



SUPRIYA LIFESCIENCE LIMITED

Issue highlights

- ❑ **Supriya Lifescience Limited (“SLL”)** was incorporated on March 26, 2008. SLL is one of the key Indian manufacturers and suppliers of active pharmaceuticals ingredients (“APIs”), with a focus on research and development. Company’s focus is primarily on diverse therapeutic areas and niche products.
- ❑ As of October 31, 2021, SLL has niche product offerings of **38 APIs** focused on diverse therapeutic segments such as antihistamine, analgesic, anaesthetic, vitamin, anti-asthmatic and anti-allergic. They have consistently been the **largest exporter of Chlorpheniramine Maleate and Ketamine Hydrochloride from India**. They were among the **largest exporters of Salbutamol Sulphate** contributing to 31% of the API exports from India in FY 2021 in volume terms.
- ❑ Company’s products are registered with various international regulatory authorities such as USFDA, EDQM, NMPA (previously known as SFDA), KFDA, PMDA, TGA and Taiwan FDA. As of October 31, 2021, they have filed **14 active DMFs with USFDA and 8 active CEPs** with EDQM, for their API products in therapeutic areas such as antihistamine, analgesic, anaesthetic, vitamin, anti-asthmatic and anti-allergic.
- ❑ Company’s pharmaceutical business is organized into domestic and export sales. As of October 31 2021, their products were **exported to 86 countries to 1,296 customers including 346 distributors**.
- ❑ Company’s business operations are supported by a **modern manufacturing facility located in Parshuram Lote, Maharashtra**, spread across 23,806 sq.mt. They have 4 manufacturing blocks which are segregated therapeutic segment wise. The 4th block commenced operation in May 30, 2021.

Brief Financial Details*

(₹ In Cr)

	As at Sep’30,	As at Mar’ 31,			
	2021(06)	2021(12)	2020(12)	2019(12)	
Equity Share Capital	14.64	14.64	14.64	14.64	
Reserves as stated	320.23	254.31	134.53	79.15	
Net worth as stated	334.86	268.94	149.16	93.79	
Revenue from Operations	224.80	385.37	311.64	277.84	
Revenue Growth (%)	-	23.66%	12.17%	-	
EBITDA as stated	98.67	178.15	109.45	72.76	
EBITDA (%) as stated	43.89%	46.23%	35.12%	26.19%	
Profit Before Tax	91.70	167.39	96.23	57.10	
Net Profit for the year	65.96	123.83	73.40	39.42	
Net Profit (%) as stated	28.67%	31.25%	22.75%	13.79%	
EPS (₹)	9.01 [^]	16.92	10.03	5.39	
RONW(%)	19.70% [^]	46.04%	49.20%	42.03%	
NAV(₹)	45.76	36.75	20.39	12.82	

Source: RHP, *Summary Statement, [^]not annualised; Net profit (%) to Total Income

Issue Details

Issue of Equity Shares aggregating upto ₹ 700 Cr

(Fresh Issue of Equity Shares aggregating upto ₹ 200 Cr and Offer for sale of Equity Shares aggregating upto ₹ 500 Cr)

Issue size: ₹ 700 Cr

No. of shares: 26,415,093 – 25,547,445

Face value: ₹ 2

Price band: ₹ 265 – 274

Bid Lot: 54 Shares and in multiple thereof

Post Issue Implied Market Cap:

₹ 2,139 – 2,205 Cr

BRLMs: Axis Capital, ICICI Securities
Registrar: Link Intime India Pvt. Ltd.

Issue opens on: Thursday, 16th Dec’2021

Issue closes on: Monday, 20th Dec’2021

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	23-12-2021
Refunds/Unblocking ASBA Fund	24-12-2021
Credit of equity shares to DP A/c	27-12-2021
Trading commences	28-12-2021

Issue break-up

	No. of Shares (Approx)		₹ In Cr	% of Issue
	@Lower	@upper		
QIB	19,811,321	19,160,585	525	75%
NIB	3,962,263	3,832,116	105	15%
Retail	2,641,509	2,554,744	70	10%
Total	26,415,093	25,547,445	700	100%

Listing : BSE & NSE

Shareholding (No. of Shares)

Pre issue	Post issue [~]	Post issue [^]
73,183,530	80,730,699	80,482,800

[~]Lower price Band [^]Upper Price Band

Shareholding (%)

	Pre-Issue	Post-Issue
Promoters	99.26%	67.59%
Promoter Group	0.72%	0.65%
Public	0.02%	31.76%
Total	100.00%	100.00%

BACKGROUND

Company and Directors

The company was incorporated on March 26, 2008. The company was promoted by Satish Waman Wagh. Currently, the promoter holds 72,642,380 Equity Shares, representing 99.26% of the issued, subscribed and paid-up Equity Share capital of the company.

