



Sudarshan Pharma Industries Limited

INVESTOR
PRESENTATION

September 2023



Disclaimer



This document has been prepared for information purposes only and is not an offer or invitation or recommendation to buy or sell any securities of Sudarshan Pharma Industries Ltd. ("Sudarshan", "SPIL", "Company"), nor shall part, or all, of this document form the basis of, or be relied on in connection with, any contract or investment decision in relation to any securities of the Company. This document is strictly confidential and may not be copied, published, distributed or transmitted to any person, in whole or in part, by any medium or in any form for any purpose. The information in this document is being provided by the Company and is subject to change without notice. The Company relies on information obtained from sources believed to be reliable but does not guarantee its accuracy or completeness. This document contains statements about future events and expectations that are forward-looking statements. These statements typically contain words such as "expects" and "anticipates" and words of similar import. Any statement in this document that is not a statement of historical fact is a forward looking statement that involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the document. The Company assumes no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements. You acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the business of the Company.

Table of Content



1

ABOUT US

2

**BUSINESS
OVERVIEW**

3

**INDUSTRY
OVERVIEW**

4

**WAY
FORWARD**

5

**ANNUAL
HIGHLIGHTS**

ABOUT US

About Us



A Specialty Chemicals & Pharmaceutical Manufacturing Company



15+ YEARS

Founded in 2008, Sudarshan Pharma Industries Limited (SPIL) is engaged in manufacturing of **chemicals and pharmaceutical**



DIVERSIFIED PRODUCTS

The Company specializes in host of products from **rock chemicals intermediates and API to finish formulations and fully integrated pharmaceutical and chemicals**



GLOBAL REACH

The company has marked its presence in India and International markets. Its products have been exported to the **UK, Australia, Uzbekistan, Syria, Oman, Taiwan, and MENA regions.**



ESTEEMED CLIENTS

Key clients in pharmaceutical formulations and specialty chemicals include **Intas, Minova, Invision Life sciences, Omkar Pharma, SRF, Astral Pipes, DuPont, Reliance, Bayer Corp, Akzo Nobel etc**

Lead Management



Mr. Hemal V. Mehta
Chairman & Management Director

Experience of **15+ years** in Sourcing and Supply of Specialty Chemicals, Intermediates, API and Bulk Drugs. He holds a Diploma in Chemistry from Pune University and regularly attends Business Excellence Programs conducted by leading Business trainers to sharpen his skillset. He now plays a prime role in managing trade alliances & partnership arrangement with leading API manufacturers for the purchase of all kinds of Chemicals from SPIL.



Mr. Sachin V. Mehta
Joint Managing Director

Plays a crucial role in sourcing of Specialty Chemicals, Intermediates & Basic Solvents from Korea, Taiwan, China, and Japan for SPIL. He also looks after R&D & new Chemical entities. He holds a Diploma in Exports & Import Management from Indian Merchant Chambers in Mumbai and works towards Business Excellence programs

Board Of Directors



Umesh Luthra
Independent Director

Result oriented Biotech Professional with General Management knowledge having about **27+ years of** Industrial experience in R&D, Project and Production.

Comprehensive knowledge of Microbiology, Fermentation, Downstream Purification and Analytical. Worked on different Primary and Secondary metabolites.



Jaya Sharma
Independent Director

Registered as an Independent Director with the databank of IICA. She has authored numerous write-ups on corporate & allied laws. She is a staunch believer in creating leaders as the knowledge has to be passed down and can't be retained.

Recently, she has been listed as one of the **Top Best Ten Women Legal Consultants in India 2021** by **Women Entrepreneur Magazine**.



Rushabh Patil
Independent Director

Adv. Rushabh Prashant Patil is a Practicing Independent Advocate in the Bombay High Court & District courts with a demonstrated history of working in the legal fraternity.

He has acted as an advisory for several clients on corporate and commercial transactions including strategic alliance and routine advisory on civil matters.

Milestones



Incorporated in 2008, the company has achieved new heights every year since 2011.

2011-12

- Generic formulations for institution supply, NGO's and wholesale market.
- Branded Generic formulations in Maharashtra.

2015-16

- Over 5,000 medical practitioners associated with SPIL.
- 7 own branded products introduced successfully in Vimac.

2019-20

- Launch Hart Kit Loading Dose And Hart Kit-4.
- Nutraceuticals Plant project cost is -2.5 cr. And 1.15 cr Machinery cost.

2023

- Developing new products like Vitamin B1 and Vitamin B6, which will be the first time made in India by us.
- New unit development in Palghar
- Listing on BSE & NSE; SME Platform

2013-14

- Established our footprints in Gujarat, West Bengal, Chhattisgarh and Uttar Pradesh.
- Introduced brands in New Drug Delivery System

