Anupam Rasayan India Ltd.

Result Update – **Q1FY27** || Current Market Price **– INR 1,226** || Target Price – **INR 1,374** || Rating: **ACCUMULATE** || Upside – **12.1%** || Date: 19th August 2026

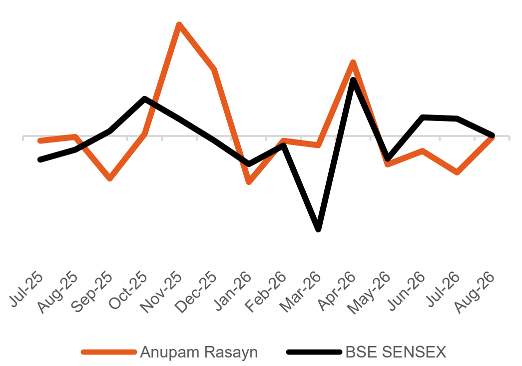
Strong Top-Line Acceleration Driven by CDMO Scaling & M&A Synergies

The company reported Q1 FY27 sales of INR 6,550 Mn, up 31% YoY and 27.8% QoQ, driven by product commercialization and expanding CDMO scale, although revenue was 9.4% below our estimates. EBITDA stood at INR 1,624 Mn, up 12.4% YoY and 27.4% QoQ, with EBITDA margin at 24.8%, broadly in line with our estimates, supported by an improved contribution from high-value products. PAT stood at INR 386 Mn, down 13.3% YoY but down 21.2% QoQ, with margin at 5.9%, impacted sequentially by higher depreciation and finance costs following the integration of recent acquisitions. The company commercialized 3 new molecules in Q1 FY27, with 90+ molecules under development, while the Jayhawk acquisition has been completed and the Bliss GVS Pharma acquisition is expected by September 2026, with utilization targeted to increase from ~30% to 60–70% over the next 2–3 years. Focus on Performance Materials, semiconductor chemicals and EV battery applications is also progressing well, supporting the company's medium-term growth outlook.

Particulars	
CMP	1,226
Market Cap (Cr)	13,958
Free Float Market Cap (Cr)	3,694
52 Week High / Low	1,415 / 1,047
Avg Daily Vol (1yr) shares	3,37,093
No. of Shares (Cr.)	11.4

Key Financials	FY26	FY27E	FY28E
Revenue	23,655	34,585	45,773
EBITDA	5,248	7,790	10,527
EBITDA (%)	22.2%	22.5%	23%
PAT after MI	1,701	2,521	4,117
EPS	15.1	22.1	36.2

Holding	Dec-25	March-26	Jun-26
Promoters	61.39	61.39	61.39
FII	4.31	4.28	4.41
DII	12.81	13.48	13.33
Public	21.49	20.85	20.86
TOTAL	100	100	100



Source: Company Research, Deven Choksey Research

Key Investment Thesis

- **Technological Moats & Complex Chemistry Capabilities:** Anupam Rasayan has built high technical entry barriers by mastering complex, hazardous chemistries such as continuous flow chemistry, photochemistry, and fluorination. Becoming the first company globally to commercialize Ethyl Trifluoroacetate (ETFA) via continuous flow chemistry proves its superior R&D execution and process efficiency. This technological differentiation commands higher pricing power fosters deep client stickiness with Tier-1 global players and creates multi-year qualification barriers against competitors.
- **Backward Integration & Inorganic Global Platform Scale:** The company is aggressively de-risking its supply chain while accelerating CDMO expansion through strategic acquisitions. Controlling Tanfac Industries provides backward integration into critical key starting materials like Hydrofluoric Acid (HF), insulating operating margins from raw material volatility. Simultaneously, the acquisitions of Jayhawk Fine Chemicals in the US (800-acre site offering brownfield runway with <10% utilization) and Bliss GVS Pharma provide instant front-end entry into regulated US/EU pharma, electronics, and defence markets.
- **Portfolio Diversification & High Revenue Predictability:** Anupam is intentionally pivoting away from cyclical agrochemicals toward fast-growing, high-margin verticals like Pharma CDMO, Semiconductor Materials, and EV Battery Chemicals. Revenue visibility is backed by long-term take-or-pay structures and massive commercial commitments—highlighted by a $300 million, 10-year LOI with BASQUEVOLT. Supported by an active pipeline of 90+ R&D molecules and expected operating leverage from scaling Bliss's capacity utilization from 30% to 60–70%, Anupam offers a highly predictable 30%+ top-line growth trajectory for FY27.