Brief Biographies of Directors

Satish Waman Wagh is the Promoter, Chairman and Managing Director of the company. He has been a director on the Board since incorporation. Apart from his association with the company, he is a director on the boards of Supriya Medi-Chem Pvt Ltd, Lote Industries Testing Laboratory Association and Sachin Industries Ltd.

Smita Satish Wagh is the Whole-time Director of the company. She has been a director on the Board since incorporation. Apart from her association with the company, she is a director on the boards of Supriya Medi-Chem Pvt Ltd.

Saloni Satish Wagh is the Whole-time Director of the company.

Shivani Satish Wagh is the Whole-time Director of the company.

Balasaheb Gulabrao Sawant is the Whole-time Director of the company. He was previously associated with companies such as USV Ltd, Encure Pharmaceuticals Ltd, Arch Pharmed Labs Ltd, Mylan Laboratories Ltd and Enaltec Labs Pvt Ltd.

Kedar Shankar Karmarkar is the Independent Director of the company. He was previously associated with Ciba-Geigy AG as a trainee and with the laboratory of Institut Fur Organische Chemie Der Universitat Basel as a research fellow. He was previously employed with Nicholas Piramal India Limited as an executive in the R&D department.

Bhairav Manojbhai Chokshi is an Independent Director of the company. Prior to joining the Board, he was associated with IDFC Asset Management Co Ltd. Apart from his association with the company he is a director on the boards of Bookbyair (India) Pvt Ltd and IR Financial Services Pvt Ltd.

Dileep Kumar Jain is the Independent Director of the company. Prior to joining the company, he was associated with IFCI Ltd. as the executive director. Apart from his association with the company, he is a director on the board of Rajasthan Consultancy Organization Ltd.

Dinesh Navnitlal Modi is the Independent Director of the company. Apart from his association with the company, he is a director on the boards of Kisan Mouldings Ltd, Arrow Greentech Ltd and Shree Yogeshwari Realtors Ltd.

Neelam Yashpal Arora is the Independent Director of the company. Apart from her association with the company, she is a director on the boards of Kesar Petroproducts Ltd and Shreyas Intermediates Ltd.

Key Managerial Personnel

Shireesh Bhalchandra Ambhaikar is the Chief Executive Officer of the company. He joined the company on July 6, 2021.

Ashish Ramdas Nayak is the Chief Financial Officer of the company. He joined the company on August 5, 2019.

Shweta Shivdhari Singh is the Company Secretary and Compliance Officer of the company. She was appointed as the Company Secretary on August 26, 2019 and was appointed as the Compliance Officer on May 6, 2021.

Sushanta Kumar Mishra is the Chief Scientific Officer of the company. He joined the company on September 7, 2021.

Parthasarathi Pal is the Chief Marketing Officer of the company. He joined the company on May 25, 2021.

Prashant Baban Zate is the Head Corporate - Quality Assurance and Regulatory Affairs of the company. He was appointed on November 27, 2007.

Pratap Santu Desai is the Head - IT of the company. He was appointed on August 17, 2020.

OBJECTS OF THE ISSUE

(₹ In Cr)	
Objects	Amount
Funding capital expenditure requirements of the company	92.30
Repayment and/or pre-payment, in full or part, of certain borrowings availed by the company	60.00
General Corporate Purposes	[•]
Total	[•]

(₹ In Cr)				
Particulars	Amount to be funded from the Net Proceeds	Estimated Utilisation of Net Proceeds		
		Fiscal 2022	Fiscal 2023	Fiscal 2024
• Funding capital expenditure requirements of the Co.	92.30	43.61	43.61	5.07
• Repayment and/or pre-payment, in full or part, of certain borrowings availed by the Co.	60.00	60.00	-	-
Total	[•]	[•]	[•]	[•]

OFFER DETAILS

The Offer	Amount	No of Shares
Fresh Issue	₹ 200 Cr	Upto 7,547,169~ - 7,299,270^ Equity Shares
Offer for sale by Promoter	₹ 500 Cr	Upto 18,867,924~ - 18,248,175^ Equity Shares

