onesource

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Date: December 31, 2025

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 **Scrip Code: 544292**	**National Stock Exchange of India Limited** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) **Mumbai – 400 051** **Symbol: ONESOURCE**

Dear Sir/Madam,

Subject: Intimation of press release of credit rating under Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations')

Pursuant to Regulation 30 read with Part A, Para A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations'), we wish to inform that the India Ratings & Research (Ind-Ra) has issued a press release affirming a credit rating of [IND A-/Positive] for the Company's additional bank loan facilities, consistent with its previous rating issued on June 03, 2025.

Copy of the press release issued by India Ratings and Research is enclosed herewith in **Annexure**.

This intimation is in accordance with the SEBI Master Circular no. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11,2024.

This is for your information and records.

For OneSource Specialty Pharma Limited

Trisha A Digitally signed by Trisha A Date: 2025.12.31 18:52:36 +05'30'

Trisha A
Compliance Officer and Company Secretary
Membership Number: A47635

India Ratings & Research
A Fitch Group Company

India Ratings Affirms Onesource Specialty Pharma's Bank Loan Facilities at 'IND A-'/Positive; Rates Additional Bank Loan Facilities

Dec 31, 2025 | Pharmaceuticals

India Ratings and Research (Ind-Ra) has taken the following rating actions on Onesource Specialty Pharma Limited's (OSPL) bank loan facilities:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Bank loan facilities	-	-	-	INR3,835.42	IND A-/Positive/IND A1	Assigned
Bank loan facilities	-	-	-	INR7,415.09	IND A-/Positive/IND A1	Affirmed

Analytical Approach

Ind-Ra has fully consolidated OSPL and its wholly owned subsidiaries, Biolexis Private Limited, Stelis Pte. Limited; Singapore, Stelis Biopharma UK Private Limited; Strides Pharma Services Private Limited; Steriscience Specialities Pte. Limited, Singapore; Biolexis Pte. Ltd, Singapore; Strides Softgels Pte. Ltd., Singapore; to arrive at the ratings, as all the companies operate in the similar line of business and have a common management.

Detailed Rationale of the Rating Action

The Positive Outlook reflects Ind-Ra's expectation of sustained growth in OSPL's revenue and profitability over the medium term, driven by strong Glucagon-like Peptide 1 (GLP-1) opportunities, capacity expansion, and strategic acquisitions.

The ratings reflect the company's robust business profile, strong client relationships, and healthy financial performance, supported by healthy traction in 1HFY26. The ratings also factor in OSPL's established presence in regulated markets, multi-modality contract development and manufacturing (CDMO) platform, and long-term supply contracts in the drug-device combination (DDC) segment, which provide revenue visibility and minimal working capital requirements. Improved visibility on the commercialisation of the GLP-1 contracts remain a key driver. Ind-Ra expects the DDC segment to register moderate growth in FY26, aided by a robust pipeline of master service agreements (MSAs) and the initiation of commercial supply agreement (CSA) revenue 4QFY26 onwards.

Despite OSPL's planned capex for capacity enhancement, Ind-Ra expects the credit metrics to remain healthy in the medium term, aided by long-term GLP-1 supply contracts with global clients. Ind-Ra will monitor OSPL's evolving revenue profile, product concentration risk and price volatility, which could have a bearing on its business profile in the medium-to-long term. Ind-Ra will monitor the outcome of the arbitration in lieu of contingent liabilities of INR11 billion on books and its impact on the credit metrics, if any.

List of Key Rating Drivers

Strengths

- Healthy business profile; strong clientele
- Multi-entity amalgamation to strengthen CDMO platform
- Strong GLP-1 revenue opportunity during FY26 and beyond
- Healthy financial performance during 1HFY26, likely to improve in medium-to-long term
- Comfortable credit metrics in 1HFY26; likely to remain stable in medium term

Weaknesses

- Regulatory and approval risks
- Foreign currency risk
- Significant contingent liabilities

Detailed Description of Key Rating Drivers

Healthy Business Profile; Strong Clientele: Bengaluru-based OSPL is a CDMO player in the pharmaceutical sector, with a significant presence in highly regulated markets such as the US and other developed markets. OSPL is a multi-modality CDMO platform, with offerings in DDC, including GLP-1, biologics, soft gelatin capsules (SGC) and sterile fill finish products. While OSPL had existing capabilities in DDC and biologics, the SGC and sterile fill finish businesses were carved out from other promoter group companies and merged into OSPL during FY25. The business profile benefits from steady state revenue/EBITDA generation in the SGC and injectables business, while its DDC business benefits from long-term supply contracts (10 years) with key global clients with minimal working capital requirement, upfront capacity reservation fees, and supply commitments from clients.

