onesource

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Date: August 18, 2026

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 **Scrip Code: 544292, ISIN: INE013P01021**	**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 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 upgraded the credit rating of OneSource Specialty Pharma Limited (the 'Company') as follows:

Details of Instruments

Instrument Type	Regulator of Instrument	Size of Issue (INR million)	Rating assigned along with Outlook/ Watch	Rating Acton
Bank loan facilities	RBI	11,250.51	IND A/ Positive/ IND A1	Long-term rating upgraded and short-term rating affirmed
Bank loan facilities	RBI	4,287.08	IND A/ Positive/ IND A1	Assigned

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. SEBIHO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026.

This is for your information and records.

For **OneSource Specialty Pharma Limited**

A. TRISHA Digitally signed by A. TRISHA
Date: 2026.08.18 12:05:56 +05'30'

Trisha A
Compliance Officer and Company Secretary
Membership Number: A47635

India Ratings & Research
A Fitch Group Company

India Ratings Upgrades Onesource Specialty Pharma's Bank Loan Facilities to 'IND A'/Positive; Rates Additional Limits

Aug 17, 2026 | Onesource Specialty Pharma Limited | Pharmaceuticals

India Ratings and Research (Ind-Ra) has upgraded Onesource Specialty Pharma Limited's (OSPL) bank loan facilities' long-term rating to 'IND A' with a Positive Outlook from 'IND A-'and the affirmed the short-term rating at 'IND A1' as follows:

Details of Instruments

Instrument Type	Regulator of Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (INR million)	Rating assigned along with Outlook/ Watch	Rating Action
Bank loan facilities	RBI	-	-	-	11,250.51	IND A/Positive/IND A1	Long-term rating upgraded and short-term rating affirmed
Bank loan facilities	RBI	-		-	4,287.08	IND A/Positive/IND A1	Assigned

Analytical Approach

Ind-Ra has fully consolidated OSPL and its wholly owned subsidiaries, Biolexis Private Limited; Strides Pharma Services Private Limited; OneSource Specialty Pte. Limited, Singapore; Biolexis Pte. Limited, Singapore; OneSource Specialty Pharma Inc.; USA and OneSource Softgels Pte. Limited, 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 upgrade reflects the strengthening of OSPL's business profile, following the successful commercialisation of its drug-device combination (DDC) platform and increasing contribution from commercial glucagon-like peptide-1 (GLP-1) supplies. Ind-Ra believes the company has transitioned from a predominantly development-led revenue model to an increasingly commercial supply-led model, supported by multiple customer launches, long-term supply agreements, and capacity expansion. The demonstrated conversion of development projects into commercial supplies and the ramp-up of commercial revenue have improved its revenue visibility, strengthened customer stickiness, and reduced execution risk.

The Positive Outlook reflects Ind-Ra's expectation of a continued improvement in OSPL's business profile and credit metrics over the medium term, driven by the ramp-up of commercial GLP-1 opportunities, an increasing contribution from commercial supply agreement (CSA) revenue, improving capacity utilisation, and strengthening of cash flows coupled with healthy performance in the base business of sterile injectable and softgels. Ind-Ra will continue to monitor the outcome of the ongoing arbitration proceedings related to contingent liabilities of about INR13 billion and any impact thereof on the company's financial profile.

The ratings continue to benefit from OSPL's diversified contract development and manufacturing organisation (CDMO) platform across DDCs, biologics, sterile injectables and softgels; an established presence in regulated markets; and integrated manufacturing capabilities. The agency has observed a significant improvement in the company's scale of EBITDA during 4QFY26-1QFY27, led by the genericisation of GLP-1 portfolio in various markets. Ind-Ra expects increasing utilisation of expanded capacities, growing CSA revenues, and improving operating leverage to support stronger profitability, cash flow generation and gradual deleveraging over the medium term.