(~ at lower price band and ^ upper price band)

SHAREHOLDING PATTERN:

Shareholder	Pre-offer		No. of Shares offered*	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoter & Promoter Group					
Promoter	72,642,390	99.26%	18,248,175	54,394,215	67.59%
Promoter Group	526,500	0.72%		526,500	0.65%
Total for Promoter and Promoter Group	73,168,890	99.98%	18,248,175	54,920,715	68.24%
Public	14,640	0.02%		25,562,085	31.76%
Total - Public	14,640	0.02%		25,562,085	31.76%
Total Equity Share Capital	73,183,530	100.00%	18,248,175	80,482,800	100.00%

*No. of shares offered at upper price band

BUSINESS OVERVIEW

Supriya Lifescience Limited (“SLL”) is one of the key Indian manufacturers and suppliers of active pharmaceutical ingredients (“APIs”), with a focus on research and development. As of October 31, 2021, SLL has niche product offerings of 38 APIs focused on diverse therapeutic segments such as antihistamine, analgesic, anaesthetic, vitamin, anti-asthmatic and anti-allergic. They have consistently been the **largest exporter of Chlorpheniramine Maleate and Ketamine Hydrochloride from India**, contributing to 45-50% and 60-65%, respectively, of the API exports from India, between Fiscal 2017 and 2021. They were among the largest exporters of Salbutamol Sulphate contributing to 31% of the API exports from India in FY 2021 in volume terms.

Company’s pharmaceutical business is organized into domestic and export sales, according to the geographies in which they operate. From April 1, 2020 until October 31 2021, their products were exported to 86 countries to 1,296 customers including 346 distributors.

The region wise percentage of total revenue from operations

Region	9 month period ended Dec' 31, 2020	Fiscal 2021	Fiscal 2020	Fiscal 2019
Latin America	12.01%	19.15%	7.68%	9.70%
Europe	18.53%	17.40%	17.69%	13.44%
Asia (other than India, China and Combodia)	17.28%	19.45%	24.02%	28.94%
India	26.43%	22.53%	28.15%	29.04%
China and Cambodia	19.48%	9.82%	12.12%	8.53%
North America	2.36%	4.76%	6.06%	7.38%

COMPANY PRODUCTS AND REVENUE

The company manufactures APIs and their business is organized into domestic and export sales, according to the geographies in which they operate.

The total revenue (from each business segment) for the respective periods is listed below:

(₹ In Cr)

Segment	Six months period ended Sep'30, 2021		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Revenue (₹ Cr)	% to Total	Revenue (₹ Cr)	% to Total	Revenue (₹ Cr)	% to Total	Revenue (₹ Cr)	% to Total
Export sales	165.38	73.57%	298.55	77.47%	223.93	71.85%	197.17	70.96%
Domestic sales	59.42	26.43%	86.81	22.53%	87.72	28.15%	80.67	29.04%
Revenue from Operations	224.80	100.00%	385.36	100.00%	311.65	100.00%	277.84	100.00%

Company's focus is primarily on diverse therapeutic areas and niche products. Their selection of every molecule is backed by extensive research and study especially in terms of patents, chemistry, regulated and unregulated markets, capital expenditure, volumes, price, margins and expected rate of return.

The details of products which are sold in the domestic and international markets:

Product	Therapeutic area	Molecule	Certifications /Dossiers
Chlorpheniramine Maleate (CPM)	Antihistamine	API	EDQM Approval, US DMF, CEP, Health Canada, Taiwan FDA, NMPA DMF, EDMF
Brompheniramine Maleate (BPM)	Antihistamine	API	US DMF, NMPA DMF, CEP, EDMF
Pheniramine Maleate	Antihistamine	API	US DMF, , CEP, EDMF, NMPA DMF
Dexchlorpheniramine Maleate	Antihistamine	API	US DMF, EDMF
Mepyramine Maleate	Antihistamine	API	US DMF, CEP, EDMF
Ketamine Hydrochloride	Analgesic/Antipyretic/Anesthetic	API	US DMF, CEP, TGA DMF, Canadian DMF (Human Use & Veterinary), EDMF
Tramadol Hydrochloride	Analgesic/Anti-pyretic/Anesthetic	API	Korean FDA, EDMF
Riboflavin 5 – Phosphate Sodium	Vitamin	API	US DMF, EDMF, Kosher, Indonesian Halal, Maharashtra Halal, FAMI-QS, CEP applied
Salbutamol Sulphate	Anti-asthmatic	API	EDMF, CEP
Cetirizine Dihydrochloride	Anti-allergic	API	EDMF
Diphenhydramine Hydrochloride	Anti-allergic	API	EDMF, US DMF
Bupropion Hydrochloride	Smoking cessation	API	US DMF
Bisoprolol fumarate	Anti-hypertensive	API	EDMF, US DMF
Methylcobalamine	Vitamin B12	API	US DMF, KFDA, Kosher, Halal India, Halal Indonesia