Valuation and Outlook

- Anupam Rasayan India Limited offers a strong long-term growth opportunity as it transitions from a conventional specialty-chemicals player into a diversified, high-value custom synthesis and advanced materials platform. The company's product pipeline is increasingly focused on pharma, polymers, electronic chemicals, EV/battery materials, semiconductors, aerospace and defence, reducing its dependence on traditional agrochemicals.
- Strong long-term growth is underpinned by the conversion of its INR 175bn LOI pipeline, commercialisation of Tanfac's HFC-32 capacity targeted for Q3FY27, and scaling of US performance-material revenues. We expect the company to deliver Revenue/EBITDA/PAT CAGR of 39%/42%/56% over FY26–FY28.
- **Specialty-chemical peers trade at an average of around 30x FY28E forward PE. At the current market price, Anupam Rasayan trades at 55x/34x FY27E/FY28E EPS. We value the company at 38x FY28E forward PE (S.D. 4+) on FY28E EPS of INR 36.2, implying a target price of INR 1,374 and 12.1% upside from the current market price. We change our rating to ACCUMULATE on this company.**

Key Risks

Key risks include integration and execution challenges from recent acquisitions, slower-than-expected order/LOI conversion, margin pressure from product mix and input-cost volatility, demand fluctuations across end-markets, and elevated leverage, which could constrain profitability and growth.

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Story in Charts

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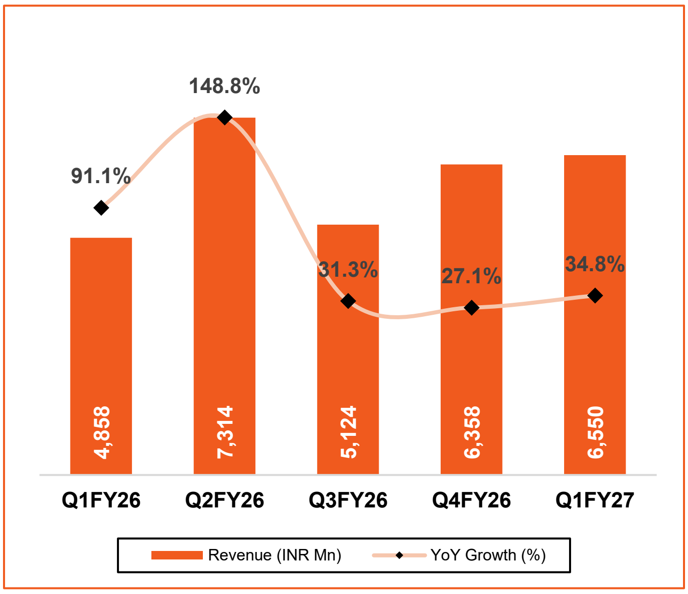
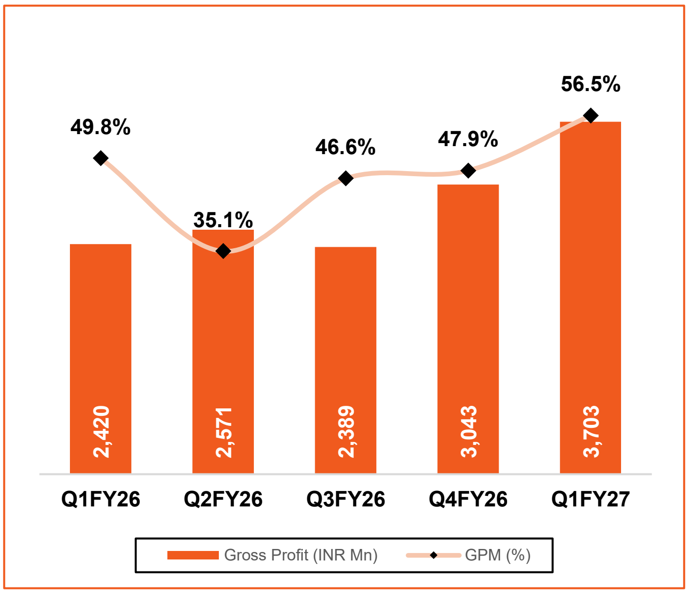
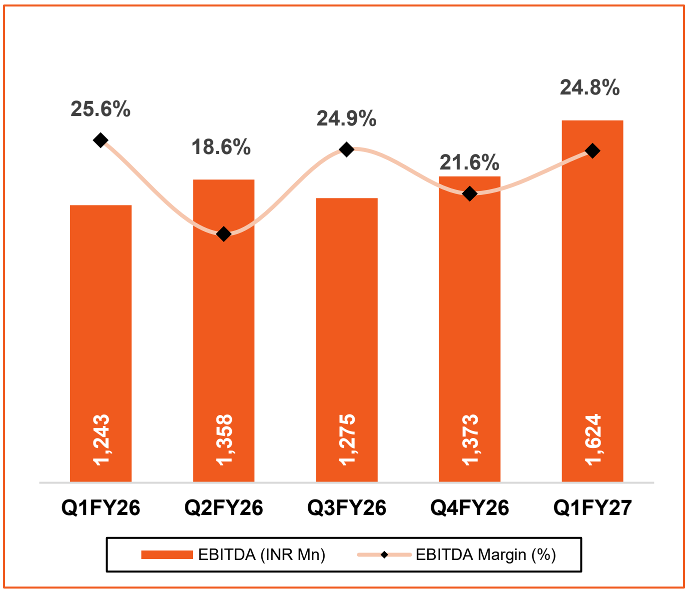