2017-18

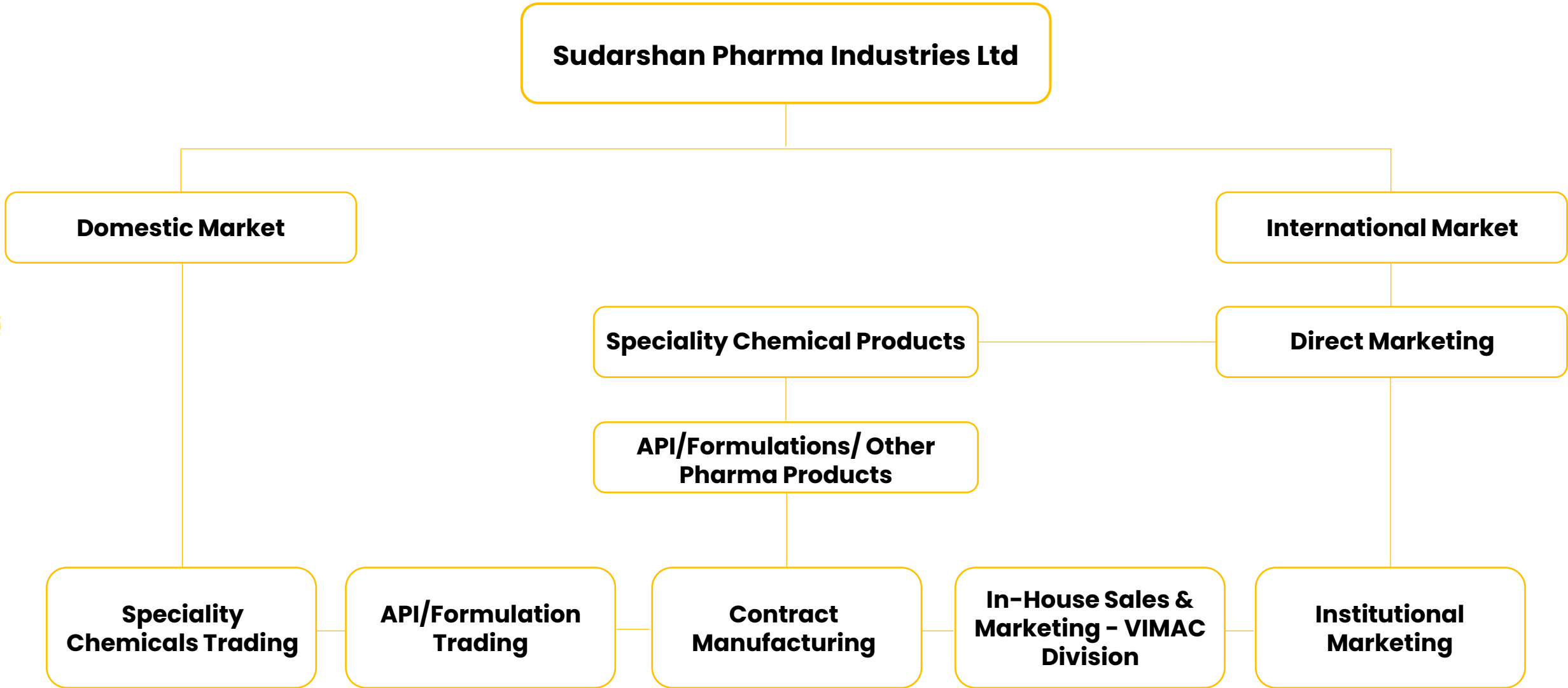
- Manufacturing of Nutraceuticals.
- Brand Brilliance Award from Asian African leadership forum in Pharma.

2021-22

- IVD-Section Got 50Cr. Govt. Order.
- Successfully erected oral liquid and capsule manufacturing unit at Palghar
- AATMA NIRBHAR BHARAT Manufacturing of Vitamin B1 & B6 Under Production Linked Incentive (PLI) Schemes