The key jurisdictions in which the company sells their products:

Region	Country	Therapy	Market
Africa	Kenya, Tanzania, Uganda, Zimbabwe, Ghana and Nigeria	Anti-histamine, anti-allergic and anti-asthmatic	non-regulated markets
Asia	China	Anti-histamine and anti-asthmatic	Regulated

Region	Country	Therapy	Market
Asia	South Korea	Anti-histamine, vitamin, analgesic and anti-allergic	Regulated
Asia	Cambodia, HongKong, Singapore, Phillipines, Srilanka, Taiwan, Malaysia, Thailand, Vietnam and Bangladesh	Anti-histamine, anti-allergic, vitamin, anti-asthmatic and analgesic	Semi-regulated and non-regulated markets
Asia	Japan	Chlorpheniramine maleate	Regulated
Europe	UK, Germany, Netherland, Spain, Switzerland, Belgium, Italy and France	Analgesic, anti-hypertensive, ant-allergic, anti-histamine, analgesic, vitamin and anti-asthmatic	Regulated
Latin America	Argentina	Anti-histamine, anti-allergic, analgesic and anti-asthmatic	Non-Regulated
Latin America	Brazil	Anti-histamine, anti-allergic, analgesic and anti-asthmatic	Regulated
Latin America	Venezuela and Chile	Anti-histamine and analgesic	Semi-regulated and non-regulated markets
Latin America	Columbia, Mexico and Peru	Anti-histamine, anti-allergic, analgesic, vitamin and anti-asthmatic	Semi-regulated and non-regulated markets
North America	United States of America and Canada	Anti-hypertensive, anti-histamine, decongestant, anti-allergic, analgesic, vitamin and anti-asthmatic	Regulated

MANUFACTURING UNITS

Company's business operations are supported by a modern manufacturing facility located in Parshuram Lote, Maharashtra, spread across 23,806 sq.mt. They have 4 manufacturing blocks which are segregated therapeutic segment wise. The 4th block commenced operation on May 30, 2021. The manufacturing facility includes well delineated areas for R&D, quality control (chemical microbiology), quality assurance, dedicated areas for engineering maintenance, warehouse, materials and finished goods stores. It also has an effluent treatment plant and an express feeder from the sub-station for power. They also operate 7 cleanrooms and have reactor capacity of 547 KL/ day. All 7 clean rooms meet the code of GMP requirements. They have also acquired a plot of land admeasuring 12,551 sq.mt near their existing manufacturing facility to expand its manufacturing infrastructure.

They manufacturing capabilities range from development of simple molecules to highly complex chiral centre molecules with expertise in different class of reactions. They are capable of manufacturing control category drugs. They also manufacture products that require a specialized environment for manufacturing such as Vitamin B-12 and its derivative.

In the Fiscal 2020, they undertook the strategic acquisition of Swastik Industries, which was a sole proprietorship of their promoter, through a business transfer agreement. Swastik Industries was primarily engaged in the business of manufacturing of APIs. The acquisition of the manufacturing facility of Swastik Industries enabled optimal utilisation of manufacturing resources and collation of manufacturing capabilities under one entity.

The principal details with respect to the manufacturing facility:

Facility	Apr'01,2021 to Oct'31,2021	Reactor Capacity (KL/annum)*		
		Fiscal 2021	Fiscal 2020	Fiscal 2019
Existing blocks A, B & C	31,540	53,120	53,120	53,120
Block D, operational on May 30, 2021	14,405	-	-	-
Total	45,945	53,120	53,120	53,120
Capacity Utilisation %	49%	71%	63%	63%

* The reactor capacity of the Company has remained unchanged in Fiscal 2019, 2020 and 2021 and includes the reactor capacity of Swastik Industries' reactors. In May 2021, fourth manufacturing block became operational with additional reactor capacity of 34,400 KL/annum

The backward integration of API business ensures steady supply of intermediates and key starting materials. As on October 31, 2021, 12 of their existing products are backward integrated, which contributed 67.14% and 60.17% of the total revenue for Fiscal 2021 and for the 6 month period ended September 30, 2021.