List of Key Rating Drivers

Strengths

- Successful commercialisation of DDC platform and diversified CDMO capabilities strengthen business profile
- Capacity expansion supported by customer commitments and demand visibility
- Improving operating performance and expected strengthening of credit metrics

Weaknesses

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

Detailed Description of Key Rating Drivers

Successful Commercialisation of DDC Platform and Diversified CDMO Capabilities Strengthen Business Profile: OSPL's business profile has strengthened materially, driven by the successful commercialisation of its DDC platform, increasing contribution from commercial GLP-1 supplies, and the stability provided by its established softgel as well as injectable businesses. Its consolidated revenue increased 37.2% yoy to INR4.5 billion in 1QFY27 (1QFY26: INR3.3 billion), while the EBITDA increased 39.4% yoy to INR1.2 billion (INR0.9 billion), supported by commercial semaglutide launches and an improved product mix. The company manufactures all approved generic semaglutide products commercialised in Canada and around 11 generic semaglutide brands in India, catering to nearly 40% of the generic injectable semaglutide market in India, according to the management.

OSPL benefits from a diversified CDMO platform across DDCs, biologics, sterile injectables and softgels, established relationships in regulated markets and cross-selling opportunities across business segments. While the management expects DDCs to remain the primary growth driver, the injectables and softgel businesses continue to provide stable revenue and cash flow generation, while the biologics platform offers additional medium-term growth opportunities. While Ind-Ra notes the business wise revenue/profitability break-up is not available, it expects the increasing share of the CSA revenue within the DDC segment to improve revenue visibility, strengthen cash flow generation, and support a structurally stronger business profile over the medium term.

Capacity Expansion Supported by Customer Commitments and Strong Demand Visibility: OSPL continues to expand capacity to address increasing demand from GLP-1 and other DDC customers globally. The company operates about 225 sterile manufacturing production days annually and expects capacity to double during 2QFY27 and increase to around three times the current level by FY28. The company has announced a capex of around USD100 million, of which about 80% has already been committed. The capacity expansion is supported by confirmed customer orders, demand forecasts and take-or-pay arrangements in selected contracts. Given the increasing customer launch pipeline and capacity constraints faced by the company, Ind-Ra expects the expanded capacities to support growth in the CSA revenue, improve operating leverage, and strengthen revenue visibility over FY27-FY29. The enhancement in the capacities will be largely funded through debt (75%) and internal accruals. Ind-Ra expects the leverage to decline below 2x FY28 onwards.

Improving Operating Performance; Credit Metrics likely to Strengthen: OSPL's consolidated revenue declined to INR14.2 billion in FY26 (FY25: INR14.4 billion), while its EBITDA moderated to INR3.0 billion (INR4.7 billion), due to accelerated capacity expansion, employee additions, commercialisation readiness costs and lower operating leverage during the investment phase. Its EBITDA margins improved to 27.5% in 1QFY27 (1QFY26: 27.0%; 4QFY26: 21.5%), supported by a higher contribution from commercial DDC revenue and improving utilisation levels.

The company’s gross debt increased to INR15.2 billion at FYE26 (FYE25: INR9.6 billion), following the ongoing capex programme, while the net leverage (total net debt/operating EBITDA) increased to 4.7x (1.6x) and EBITDA interest coverage (EBITDA/gross interest expense) declined to 2.5x (2.8x), reflecting the impact of elevated borrowings and upfront investments undertaken ahead of revenue ramp-up which led to a negative operating leverage. Working capital intensity of the business also increased during FY26. Ind-Ra notes customer advances stood at INR2.3 billion. Ind-Ra notes that the company’s operating performance improved in 1QFY27, while the gross debt reduced to INR13.2 billion, indicating the beginning of balance sheet stabilisation following the peak capex phase. Ind-Ra expects the credit metrics to strengthen progressively over FY27-FY29, supported by increasing commercial revenues, improving profitability and stronger operating cash flow generation as the company enters the monetisation phase of the investment cycle.

Regulatory Compliance and Approval Risks: OSPL derives a significant portion of its revenue from exports, which accounted for around 71% of revenue in FY26, exposing the company to regulatory and customer approval risks across key markets. While the company has maintained a satisfactory compliance track record, including completion of around 12 customer and regulatory inspections in 1QFY27, timely customer approvals, product launches and continued regulatory compliance remain critical for scaling commercial supplies and supporting the expected growth trajectory.