BUSINESS OVERVIEW

Business Model



Key Business Verticals

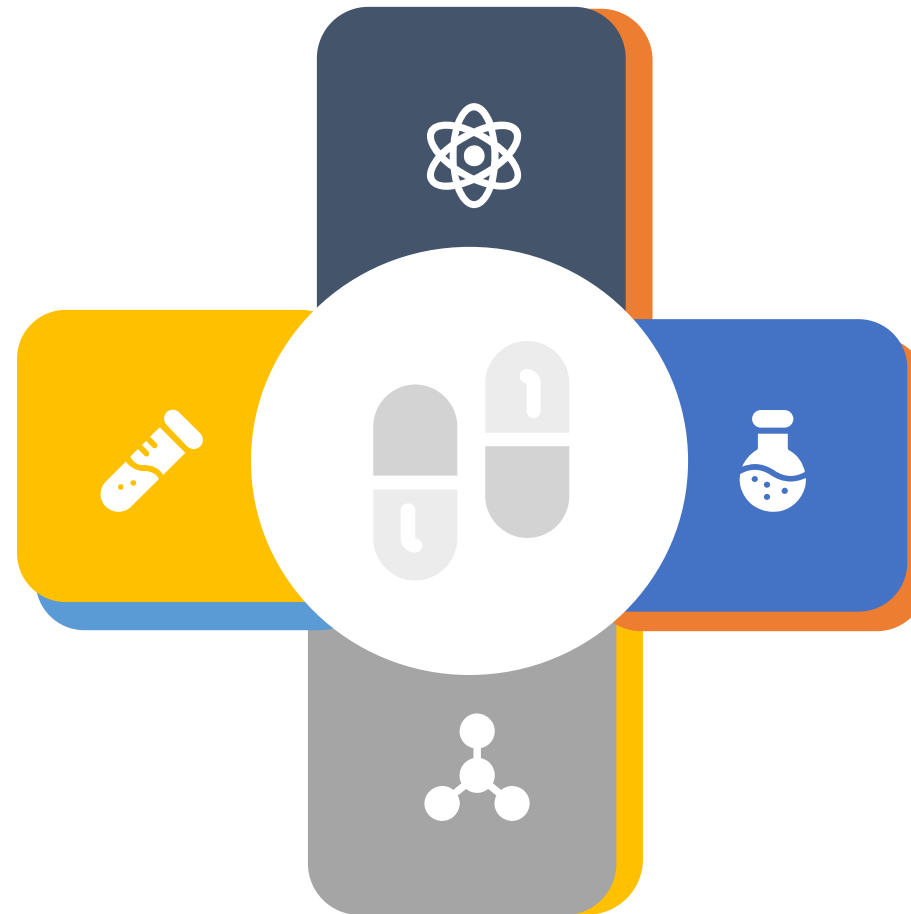


1.

Ethical marketing of branded and unbranded generics in the domestic pharmaceuticals market through our own distribution logistics network and field force in 5 States.

4.

Exports in pipeline for Formulations & API to Non-regulated markets in Eurasia, Africa, and Southeast Asia.



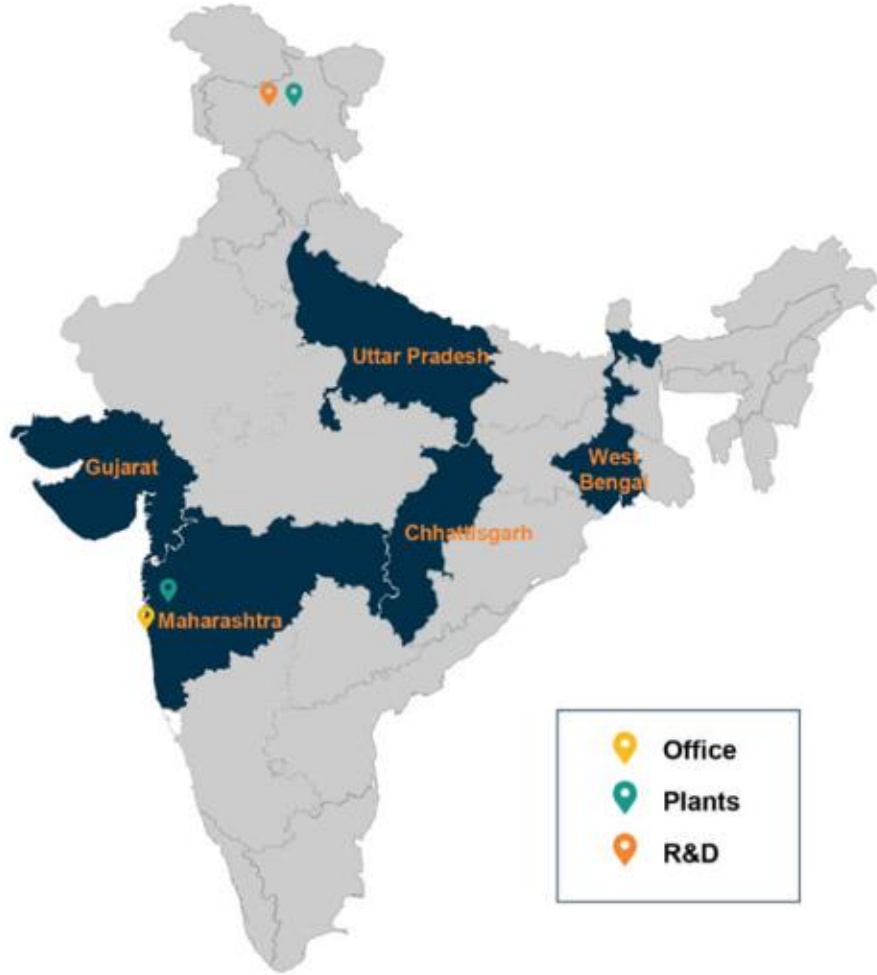
2.

Contract manufacturing and supply of pharmaceutical formulations and medicines for well-known Pharmaceutical Companies in India and Institutional Customers like AFMSD, L&T (Aeronautical division)

3.

Contract manufacturing and supply of Specialty chemicals, drugs, and intermediates as per client's specification. Indenting and sourcing of chemicals, bulk drugs, and intermediates from domestic and overseas vendors.

Global Reach



Presence

 **5 States**

Total Export Revenue
(INR Mn)

 **57.8 Mn**

- ❑ Office - Mumbai, Maharashtra
- ❑ Plants - Maharashtra - Palghar, Wada

Exporting Countries

- Bangladesh
- Oman
- Saudi Arabia
- Jordan
- Ghana
- Somalia
- South Africa
- UAE
- Qatar
- Nepal
- Sri Lanka

Our Products

SPECIALTY CHEMICALS

- Acetonitrile
- Tetrahydrofuran (THF)
- 1,4-Dioxane
- DMF/DMSO
- Hydrogen Hydride
- Diethyl ether
- 4-methyl Acetophenol
- 4-methyl benzaldehyde



ETHICAL PHARMA DIVISION

56 out of 96 products are Registered under —"R" Trade Mark.