RESEARCH AND DEVELOPMENT

The company has a DSIR approved R&D facility in Parshuram Lote, Maharashtra. Their R&D efforts are primarily focused across the value chain of API process development. As on October 31, 2021, they have a team of 23 scientists. Their R&D efforts are demonstrated by a strong pipeline of products such as Dextromethorphan Hydrobromide (decongestant), Pentoxifylline (xanthine derivatives), (S)-Ketamine Hydrochloride (analgesic/ anti-pyretic/anaesthetic), Phenylephrine Hydrochloride (decongestant), Allopurinol (antigout) and Benfotiamine (diabetic neuropathy). They are in the process of expanding their existing R&D facility to add, amongst others, a testing laboratory, research and development centre and fully automatic equipped warehouse

The R&D efforts are demonstrated by the strong pipeline of products as below:

Therapeutic segment	Product	Certifications
Decongestant	Dextromethorphan Hydrobromide	EDMF, US DMF
Xanthine derivatives	Pentoxifylline	EDMF, CEP
Anesthetic	(S)-Ketamine Hydrochloride	EDMF, CEP, US DMF
Decongestant	Phenylephrine Hydrochloride	-
Anti-gout	Allopurinol	-
Coagulation	Tranexamic Acid	-
Diabetic Neuropathy	Benfotiamine	-

INTELLECTUAL PROPERTY AND CERTIFICATIONS

Company's products are registered with various international regulatory authorities such as USFDA, EDQM, NMPA (previously known as SFDA), KFDA, PMDA, TGA and Taiwan FDA. As of October 31, 2021, they have filed 14 active DMFs with USFDA and 8 active CEPs with EDQM, for their API products in therapeutic areas such as antihistamine, analgesic, anaesthetic, vitamin, anti-asthmatic and anti-allergic.

	Registered/Filed	For /In the name of
Trademarks	1	Company Name and Logo.
Patent	3	Process patent filed in India
	2	Process patent with World Intellectual Property Organisation ("WIPO")

MAJOR CLIENTELE

The company has established long standing relationships with marquee players across various industries. Their Customers includes:

Business relationship for over 9 years:

- Syntec Do Brasil LTDA,
- American International Chemical Inc,
- AT Planejamento E Desenvolvimento De Negocios Ltda

Business relationship for over 4 years:

- Suan Farma Inc,
- Acme Generics LLP,
- Akum Drugs Ltd
- Mankind Pharma Ltd

List of the company's key customers:

Name	Country	Customer type	Key products supplied
Mankind Pharma	India	Manufacturer	Methylcobalamine Bisoprolol Fumrate Chlorpheniramine Maleate
Acme Generics LLP	India	Manufacturer	Methylcobalamine Chlorpheniramine Maleate Tramadol
Akums Drugs and Pharmaceuticals Limited	India	Manufacturer	Bisoprolol Fumarate Chlorpheniramine Maleate

Name	Country	Customer type	Key products supplied
			Levosulbutamol Sulphate Bupropion Hydrochloride Methylcobalamine
American International Chemical Inc	USA	Pharmaceutical	Bromphenamine Malate Chlorpheniramine Maleate Dexchlorpheniramine Malate Diphenhydramine Pheniramine Maleate Pyrilamine Maleate
Saun Farma, Inc	USA	Pharmaceutical	Ketamine Hydrochloride Mythylcobalamin Pyrilamine Maleate
Almat Pharmachem Inc.	Canada	Manufacturer	Pyrilamine Maleate Diphenhydramine Hydrochloride
Ampak Company Inc.	USA	Pharmaceutical Distributor	Diphenhydramine Dextromethorphan Hydrobromide Pyrilamine Maleate Chlorpheniramine Maleate
LNK International Inc	USA	Manufacturer	Pyrilamine Maleate Chlorpheniramine Maleate
Syntec Do Brasil LTDA	Brazil	Manufacturer	Ketamine Hydrochloride
AT Planejamento e Desenvolvimento de Negocios LTDA	Brazil	Pharmaceutical Distributor	Ketamine Hydrochloride, Dexchlorpheniramine Maleate Chlorpheniramine Maleate Pheniramine Maleate Brompheniramine Maleate

COMPETITIVE STRENGTHS

- **Significant scale with leadership position across key & niche products**

Company's core strength lies in identifying generic molecules (off-patent) in their existing therapeutic segments which fits in to their existing chemistry and production infrastructure and their ability to develop the product and scale-up production. With their focus on products which are high on value and low on competition, they are well positioned to derive relatively higher returns from their investments.

