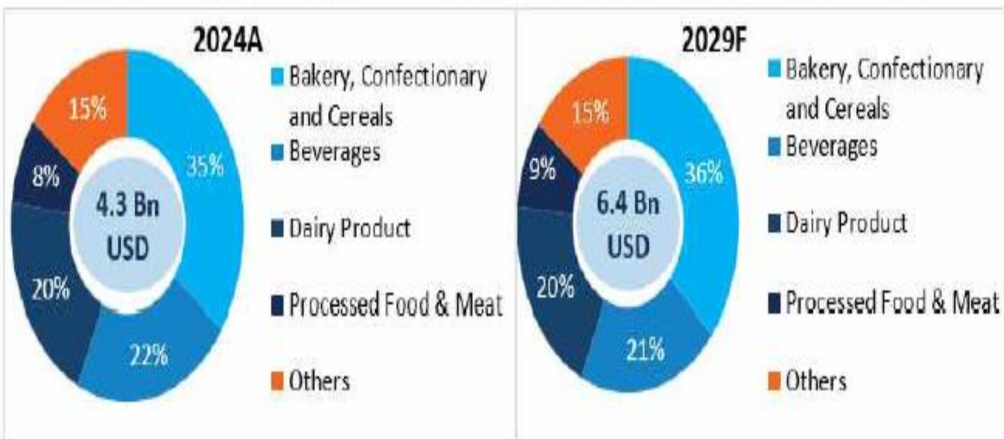
India Specialty Food Ingredient Market, by Volume, 2019A to 2029F



Note: Historic Years (2019 to 2024) Forecasted Years (2025 to 2029) *Source: Frost & Sullivan*

India's specialty food ingredients market spans diverse applications across multiple segments, shaped by evolving consumer preferences and technological advancements. The bakery and confectionery segment leads with a 35% market share, driven by innovative ingredients such as natural sweeteners and encapsulated leavening agents like sodium bicarbonate, which ensure consistent texture and volume in products like cakes and bread. Encapsulated preservatives, including calcium propionate, extend shelf life without compromising flavor, aligning with consumer demand for fresher, high-quality baked goods. The beverage segment is also experiencing strong growth, fueled by the use of encapsulated acidulants in energy drinks and juices, meeting rising demand for premium and functional beverages. Other segments, including processed meat, snacks, cereals, and processed foods, leverage specialty ingredients such as specialty starches, colorants, and enzymes to enhance quality and functionality. Key drivers of growth across these segments include changing consumer lifestyles, greater demand for convenience foods, and innovations in ingredient formulation. Together, these factors are shaping the expansion of India's specialty food ingredients market, supporting its steady growth and diversification. The graphs below depict the application share of India's specialty food ingredients for 2024 to 2029:

Global Specialty Food Ingredient Market Revenue, by Application, 2024A to 2029F



➢ **<u>Key Risk:</u>**

- They generate a significant portion of their revenues from a limited number of customers and the loss of such customers or a decline in demand from such customers could adversely affect their business, results of operations, financial condition, and cash flows.

- The manufacturing Facilities are subject to periodic inspections and audits by regulatory authorities and customers, and any manufacturing or quality control problems may subject them to regulatory action, damage the reputation and have an adverse effect on their business and results of operations.

- They are subject to extensive regulation from governmental and international authorities and if they fail to obtain, maintain or renew their statutory and regulatory licenses, permits and approvals required to operate, there business and results of operations may be adversely affected. Further, non-compliance with and changes in environmental, health and safety, and labor laws and other applicable regulations may adversely affect the business and results of operations.

- They are unable to trace certain historical corporate filings with respect to certain corporate records and secretarial forms filled by them with the Registrar of Companies. They cannot assure that no legal proceedings or regulatory actions will be initiated against them in the future in relation to such matters, which may adversely impact the financial condition and reputation.

- The RAHG Entities, who are deemed to be the Group Companies under the SEBI ICDR Regulations have not provided their consent to be identified as Group Companies and have not provided any information in respect of themselves. They cannot assure the complete disclosures are included in respect of such Group Companies in this Red Herring Prospectus.

- The business requires working capital and any failure in arranging adequate working capital for the operations may have an adverse effect on the business, results of operations, financial condition and cash flows.

- Their inability to accurately forecast demand for the products and manage inventory may have an adverse effect on the business, results of operations, financial condition and cash flows.

- The pharmaceutical industry in which they operate is highly competitive. If they cannot respond adequately to the competition they expect to face, they will lose market share and the profits will decline, which will adversely affect their business, financial condition and results of operations.

➢ **Valuation & Outlook:**

Sudeep Pharma Limited, founded in 1989 and headquartered in Vadodara, is a leading manufacturer of pharmaceutical excipients and specialty mineral ingredients used across pharma, food, and nutrition industries. The company operates three manufacturing facilities in Gujarat with a combined annual capacity of over 65,000 MT and holds multiple global quality certifications including USFDA (AIR), WHO-GMP, EXCiPACT, ISO 9001:2015, Halal, and Kosher. They serve major names such as Pfizer, Merck, Danone, Aurobindo, and Intas, supported by subsidiaries in the US and Europe and the acquisition of Ireland-based Nutrition Supplies Services to strengthen its nutrition premix capabilities.

They hold a strong market position in a high-barrier industry and are among the top producers of pharmaceutical, food, nutrition, and specialty ingredients, with a key focus on mineral-based products and iron phosphate. Their expansive global customer network includes companies in the pharmaceuticals, food and nutrition, and FMCG sectors. As of June 30, 2025, they have served over 1,100 customers across multiple regions, including partnerships spanning several decades.

At the upper price band, the company is valued at 48.3x FY25 P/E, translating to a post-issue market cap of ₹66,979 million. They have also created a wholly owned subsidiary, SAMPL, to leverage their mineral chemistry capabilities in advanced materials, including a new facility for pCAM production beginning with battery-grade iron phosphate for LFP batteries in EVs and energy storage. Additionally, the company aims to strengthen its presence in regulated markets such as the US and Europe by capitalizing on USFDA-approved facilities, boosting exports, and transitioning to direct market access supported by local warehousing and sales teams. Given these factors, the IPO appears fully priced, and we assign a "**Subscribe – Long Term**" rating.

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Compliance officer-Deepak Kedia, email id - deepakkedia@rathi.com, Contact no. +91 22 6281 7000.

Grievance officer-Madhu Jain-email id- grievance@rathi.com, Contact no. +91 22 6281 7191

ARSSBL registered address: Express Zone, A Wing, 10th Floor, Western Express Highway, Diagonally Opposite Oberoi Mall, Malad (E), Mumbai – 400097.

Tel No: +91 22 6281 7000 | Fax No: +91 22 4001 3770 | CIN: U67120MH1991PLC064106.