- SPIL has adopted Novel drug Delivery System for Love Bird "R" Brand. It's a *mouth dissolving strip* and has 5 products under this brand.
- Specialty Products First time in INDIA in Cardiac Segment in First aid of heart attract which is HART KIT LD (Life Saving loading Drugs)
- "SET DOWN" is a product first time in India by SPIL. It's a **combination** of **allopathy** and **ayurveda** for faster recovery in Constipation.
- **Top Selling Brands In Indian Market:** METFOCAL, PULMORELIEF AX, RD MAC DSR, SET DOWN, ENAMOL SP Hem D3, JIVAN KIT (Immunity Booster), Infort Q-10 etc.

Key Problem Area



Dependence on *China* for Import of key APIs

Top 5 categories of imports occupy 80% of the share of API imports

| Categories | Imports from China (%) |
|--|------------------------|
| Antibiotics | 75-80 |
| Hormones, Prostaglandins, Thromboxane & Leukotrienes | 50-55 |
| Pro-vitamins & vitamins | 55-60 |
| Other heterocyclic compounds | 80-85 |
| Other organic compounds | 70-75 |

Source: DGCIS, CRISIL Research.



India imports **~70%** of Intermediate required for APIs (Active Pharmaceutical Ingredients) from China. **Imports** from China have been **increasing** over the years



Over the last few years, many chemical-based companies have been **shut down in China** due to failure to meet environment norms. Such step in the bulk drug industry will adversely impact the Indian API industry and subsequently the formulations industry.



Also, the **pandemic** which started spreading in the previous year (2020) has resulted in supply disruptions and price rises for key APIs.



Further, the Chinese bulk drug industry receives extensive support from the Government in the form of subsidies. Any **change in policy** on this front will also lead to pressure on margins for the Indian players.

Addressing the Problem



The central government has earmarked **~Rs 100 billion** for the bulk drug industry, including **Rs 30 billion** for the promotion of bulk drug parks (for the next five years) and **Rs 69.4 billion** for a production-linked incentive scheme for the promotion of domestic manufacturing of critical *KSMs/Drug Intermediates and APIs in the country (for next eight years).

The scheme has identified **53 critical APIs/Intermediates** where India's reliance on China is high and most of which are used to produce essential drugs

Sudarshan Pharma is setting up a manufacturing unit to manufacture few of the critical APIs imported by China

*KSM: Key Starting Materials

Business Strengths



Established Manufacturing & supply chain for Chemical, Pharma & formulation.



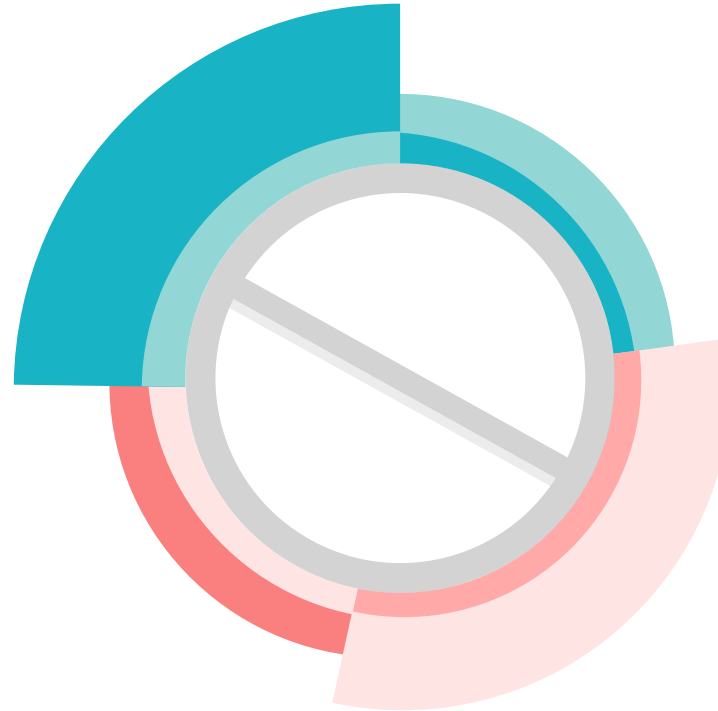
Quality manufacturing facility with Hi-tech Machines duly approved by FDA & other agencies.



F&O Research and development setup at Dehradun Plant & now to put a dedicated facility.



Commitment to supply as per TQM and supply chain for efficient production.



Belief in cost plus formula and after sales services.



Experienced Management team with a dedicated workforce.



More than 48 FDA registered Pharma formulations & medicine for Domestic Market



Own Sales & Distribution network in 5 States with sales & marketing team of 85+ executives.

Clientele



SPECIALTY CHEMICALS



PHARMACEUTICAL FORMULATIONS



INDUSTRY OVERVIEW

PHARMA INDUSTRY strong in **INDIA** although highly dependent on **CHINA**

India – Overview



A **significant** and **rising** player in the Global Pharmaceutical industry

US\$ 42 bn

India's pharmaceutical market in 2021. It is likely to reach **US\$ 65 billion** by 2024 and further expand to reach **~US\$ 120-130 billion** by 2030.

40%

Of generic demand in the US, and 25% of all medicine in the UK is supplied by INDIA

20%

Of the worldwide supply by volume and supplying about **60%** of the global vaccination demand. World's largest supplier of generic medications

US\$ 150 bn

by 2025

The Indian biotechnology industry, was valued at US\$ 64 billion in 2019 and is expected to reach US\$ 150 billion by 2025.