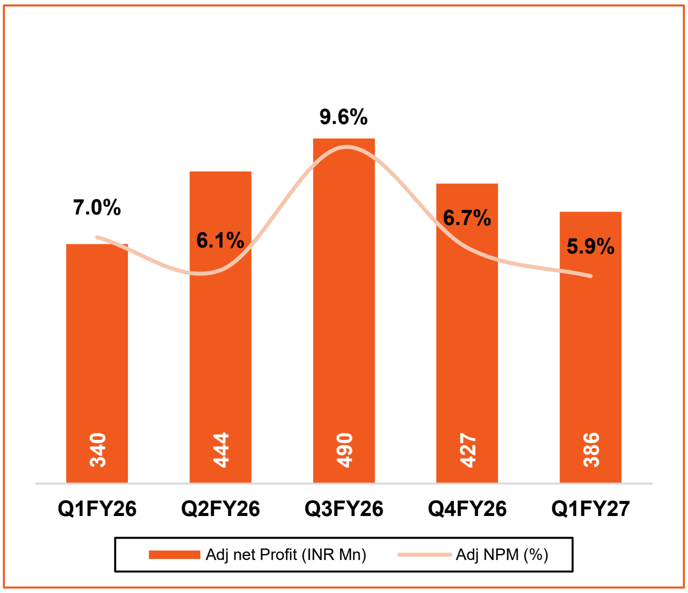
The gross profit stood at INR 3,703 Mn, with GPM% at 56.5% due to change in inventories, shift towards high-value products, backward integration control via Tafnac industries and integration of Jayhawk Fine Chemicals.



EBITDA stood at INR 1,624 Mn, up 12.4% YoY and 27.4% QoQ, with EBITDA margin at 24.8%, supported by an improved contribution from high-value products.



PAT stood at INR 386 Mn, up 13.3% YoY but down 21.2% QoQ, with margin at 5.9%, impacted sequentially by higher depreciation and finance costs following the integration of recent acquisitions.



Source: Company Research, Deven Choksey Research

Result Snapshot

Partuculars	Q1FY27	Q4FY26	Q1FY26	QoQ	YoY
Revenue from Operations	**6,550**	**5,124**	**5,002**	**27.8%**	**31.0%**
Total Expenditure	**4,926**	**3,850**	**3,557**	**28.0%**	**38.5%**
Cost of material consumed	3,539	2,697	2,830	31.2%	25.1%
Purchase of stock in trade	0	0	0	NA	NA
Changes in inventories FG, WIP and SIT	-692	39	-455	NA	NA
COGS	**2,847**	**2,736**	**2,375**	**4.1%**	**19.9%**
Employee Benefit Expenses	649	181	184	259.5%	252.4%
Other Expenses	1,430	933	998	53.2%	43.3%
EBITDA	**1,624**	**1,275**	**1,445**	**27.4%**	**12.4%**
EBITDA Margin (%)	**24.8%**	**24.9%**	**28.9%**	**-9 bps**	**-409 bps**
Depreciation and Amortisation	561	345	307	62.6%	82.9%
EBIT	**1,063**	**930**	**1,138**	**14.3%**	**-6.6%**
Other Income	126	21	55	498.0%	126.9%
Interest Costs	492	352	312	39.9%	57.6%
PBT before Exceptional	**697**	**600**	**881**	**16.2%**	**-20.9%**
Exceptional Items	0	0	0	NA	NA
PBT	**697**	**600**	**881**	**16.2%**	**-20.9%**
Tax Expense	185	-6	252	-2967.4%	-26.7%
Minority interest	126	116	184	**8.9%**	**-31.5%**
PAT	**386**	**490**	**446**	**-21.2%**	**-13.3%**
PAT Margin (%)	**5.9%**	**9.6%**	**8.9%**	**-367 bps**	**-301 bps**
Calculated Basic EPS	**3.4**	**4.3**	**4.1**	**-21.2%**	**-16.4%**