The export data in respect of specified products:

(₹ In Cr)

Product	Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Total Export from:					
	India	Company	India	Company	India	Company
Chlorpheniramine Maleate	80.49	57.90	66.52	49.28	47.11	39.85
Ketamine	162.00	95.11	109.19	70.34	75.45	49.20
Salbutamol Sulphate	80.71	30.43	40.02	14.85	14.83	58.52
Vitamin B2 (Riboflavin, Lactoplavin) and its salts	74.06	20.61	48.81	12.98	58.52	16.14
Other derivatives of Pyridine	1,282.98	37.80	1,081.07	25.67	776.81	27.09

The therapeutic area wise revenue contributions:

(₹ In Cr)

Therapeutic area	6 Months ended Sep'30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Analgesic/antipyretic/anesthetic	65.39	118.93	90.92	56.68
Anti-malarial	17.32	20.25	19.19	12.76
Anti-hypertensive	3.56	13.24	8.17	3.48
Anti-histamine	65.73	101.23	77.52	70.99
Smoking cessation	0.75	2.13	1.37	1.90
Anti-allergic	12.37	27.70	20.56	20.54

Therapeutic area	6 Months ended Sep'30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Decongestant	2.23	1.33	2.24	4.08
Vitamin	32.48	53.31	59.82	61.07
Anti-asthma	21.19	39.62	19.68	19.77
Xanthine derivatives & Beverages	1.40	3.64	3.83	7.61
Feed additive	1.01	0.54	1.94	0.87

Revenue from the products has grown consistently in the last 5 Fiscals:

	Expected growth in global market (2020-2025)	Revenue in Fiscal 2020 (in ₹ crore)	Previous growth in global market (2015- 2020)	Revenue in Fiscal 2015 (in ₹ Crore)
Benfotiamine	5-10%	17.00	6.6%	12.06
S-Ketamine Hydrochloride	5-10%	0.50	5.6%	0.37
Phenylephrine Hydrochloride	5-10%	43.00	7.6%	28.91

The company is in the process of further diversifying their product portfolio with strong product pipeline and they have already started initial phase of production, which are primarily used for distribution of samples to different customers, primarily in unregulated markets. They are in the process of commencing commercial production of these products.

The annual capacity of the specified products:

Product	Global annual demand#	Company's annual capacity
Dextromethorphan Hydrobromide	1,406 MT	250 MT
Pentoxifylline	3,798 MT	300 MT
S-Ketamine Hydrochloride	5 MT	2 MT
Phenylephrine Hydrochloride	430 MT	60 MT
Allopurinol	1,871 MT	300 MT
Benfotiamine	170 MT	60 MT

• **Backward integrated business model**

Company's backward integration of API ensures steady supply of intermediates. As on October 31, 2021, 12 of their existing products are backward integrated, which contributed 67.14% and 60.17.% of the total revenue for Fiscal year 2021 and for the 6 month period ended September 30, 2021, thereby resulting in increased margins and lesser dependence on suppliers for key starting material. With the ability to meet intermediates and processes requirements in-house, their integration model of business helps them to have sustainable business.

The products which are backward integrated along with revenue contribution as % of revenue from operations for the respective periods indicated therein:

Product	6 months ended Sep'30, 2021	Fiscal 2021
Ketamine Hydrochloride	19.11%	27.42%
Salbutamol Sulphate	8.80%	9.86%
Chlorpheniramine Maleate	24.23%	18.17%
Bisoprolol Fumarate	1.23%	3.05%
Pheniramine Maleate	1.29%	2.50%
Dexchlorpheniramine Maleate	2.08%	2.48%
Brompheniramine Maleate	0.45%	1.13%
Mepyramine Maleate/Pyrilamine Maleate	1.09%	1.64%
Levosaltamol Sulphate	0.63%	0.42%
Dextromethorphan Hydrobromide	0.99%	0.34%
Dexbrompheniramine Maleate	0.10%	0.12%
Allopurnol	0.17%	-

• **Geographically diversified revenues with a global presence across 78 countries**

The global pharmaceutical market can broadly be divided into regulated markets, semi-regulated and nonregulated markets.