US\$ 50 bn

India's medical devices market stood at US\$ 10.36 billion in FY20. The market is expected to increase at a CAGR of 37% from 2020 to 2025 to reach US\$ 50 billion.

Talent Pool

The country also has a large pool of scientists and engineers with the potential to steer the industry ahead to greater heights.

India ranks 3rd by volume & 14th by value in pharmaceutical production

INDIA – a strong exporter of pharma products Globally

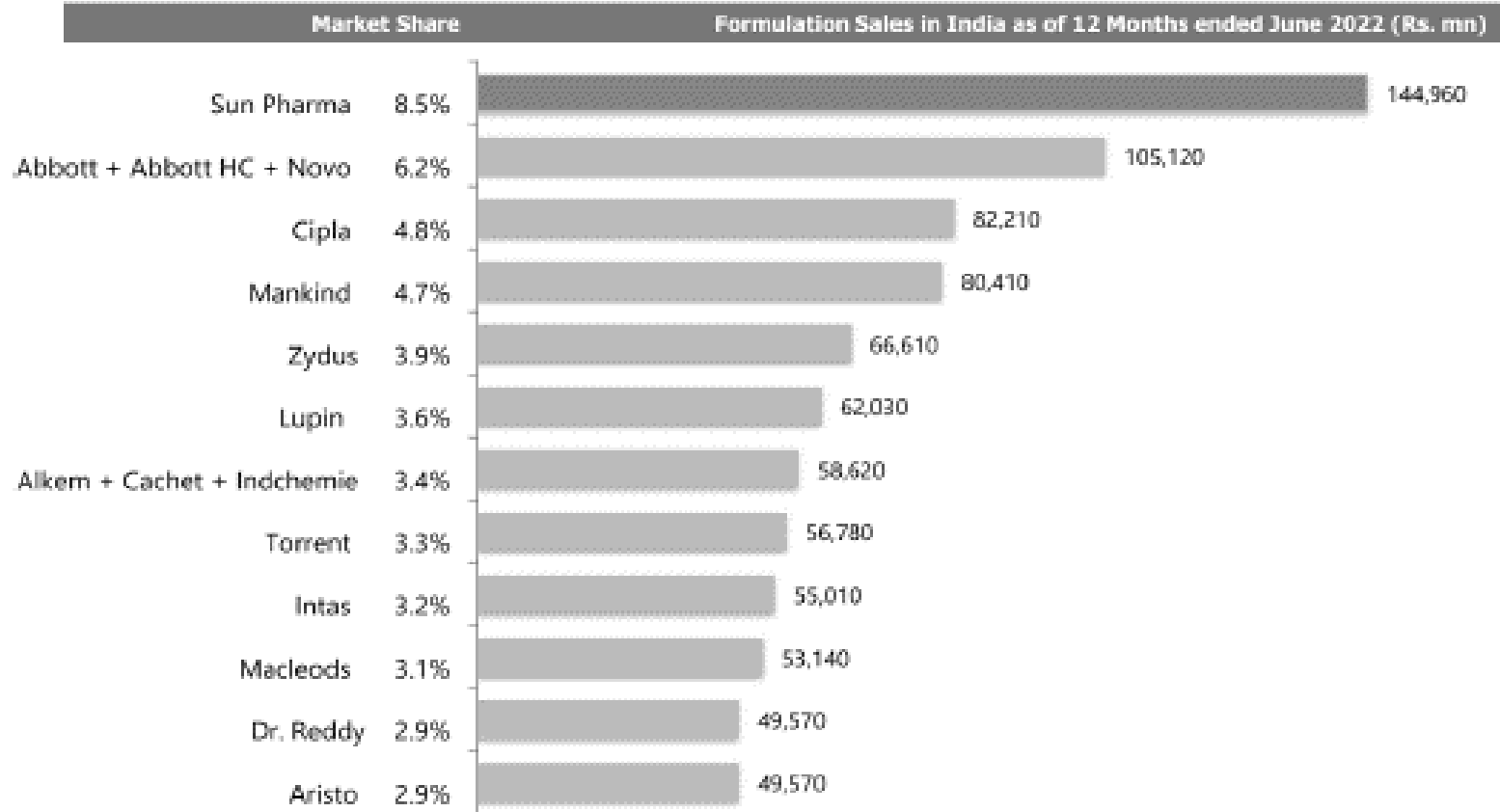
- ✓ India's drugs and pharmaceutical exports stood at **US\$ 24.44 billion** in FY21.
- ✓ India is the **12th largest exporter** of medical goods in the world.
- ✓ The country's pharmaceutical sector contributes **6.6%** to the total merchandise exports.
- ✓ Indian drugs are exported to more than **200 countries** in the world, with the US being the key market.
- ✓ FDI inflows in the Indian drugs and Pharma sector reached **US\$130 Mn.** between April 2021-June 2022



Competitive Landscape

Formulation Industry

Owing to high profit margins majority of the company's competitors are in the formulation export