Source: Company Research, Deven Choksey Research

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Concall Highlights – Q1FY27

FY27 Financial Performance

- Q1FY27 consolidated revenue stood at INR 667.55 crore, up 36% YoY, driven by healthy demand across key end-markets and new product commercialization, with growth led by Life Science Specialty Chemicals, Performance Materials and fluorinated products.
- Exports contributed 36% of revenue, highlighting increasing global penetration. Working capital remained stable and is expected to improve further.
- Recent acquisitions are expected to complement organic growth and add scale to global operations.

Product Commercialization & Innovation

- The company became the first globally to commercialize ETFA using continuous-flow chemistry, strengthening capabilities in complex fluorination with better scalability and process control.
- 3 new molecules were commercialized in Q1, taking the portfolio to 125+ products, while 90+ molecules remain under development across agrochemicals, pharma, semiconductors, EV batteries and performance materials.
- Added 1 pharma intermediate and 2 Performance Materials products, while focusing on moving molecules from development/validation to commercial production.

BASQUEVOLT Opportunity

- Signed an LoI with BASQUEVOLT for a specialty chemical with potential revenue of ~US$300 million over 10 years, offering long-term recurring revenue visibility and strengthening its position in batteries/advanced materials.
- The opportunity demonstrates the company's ability to convert R&D capabilities into large-scale commercial opportunities.

Jayhawk Acquisition

- Acquired US-based Jayhawk Fine Chemicals for ~US$134 million EV, strengthening CDMO capabilities in high-purity/specialty chemicals and access to semiconductor, electronics and defence customers.
- Jayhawk has an ~800-acre site with <10% currently utilized, providing substantial brownfield expansion potential.
- Management expects Jayhawk to add 10–15% growth to the overall revenue base and accelerate semiconductor/electronics customer validations and commercialization.

Bliss GVS Pharma Acquisition

- Bliss GVS acquisition is progressing as planned, with integration underway; ~INR 1,600 crore consideration is expected to be completed in H1 September 2026.
- The acquisition strengthens pharma CDMO capabilities and access to regulated global markets. Current utilization is only ~30%, with management targeting 60–70% over 2–3 years, providing significant operating leverage.
- Anupam and Bliss sales teams will work jointly to enable cross-selling and a broader product portfolio, following a strategy similar to Jayhawk.

Business Mix & Growth Areas

- FY26 revenue mix: Life Science Specialty Chemicals 41%, Performance Materials 31% and Other Fluorinated Products/Tanfac 28%.
- Mix is expected to shift toward Pharma and Performance Materials, which should outgrow Agrochemicals, despite continued robust agri demand.
- Performance Materials, semiconductors and EV batteries remain key growth areas, with Jayhawk expected to accelerate penetration into semiconductor, defence and electronics markets.

Fluorination & Tanfac Synergies

- Tanfac provides access to key fluorination raw materials such as HF and KF, improving supply security.
- Integration of Tanfac's raw materials with Anupam's R&D and downstream manufacturing provides an advantage in complex fluorination and supports commercialization of high-value fluorinated molecules.

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Growth Outlook & Capex

- Management expects 20–25% organic revenue growth in FY27, with Jayhawk adding another 10–15%.
- Growth should increasingly come from Pharma, Performance Materials, semiconductor chemicals and other high-value applications, supported by the expanding commercialization pipeline.
- Bliss utilization is targeted at 60–70% from ~30%, while Jayhawk offers significant brownfield expansion. No major additional capex is expected beyond investments already reflected on the balance sheet.

Funding & Balance Sheet

- Bliss's ~INR 1,600 crore acquisition will be funded through ~INR 300 crore debt, with the balance through an equity-linked instrument that the company can subsequently buy out.
- Working capital remains stable, and with Jayhawk acquired and Bliss nearing completion, management does not expect significant near-term additional capitalization.