Given its vintage in the businesses and capabilities, OSPL has been able to build a healthy customer profile in various segments, namely DDC (over 25 GLP-1 customers, including four of the top five global generic players), sterile injectables (more than 17 customers primarily in regulated markets), SGC (more than 40 customers primarily in regulated markets) and biologics (more than 10 ongoing projects and onboarded one large innovator animal health company), according to the management.

Multi-Entity Amalgamation to Strengthen CDMO Platform: OSPL has announced a multi-entity amalgamation consolidating sterile injectables, softgel, and fill-finish operations under its umbrella. In its press release in October 2025, Ind-Ra viewed the transaction as credit-neutral, noting that it is structured as a share-swap with OSPL as the surviving entity, and involves no cash consideration. The deal brings in a United States Food and Drug Administration (USFDA)-approved fill-finish site in Poland and a vertically integrated carbapenem facility at Vadodara to OSPL's portfolio. The management anticipates the incoming businesses will contribute about USD100 million to the revenue with about 40% EBITDA margins by FY27, with no material debt being transferred. Regulatory approvals from Securities and Exchange Board of India (SEBI), National Company Law Tribunal (NCLT), and Singapore authorities are in progress, and the transaction is likely to close by December 2026 (appointed date for Indian entities: 1 April 2026). This consolidation enhances OSPL's multi-modality CDMO platform, bolsters its global manufacturing footprint, and strengthens its GLP-1 and biologics growth strategy.

Strong GLP-1 Revenue Opportunity During FY26 and Beyond: GLP-1 products, which are peptide hormonal products, cater to the diabetes/obesity category, which witness global sales of over USD50 billion annually. With the GLP-1 molecules going off-patent over FY26-FY28, Ind-Ra expects OSPL to garner supply share of the generic CDMO market, given that the company has the integrated capability to manufacture drug-device combinations and would benefit from long-term supply contracts. OSPL booked MSA revenue of over USD35 million each in FY24 and FY25, implying strong visibility of supply once the products become commercial. OSPL has two revenue streams in the DDC segment - MSA, in which revenue is generated prior to the receipt of approvals, and CSA, in which revenue is generated post the receipt of approvals. Ind-Ra believes OSPL would have received over INR2 billion of advances towards these supplies during FY25.

OSPL targets a five-fold increase in the capacities for cartridges by FY28 from 40 million units currently, with the first phase of the capacities reaching 120 million units by 4QFY26 (earlier 100 million) and scale up to 220 million units by FY28. The company plans to raise its prefilled syringe capacity to 55 million units (earlier 50 million) from 38 million, and vial capacity to 55 million units (earlier 50 million) from 28 million by 4QFY26. OSPL plans to spend USD100 million capex over the same period, funded largely through a combination of internal accruals, partner commitments, and debt, but with higher upfront allocation in FY26 to meet expedited timelines.

Healthy Financial Performance During 1HFY26, Likely to Improve in Medium-To-Long Term: In 1HFY26, OSPL reported consolidated revenue increased 12.2% yoy to INR7,030 million (1HFY25: INR6,265 million; FY25: INR14,449 million) and EBITDA rose 7.1% yoy to INR1,949 million (INR1,820 million; INR4,665 million), driven by continued traction in the DDC segment through milestone-linked MSAs and steady-state contributions from SGC and injectables. The EBITDA margins slightly declined to 28% 1HFY26 (1HFY25: 29%; FY25: 32%), due to higher upfront costs for accelerated capacity expansion and integration-related expenses.

OSPL has guided for revenue growth of 30% CAGR during FY25-FY28, with a steady-state EBITDA margins of about 40%, led by DDCs, injectables and SGC. The scale of the revenue opportunity in the anti-diabetic/obesity market is large, and there is an underserved demand in the developed and emerging markets. OSPL's long-term supply commitments with adequate cost pass through mechanism with its clients is a key positive, in Ind-Ra's view. As of March 2025, there was goodwill of INR38,275 million and other intangible assets of INR13,926 million on the books, which has been constraining the reported return of capital employed (ROCE; due to integration of businesses). Strides Pharma Science (promoter group entity) is a front-end partner for selling SGC in the US, and OSPL also pays support services fees to Strides for using its facilities.