Source: AIOCD AWACS MAT June 2022



WAY FORWARD & KEY DEVELOPMENTS

SUDARSHAN PHARMA On the cusp of Transformation

Way Forward



READY TO TAKE OFF WITH NEW PRODUCTS & MARKETS



To **Set up a dedicated State-of-the-Art Manufacturing** (Oral Solid Dosage) duly certified by FDA, WHO, GMP & GLP



Introduce Cardiac First Aid Kit, Heart Kit, and New Drug Delivery System (**Mouth dissolving strips**) for treatment of cold and cough and for treatment of Thyroid. Curcumin Logingis for the treatment of Cancer, Psoriasis, Heartkit-"4", Heart kit-LD



Focus on Pharma formulations and branded generic medicines through the launch of new products in the Gyeny, Chronic diseases, Gastrointestinal and Anti-allergic treatments. Increase the **field force** for Ethical marketing of Generics drugs and medicines and to develop **local distribution channel** with use of digital technology



Expansion of **Sales footprint** in the Pharma formulations and medicine in the Domestic and Export markets

Key Developments (1/4)



1) Investments under the Government PLI Programme

The company had received an approval under the PLI scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSM), Drug Intermediates (Dis) and Active Pharmaceutical Ingredients (APIs) in India.

Unit 1: Vitamin B6 and other API/Intermediates

Approved Project Details:

- Commitment Investment: **Rs. 27 Crore**
- Maximum Total Incentive: **Rs. 15 Crore** (during the tenure of the scheme)

Project Status:

- Consent received from MPCB, MIDC and CETP
- Design and layout ready; plan approved; building construction initiated
- Environment approval awaited
- Construction to be complete by December, 2023
- First sample developed from base root till finished product and successfully manufactured the finished API product
- Company intends to file for Patent for the manufacturing process of "Vitamin B6" & the intermediates which have been developed

Unit 2: Vitamin B1 and other API/Intermediates

Approved Project Details:

- Commitment Investment: **Rs. 59.7 Crore**
- Maximum Total Incentive: **Rs. 100 Crore** (during the tenure of the scheme)

Project Status:

- Consent received from MPCB, MIDC and CETP
- Design and layout ready; plan approved; land purchased
- Environment approval awaited
- Construction to begin by January, 2024
- Completion expected by 18 months and stabilisation by 24 month

Key Developments (2/4)



2) Maharashtra Govt. Subsidies for new project

- Pharma Items Manufacturing Project by Sudarshan Group at Mahad MIDC (C Zone) has following subsidy benefits from State Government of Maharashtra, Industries Department , Under PSI-2019 scheme.
- Mahad is Under C Zone hence benefits Equivalent to 40% of the Project Cost for MSME Units will be offered by the State Government in 7 equal instalments, linked to Interest Payment, SGST Collected & Power Consumed. It will be in the form subsidy credited directly into the bank account,

PSI Scheme Benefits to Sudarshan Pharma



Industrial Promotion Subsidy (IPS)

Equal to the quantum of 100% GST payable within Maharashtra.



5% ROI

Interest Subsidy Reimbursement on the term loan taken for acquisition of Fixed asset required for the project



Power Tariff Reimbursement

@ Rs. 0.50/- per unit



Electricity Duty Exemption

Benefits for 10 year & stamp duty paid for acquiring land or term loan purposes

Key Developments (3/4)



3) Updates on the new manufacturing Unit 2

- The company has recently setup its **Unit 2 at Palghar, Maharashtra.**
- **Key activities** at this unit will **include from testing of raw materials to dispensing raw materials for formulations, to batch manufacturing as per approved standards, to packing of finished formulations to storage and dispatch.**
- We have an **oral liquid section** at our facility with a **capacity of 1000 litres** manufacturing tank, which can, in **one shift of output consume 2000 litres of the products and go up to 6000 litres in 2 shifts.**
- The company has received **approval for 50 products for domestic markets and exports.**
- **Product categories** will include **Antibiotics, Cough Syrups, Antipyretics, Antifungal, Antiallergic and Multivitamins** amongst **others.**



Key Developments (4/4)



4) Partnership for distribution of Key Products in India

Product 1:

APIs/Intermediates in India

- Hydroxypropyl Methyl Cellulose (HPMC)
- Low-Substituted Hydroxypropyl Cellulose (L-APC)

5 Years

Distribution Agreement

Market size for these products:

USD 1.94 Bn FY23 → USD 2.85 Bn FY30

Product 2:

Sucralose

5 Years

Distribution Agreement

USD 3.11 Bn FY23 → USD 3.61 Bn FY28

Product 3:

Beta

Cyclodextrin

USD 264.1 Mn FY23 → USD 390.7 Mn FY27

Product 4:

Mannitol

USD 420 Mn FY23 → USD 546 Mn FY28

Product 5:

ACESULFAME K

USD 253.1 Mn FY23 → USD 432.3 Mn FY33

Acquisition – Ratna Lifesciences Pvt Ltd



100%
Paid-up Share capital

Rs 55 Million
Payable in various tranches

30 August 2023
Acquisition Completion date

Wholly Owned Subsidiary
Of Sudarshan Pharma Industries Ltd.

About the company:

M/s Ratna Lifesciences Private Ltd was **established** on **20th February 2017**.

M/s. Ratna Life science strongly believe in the continuous process improvement, development of new molecules and capacity expansion. The company has a **rich experience in Research and Development** since their incorporation in 2017.