From April 1, 2020 until October 31 2021, company's products were exported to 86 countries including:

- Regulated markets such as USA, China, Japan, Germany, Spain, Indonesia, South Korea and Switzerland; and
 - Semi-regulated and non-regulated markets such as Brazil, Mexico, Chile, Taiwan, Malaysia; Bangladesh, South Africa, Kenya, Jordan and Egypt,
- through their own marketing and distribution network as well as by entering into distribution arrangements with pharmaceutical distributors in these markets.

Company's business model is de-risked from the perspective of low revenue generation or loss from a particular jurisdiction or from products of a particular therapeutic segment.

The percentage of total revenue contribution from regulated markets and semi-regulated and non-regulated markets:

Markets	6 months ended Sep'30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Regulated	49.22%	38.17%	32.60%	34.03%
Semi-regulated and non-regulated markets	50.78%	61.83%	67.04%	65.97%

The region wise percentage of total revenue from operations:

Region	6 months ended Sep'30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Latin/ South America (Argentina, Brazil and Peru)	12.01%	19.15%	7.68%	9.70%
Europe	18.53%	17.40%	17.69%	13.44%
Asia (other than India, China and Cambodia)	17.28%	19.45%	24.02%	28.94%
India	26.43%	22.53%	28.15%	29.04%
China and Cambodia	19.48%	9.82%	12.12%	8.53%
North America	2.36%	4.76%	6.06%	7.38%

- **Advanced manufacturing and research and development capabilities**

The manufacturing facility located in Parshuram Lote, Maharashtra which is spread across 23,806 sq.mt and has reactor capacity of 547 KL/ day, has 4 manufacturing blocks which are segregated therapeutic segment wise. The 4th block commenced operation on May 30, 2021. Their manufacturing capabilities range from development of simple molecules to highly complex chiral centre molecules with expertise in different class of reactions.

Their R&D efforts are primarily focused across the value chain of API process development. As on October 31, 2021, they have a team of 23 scientists. Their R&D efforts are demonstrated by a strong pipeline of products. With a view to enhance their R&D capabilities, they are in the process of expanding their existing R&D facility to add, amongst others, a testing laboratory, research and development centre and fully automatic equipped warehouse.

- **Consistent strong financial performance due to de-risked business model**

The company has a proven track record of operations of over 12 years and has strong balance sheet as well as a stable cash flow profile. They have had positive operating cash flows every financial year since incorporation. Their total income, EBIDTA and profit after tax grew at a CAGR of 17.73 %, 56.47% and 77.23% from Fiscal 2019 to Fiscal 2021.

The consistent financial performance:

Financial performance indicators	6 months period ended Sep'30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Basic/Diluted earnings	9.01	16.92	10.03	5.39
Export sales as % of gross sales	73.57%	77.47%	71.85%	70.96%
Gross margin as % of revenue from operations	63.00%	66.75%	55.56%	47.14%
EBITDA as % of total income	42.89%	44.96%	33.92%	25.45%
Profit for the period as % of total income	28.67%	31.25%	22.74%	13.79%
Current Assets/Current Liabilities	2.10	1.82	1.26	0.98
Debt/equity	0.21	0.26	0.55	0.95
Asset turnover	1.55	4.03	3.33	3.41

- ***Experienced senior management team and qualified operational personnel***

Company's Promoter and Chairman, Satish Wagh, has extensive experience in the pharmaceutical sector. He has played a key role in developing their business and they benefit from his significant experience in the pharmaceuticals business. They have built strong management team. Additionally, their R&D team is headed by Dr. Sushanta Mishra along with a team of 23 scientists, as on October 31, 2021. The Board of Directors include a combination of management executives and independent members who bring in significant business expertise.

KEY BUSINESS STRATEGIES

- ***Expansion of manufacturing capabilities***

The company intends to enhance their production capacity and capabilities through additional capital expenditure in their existing manufacturing facilities. They have also initiated the construction of a new warehouse and administration block (which will house a new quality control and assurance laboratory) to accommodate the rapidly expanding business and its needs. They plan to enhance their manufacturing capabilities and towards this strategy, the company has acquired a plot of land admeasuring 12,551 sq.mt near the present manufacturing facility. They also intend to commence production of intermediates for their products like Diphenhydramine Hydrochloride, Cetirizine Dihydrochloride and Tramadol, to enhance their backward integration abilities.