Foreign Currency Risk: OSPL derives a significant share of its revenue in foreign currency, whereas a majority of its costs are incurred in 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, helping it to mitigate the forex risk to a certain extent.

Significant Contingent Liabilities: OSPL had contingent liabilities of INR12,862 million (USD136 million) on its books at FYE26, owing to the termination of its supply contract with its manufacturing partner for Sputnik Light Vaccines by its subsidiary, Biolexis Pte Limited. The matter remains under arbitration, with the company also pursuing a counterclaim. Ind-Ra has not assumed any material cash outflow in its base case; however, the outcome of the proceedings remains a key monitorable.

Liquidity

Adequate: On a consolidated basis, OSPL had cash and cash equivalents of INR1.03 billion at FYE26 (FYE25: INR2.1 billion), against scheduled debt repayments of about INR2.7 billion in FY27 and INR1.7 billion in FY28. Its working capital cycle increased to 194 days in FY26 (FY25: 115 days), largely due to inventory build-up for semaglutide launches and capacity expansion. The management stated that a significant portion of inventory is backed by customer demand forecasts, advance collections and confirmed orders. The debtor levels also remained elevated, partly due to receivables from related party sales. The management expects the collection period to improve gradually over the medium term, supported by collections from related-party receivables and increasing contribution from DDC commercial revenue. The average utilisation of the fund-based and non-fund-based facilities stood at around 90% and 68%, respectively, during the 12 months ended June 2026. Liquidity is supported by available unutilised banking lines and the management's expectation of stronger operating cash flow generation as commercial GLP-1 supplies scale up. However, liquidity remains sensitive to working capital movements and timely monetisation of expanded capacities.

Rating Sensitivities

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

- a sustained improvement in revenue and profitability, supported by successful scaling up of GLP-1 supplies in the DDC segment
- healthy performance in the softgel and injectable businesses, leading to improved scale, diversification and cash flow generation
- the net adjusted leverage (net debt/EBITDA) remaining below 1.5x, on a consolidated and sustained basis.

Outlook to Stable: Deterioration in the revenue and margins and /or slower-than-expected scale-up of GLP-1 product commercialisation and/or higher-than-Ind-Ra-expected debt-funded capex, leading to the net adjusted leverage exceeding 1.5x, on a consolidated and 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)	FY26	FY25
Revenue (INR million)	14,216	14,449
EBITDAR (INR million)	3,042	4,665
EBITDAR margin (%)	21.4	32.3
Gross interest coverage (x)	2.5	2.8
Net leverage (x)	4.7	1.6
Source: OSPL; Ind-Ra		

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	31 December 2025	03 June 2025
Bank loan facilities	Long-term/Short-term	15,537.59	IND A/Positive/IND A1	IND A-/Positive/IND A1	IND A-/Positive/IND A1

Bank wise Facilities Details

The details are as reported by the issuer as on (17 Aug 2026)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	HDFC Bank Limited	Fund-based working capital limits	650	IND A/Positive / IND A1
2	ICICI Bank	Fund-based working capital limits	1500	IND A/Positive / IND A1

3	IndusInd Bank Limited	Fund-based working capital limits	1900	IND A/Positive / IND A1
4	RBL Bank	Fund-based working capital limits	1250	IND A/Positive / IND A1
5	Standard Chartered bank	Fund-based working capital limits	1250	IND A/Positive / IND A1
6	Yes Bank Ltd	Fund-based working capital limits	1250	IND A/Positive / IND A1
7	HDFC Bank Limited	Non-fund-based working capital limits	200	IND A1
8	Aditya Birla Capital Limited	Term loan	1381.25	IND A/Positive
9	EXIM Bank	Term loan	1500	IND A/Positive
10	ICICI Bank	Term loan	3187.43	IND A/Positive
11	Yes Bank Ltd	Term loan	1468.91	IND A/Positive

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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APPLICABLE CRITERIA AND POLICIES

Corporate Rating Methodology

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process

Evaluating Corporate Governance

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