The company is **located at Jejuri MIDC, Tal-Purandar which is 53 km from Pune City**.

Existing Products:

- Gemcitabine Hydrochloride
- 2,2-difluoro-2-deoxycytidine-3,5-dibenzoate (T9)
- Imatinib Mesylate
- Capecitabine intermediate (Cap-5)

Capacity:

- The annual capacity of the product at the time of establishment was 2 metric tonnes per annum.
- The capacity is expandable up to 15 metric tonnes per annum.

Benefit Accrued to SPIL:

The acquisition **helps immediate foray for SPIL into Oncology products** with a manufacturing which is already setup, with option to expand further by acquisition of adjacent land near the existing plant. Through this acquisition aiming for the oncology business to become a major share of revenues over the next 3-5 years.

Annual Highlights

Annual Income Statement

(Consolidated)



| Particulars (INR Mn) | FY21 | FY22 | FY23 |
|--------------------------------------|----------------|----------------|----------------|
| Net Sales | 1,933.5 | 3,570.9 | 4,613.3 |
| Total Revenue from Operations | 1,933.5 | 3,570.9 | 4,613.3 |
| Total Expenditure | 1,861.9 | 3,461.8 | 4,466.4 |
| EBITDA | 71.6 | 109.1 | 146.9 |
| EBITDA Margin (%) | 3.7% | 3.1% | 3.2% |
| Depreciation | 7.4 | 8.7 | 9.1 |
| PBIT | 64.2 | 100.5 | 137.8 |
| Other Income | 3.8 | 4.6 | 11.2 |
| Interest | 32.3 | 33.8 | 54.0 |
| Profit Before Tax | 35.7 | 71.3 | 95.0 |
| Tax | 9.0 | 18.9 | 24.6 |
| Profit After Tax | 26.7 | 52.5 | 70.4 |
| Profit After Tax Margin (%) | 1.4% | 1.5% | 1.5% |
| Earnings Per Share (Rs) | 2.80 | 5.46* | 5.48* |

*Diluted EPS Post-IPO

Annual Balance Sheet

(Consolidated)



| Particulars (INR Mn) | FY23 | FY22 |
|--------------------------------------|---------------|---------------|
| Equity and Liabilities | | |
| Shareholder's Fund | | |
| Share Capital | 240.7 | 97.5 |
| Reserves & Surplus | 769.1 | 200.3 |
| Total Equity | 1009.7 | 297.8 |
| Liabilities | | |
| Non-current Liabilities | | |
| Long-Term Borrowings | 127.9 | 49.4 |
| Deferred Tax Liabilities (Net) | 1.8 | 1.4 |
| Other Long Term Liabilities | - | - |
| Long-Term Provisions | 0.6 | 0.4 |
| Total Non-Current Liabilities | 130.3 | 51.2 |
| Current Liabilities | | |
| Short-Term Borrowings | 213.2 | 256.5 |
| Trade Payables | 918.9 | 737.5 |
| Other Current Liabilities | 45.6 | 28.3 |
| Short-Term Provisions | 7.1 | 3.9 |
| Total Current Liabilities | 1184.8 | 1026.3 |
| Total Equity and Liabilities | 2324.8 | 1375.2 |

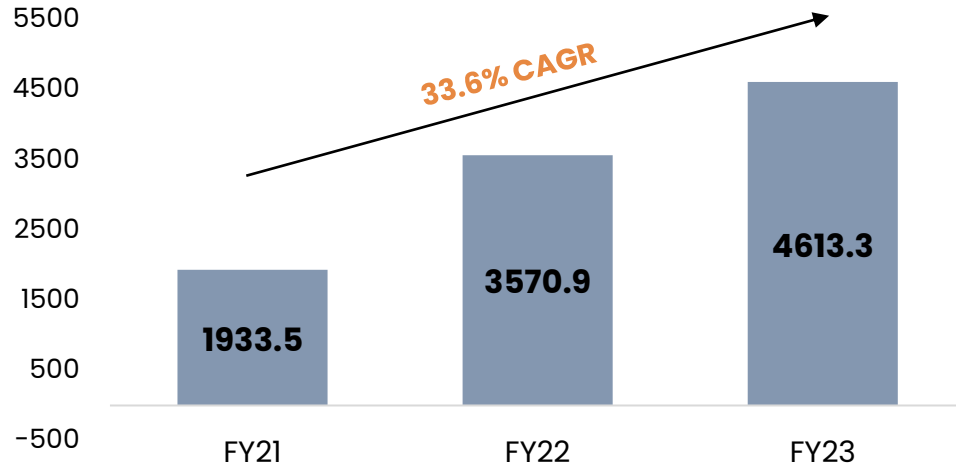
| Particulars (INR Mn) | FY23 | FY22 |
|--|---------------|---------------|
| Assets | | |
| Non-Current Assets | | |
| Property, Plant, Equipment & Intangible Assets | | |
| - Property, Plant & Equipment | 189.9 | 63.5 |
| - Intangible Assets | 9.0 | 1.2 |
| - Capital Work-in-Progress | 0.1 | 5.4 |
| Non-Current Investments | 123.4 | 0.0 |
| Long-Term Loans & Advances | 16.2 | 9.4 |
| Other Non-Current Assets | - | - |
| Total Non-Current Assets | 338.6 | 79.4 |
| Current Assets | | |
| Current Investments | - | - |
| Inventories | 745.7 | 468.7 |
| Trade Receivables | 815.1 | 734.8 |
| Cash & Cash Equivalents | 117.2 | 2.4 |
| Other Current Assets | 308.3 | 90.0 |
| Total Current Assets | 1986.2 | 1295.8 |
| Total Assets | 2324.8 | 1375.2 |