Comfortable Credit Metrics in 1HFY26; Likely to Remain Stable in Medium Term: The company's consolidated interest coverage (operating EBITDA/gross interest expense) increased to 3.2x in 1HFY26 (FY25: 2.8x; 1HFY25: 3.0x) and the net leverage (net debt/operating EBITDA) rose to 1.8x (1.5x; 1.7x). OSPL received INR8,755 million during FY25 due to its equity listing on stock exchanges, of which a significant portion was utilised for retiring high-cost debt on books. Despite the planned capex of USD100 million, Ind-Ra expects the net leverage to remain below 2x in the near-to-medium term, due to significant cash generation, aided by sales of GLP-1 products and debt repayments. While the company will continue to invest in capex over FY25-FY28, it is likely to be funded through a combination of internal accruals, partner commitments, and debt, but with higher upfront allocation in FY26 to meet expedited timelines.

Regulatory and Approval Risks: The company's customers are primarily based in regulated markets and other export markets, which contributed over 87% to OSPL's total sales in FY25. The company's track record of handling United States Food and Drug Administration (USFDA) inspections has been strong. Being a preferred contract research and manufacturing services player for global pharma companies, OSPL's manufacturing facilities have been inspected by these players on a regular basis. Despite the recent increase in USFDA scrutiny on all Indian manufacturing facilities, OSPL has maintained its successful track record of regulatory inspection. Ind-Ra expects CSA revenue to begin contributing from 4QFY26, subject to the timely receipt of regulatory approvals by customers across key geographies.

Foreign Currency Risk: OSPL derives a significant share of its revenue in foreign currency, whereas majority of its costs are incurred in the Indian rupee. Hence, the company is exposed to the risks arising from any adverse movements in foreign exchange rates. However, the company takes a forward cover to hedge a portion of its export revenue and receivables. This helps it to mitigate the forex risk to a certain extent.

Significant Contingent Liabilities: OSPL had contingent liabilities of INR11,648 million (USD136 million) on its books at FYE25 owing to the termination of its supply contract with its manufacturing partner for Sputnik Light Vaccines by its subsidiary, Biolexis Pte Limited. OSPL has raised a counterclaim for the refund of the capacity fee of INR1,164 million (USD13.6 million), which is pending with the arbitration centre. Ind-Ra has not considered any potential cash outflow in lieu of the same in its estimates.

Liquidity

Adequate: On a consolidated basis, OSPL had cash and liquid investments of INR1,627 million in 1HFYE26 (FYE25: INR2,428 million), against scheduled repayment liabilities of INR703 million for FY26, INR1,209 million for FY27 and INR1,473 million for FY28, considering the NCD's to be refinanced by FYE26. The transfer of all debt obligations to OSPL post-merger was completed in February 2025. The company's average month-end utilisation of the fund-based limits stood at 75% for the eight months ended October 2025. The working capital cycle was 68 days in 1HFY26 (FY25: 70 days; 1HFY25: 72 days), with inventory holding at 65 days (67 days), receivable period at 102 days (105 days), and creditor days (excluding contractual liabilities) at 43 days (44 days). The working capital cycle are not comparable with FY24 due to the business restructuring in FY25.

Rating Sensitivities

Positive: The following developments, individually or collectively, could be positive for the rating:

- continued strong performance in the softgel and injectable segments, with healthy margins
- successful commercialization and scaling of GLP-1 contracts, leading to an improvement in the revenue and profitability
- net leverage (net debt /EBITDA) reducing below 1.5x, on a sustained basis

Negative: Deterioration in the revenue and margins and /or slower-than-expected ramp-up of GLP-1 product commercialization and/or higher-than-Ind-Ra-expected debt-funded capex, leading to the net adjusted leverage exceeding 1.5x, on a sustained basis, could be negative for the ratings.

Any Other Information

Not applicable

About the Company

OSPL is a fully integrated, multi-modality specialty pharmaceutical CDMO company, focused on developing and manufacturing DDCs, biologics, sterile injectables and oral technologies like soft gelatin capsules for its customers out of five globally compliant facilities located in Bengaluru.

Key Financial Indicators

Particulars (Consolidated)	1HFY26	FY25	FY24#	FY24*
Revenue (INR million)	7,030	14,449	1,719	10,891
EBITDA (INR million)	1,949	4,665	-882	2,247
EBITDA margin (%)	28	32	-51	21
Gross interest coverage (x)	3.20	2.80	-0.99	NA
Net leverage (x)	1.80	1.50	-6.34	NA

Source: OSPL; Ind-Ra. NA- Not available
The effective date for restructuring is April 1, 2024, hence FY24 data is not comparable.
* Prior period numbers are proforma and have been reclassified to align with current period to make it comparable.

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook
	Rating Type	Rated Limits (million)	Rating	3 June 2025
Bank loan facilities	Long-term/Short-term	INR11,250.51	IND A-/Positive/IND A1	IND A-/Positive/IND A1

Bank wise Facilities Details

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity- indicators.

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About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Corporate Rating Methodology

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process