As on October 31, 2021, they are already backward integrated for 12 of their existing products and are in the process of commencing production for intermediates for their products like Diphenhydramine Hydrochloride, Tramadol Hydrochloride and Allopurinol. The proposed expansion of their manufacturing facilities is expected to enhance the key starting material manufacturing capabilities.

- ***Expanding product portfolio with increasing R&D capabilities***

Company's immediate strategy involves introducing new products and toward this, they already have a strong pipeline of products. Going forward, they intend to focus on other key therapeutic areas such as anti-gout, anti-depressant, anti-anxiety, anti-convulsant and hypnotic. They intend to continue to drive their R&D initiatives towards the development of innovative APIs. They also intend to improve their R&D capabilities, with a focus on capturing more high-value first-to-market opportunities in key international markets, as well as leveraging their broad product basket to enhance their market position globally.

As of October 31, 2021, they have filed 14 active DMFs with the USFDA and 8 active CEP's with EDQM for their API products in therapeutic areas such as antihistamine, analgesic, anaesthetic, vitamin, antiasthmatic and anti-allergic. The R&D team has also filed 3 process patent in India and 2 process patent with WIPO, as of October 31, 2021 and will continue to focus on developing and filing more process patents.

They will continue to focus on developing and filing of more DMFs in the area of niche and differentiated products which provide better growth opportunities and would help them in developing their business.

- ***Increase current market presence and enter new markets***

The company intends to continue to grow their sales in existing geographies in Latin America, North America, Europe, Asia and Middle East, and to grow their market share in these markets by increasing their product portfolio in these markets and by leveraging their existing relationships with customers. They intend to create strong local presence and expertise with required infrastructure and develop capabilities to exploit growth potential offered by the relevant markets. Their growth strategy may vary from country to country depending on factors such as applicable regulatory requirements, competition and pricing.

- ***Continue to focus on operational excellence***

The company intends to achieve operational excellence in terms of cost and production efficiency. They have adopted GMP manufacturing standards to achieve standardised product quality for all their markets. The GMP and manufacturing capabilities help clients with investigational to commercial-scale development programs.

COMPETITION

The pharmaceutical industry is highly competitive. Company's competition varies by market, therapeutic areas and type of product. Their principal competitors include **Divi's Laboratories Ltd, Wanbury Ltd, Unichem Laboratories Ltd, Mangalam Drugs and Organics Ltd, IPCA laboratories Ltd and Teva API B.V.**, which operate in the Indian pharmaceutical market, in similar therapeutic areas. In foreign markets, they compete with regional players and multinationals.

COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2021)

Name of the Company	Consolidated/ Standalone	Revenue for FY 2021 (₹ Cr)	Face Value	EPS (Basic)	NAV	P/E~	P/B	RoNW (%)
Supriya Lifescience Ltd	Consolidated	396.2	2	16.92	36.75	[•]	[•]	46.04%
Peer Group								
Solara Active Pharma Sciences Ltd	Consolidated	1,645.7	10	69.00	443.3	18.4	2.9	13.90%
Neuland Laboratories Ltd	Consolidated	953.0	10	62.85	613.0	27.8	2.9	10.25%
Aarti Drugs Ltd	Consolidated	2,159.3	10	30.09	98.0	16.8	5.2	30.70%
Wanbury Ltd	Standalone	394.9	10	(5.04)	(62.5)	(13.2)	(1.1)	8.07%
Divis Laboratories Ltd	Consolidated	7,032.0	2	74.75	350.1	65.3	13.9	21.35%

Source: RHP; P/E Ratio has been computed based on the closing market price of equity shares on BSE on November 30, 2021.

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Supriya Lifescience Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its equity shares and has filed the RHP with the RoC and thereafter with SEBI and the Stock Exchanges. The RHP is available on the website of Securities and Exchange Board of India at www.sebi.gov.in, on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com as well as on the websites of the BRLMs, Axis Capital Limited at www.axiscapital.co.in. Investors should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see "Risk Factors" of the RHP. Potential investors should not rely on the DRHP filed with SEBI for making any investment decision.

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