Key Financial Charts

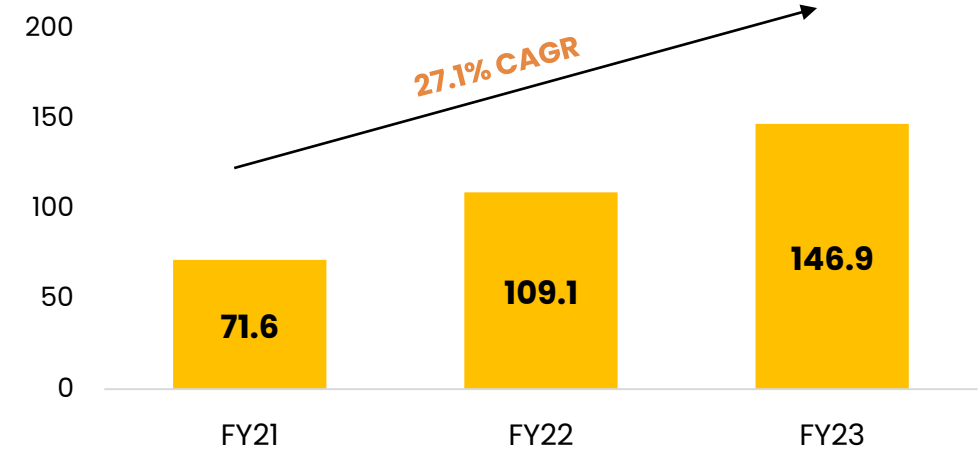
(Consolidated)



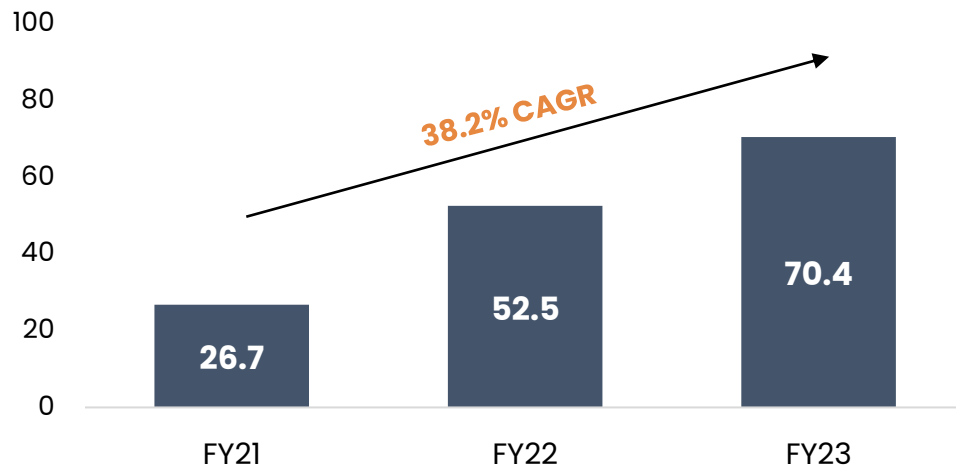
Revenue from Operations (INR Mn)



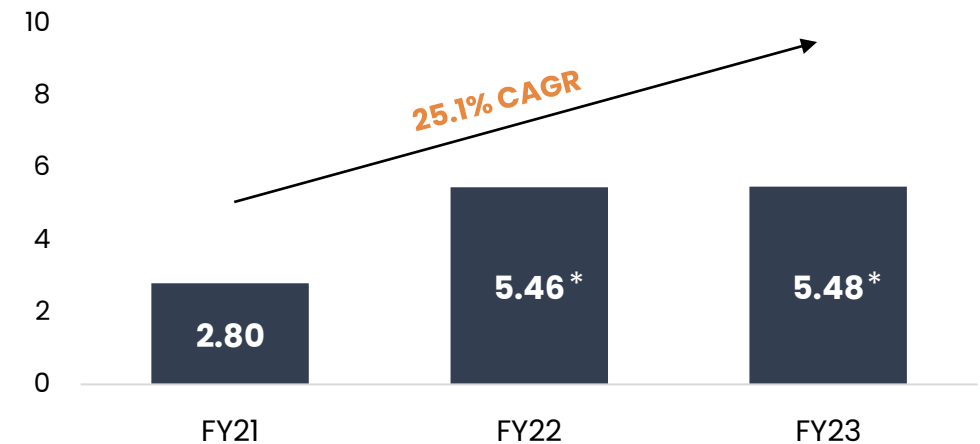
EBITDA (INR Mn)



Profit After Tax (INR Mn)



Earnings Per Share (INR)



*Diluted EPS Post-IPO

THANK YOU

Sudarshan Pharma Industries Ltd

Ms. Ishita Ashok Samani, Company Secretary & Compliance Officer

Tel: +91-22-4222 1123 | Email: compliance@sudarshanpharma.com

www.sudarshanpharma.com