Global Expansion & R&D

- Exports account for 36% of Q1FY27 revenue, while Jayhawk strengthens US presence and access to global, regulated and technically demanding markets.
- Jayhawk and Bliss should enable cross-selling, product bundling and deeper customer relationships.
- R&D includes 90+ scientists (~10% PhDs) across 4 facilities, with 90+ molecules under development across agrochemicals, pharma, semiconductors, EV batteries and Performance Materials, focused on complex, high-value products and stronger customer stickiness.

Management Change

- Ravi Desai was appointed COO effective August 14, 2026, overseeing execution across manufacturing facilities.
- The appointment strengthens operational leadership as the company integrates Jayhawk and Bliss, expands manufacturing capacity and scales its commercialized product portfolio.

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Key Financials

Exhibit 1: Profit & Loss Statement

INR Mn	FY25	FY26	FY27E	FY28E
Revenues	**14,370**	**23,655**	**34,585**	**45,773**
COGS	6,045	13,233	17,706	**24,260**
Gross profit	**8,325**	**10,422**	**16,879**	21,513
Employee cost	736	866	2,331	**2,746**
Other expenses	3,580	4,308	6,757	**8,239**
EBITDA	**4,009**	**5,248**	**7,790**	10,527
Depreciation	1,023	1,399	2,025	**2,177**
EBIT	**2,986**	**3,849**	**5,765**	8,350
Finance Costs	1,122	1,487	2,054	**2,533**
Other Income	115	182	336	**343**
PBT	**1,978**	**2,544**	**4,047**	6,161
Tax	379	322	1,023	**1,540**
PAT	**1,600**	**2,222**	**3,024**	4,620
Minority Interest	666	521	503	503
PAT after minority interest	**933**	**1,701**	**2,521**	**4,117**
EPS (INR)	**8.5**	**15.1**	**22.1**	**36.2**

Exhibit 2: Balance Sheet

INR Mn	FY25	FY26	FY27E	FY28E
Equity				
Equity Capital	27,404	31,880	34,401	38,518
Other Equity	1,099	1,458	1,458	1,458
Minority Interest	2,313	12,962	13,465	13,968
Total Equity	**30,817**	**46,300**	**49,324**	**53,944**
Liabilities				
Long-term debt	1,712	5,108	10,108	15,108
Short term debt	11,466	13,038	13,038	13,038
Trade Paybles	5,764	9,455	5,696	7,804
Other liabilities	2,930	6,225	7,055	9,338
Total Liabilities	**21,872**	**33,826**	**35,898**	**45,288**
Total Equity and Liabilities	**52,689**	**80,126**	**85,221**	**99,232**
Assets				
Property Plants and Equipments	19,301	28,737	33,424	33,247
Right-of-use assets / CWIP / other intangibles	4,706	9,535	9,891	9,591
Inventories	14,515	17,748	12,074	16,544
Trade Receivables	7,338	9,594	12,378	16,382
Cash and Bank	1,277	3,936	1,991	3,004
Oher assets	5,552	10,576	15,463	20,465
Total Assets	**52,689**	**80,126**	**85,221**	**99,232**

Exhibit 3: Cash Flow Statement

INR Mn	FY25	FY26	FY27E	FY28E
CFFO	(301)	3,343	1,773	202
CFFI	(3,299)	(8,202)	(6,664)	(1,657)
CFFF	2,233	6,209	2,946	2,467
Net Inc/Dec in cash	**(1,368)**	**1,350**	**(1,945)**	**1,012**
Opening Cash	2,498	2,431	3,781	1,836
Closing Cash	1,130	3,781	1,836	2,848

Source: Company Research, Deven Choksey Research

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Anupam Rasayan India Ltd.			
Date	CMP (INR)	TP (INR)	Recommendation
18-Aug-26	1,226	1,374	ACCUMULATE
03-June-26	1,317	1,372	HOLD
28-Oct-25	1,148	1,200	ACCUMULATE
29-May-25	990	1,053	ACCUMULATE
14-Feb-25	674	694	HOLD
19-Nov-24	715	719	HOLD
22-Aug-24	807	850	ACCUMULATE

Rating Legend (Expected over a 12-month period)	
Our Rating	Upside
Buy	More than 15%
Accumulate	5% – 15%
Hold	0 – 5%
Reduce	-5% – 0
Sell	Less than – 5%

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