

Supriya Lifescience

14 August 2026

Operator: Ladies and gentlemen, good day and welcome to the Supriya Lifescience Ltd. Q1 FY27 earnings call. As a reminder, all participants' lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing '*' and then '0' on your touchtone telephone. I now hand the conference over to Ms. Neha Salian from EY Investor Relations. Thank you, and over to you, ma'am.

Neha Salian – EY Investor Relations: Thank you, Harsh. A warm welcome to all the participants on the Supriya Lifescience Ltd. Q1 FY27 earnings conference call. The investor presentation and financial results are available on the company's website and on the stock exchanges. Please note that anything said on this call which reflects our outlook for the future or which can be construed as a forward-looking statement must be viewed in conjunction with the risks that the company faces. This conference call is being recorded, and the transcript along with the audio will be made available on the company's website as well as on the exchanges. Please also note that the audio of the conference call is the copyrighted material of Supriya Lifescience Ltd. and cannot be copied, rebroadcast, or attributed in the press or media without the company's specific written consent.

To give you a brief business update and take you through the results, from the management team we have Dr. Saloni Wagh, Managing Director; Ms. Shivani Wagh, Joint Managing Director; and Mr. Krishna Raghunathan, Chief Financial Officer. I now request Ms. Shivani Wagh to provide you with a brief update on the quarter. Over to you, ma'am.

Shivani Wagh – Joint Managing Director: Good morning, everyone. I am Shivani Wagh, Joint Managing Director of Supriya Lifescience Ltd. It is a pleasure to welcome you all to our Q1 FY27 earnings call. I hope you have had the opportunity to review our results and investor presentation. With that, let me take you through our quarterly performance.

Revenue for the quarter stood at 190 crores, reflecting 31% year-on-year growth. Demand remained strong during the quarter, but water shortages led to a deferment of sales of around 35 crores. I will touch upon this in more detail later.

During the quarter, EBITDA stood at 47 crores, a decline of 8.1% year-on-year, with EBITDA margins at 25%. Before we move forward, let me explain the reasons for the decline in margins during the quarter. It was a combination of factors that coincided during the period and are mostly temporary in nature.

Firstly, the delayed onset of the monsoon led to water scarcity in the region surrounding our plant. Our facility located in the Lote MIDC area depends on water supply from the Koyna River. Due to lower-than-normal water levels, the entire Lote MIDC industrial belt faced a significant water shortage. This led to a delay in sales, as highlighted earlier.

Second, the Maharashtra government changed the solar power policy, which led to increased fuel and power costs during the quarter. This alone had an impact of 8 crores at the EBITDA level. These challenges were largely external and transient in nature. Excluding these one-off impacts, margins would have remained within our guided range.

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We believe these are temporary disruptions, and with operations stabilizing, we expect performance to improve in the coming quarters while remaining firmly on track to achieve our FY27 growth and margin objectives.

Moving to our geographical performance, exports continued to be a key growth driver, contributing 81% of revenue in Q1 FY27. Within exports, Asia contributed 39%, followed by Europe at 35% and LatAm at 20%. Our core strategy of backward integration continued to progress, and currently, 72% of total revenues are fully integrated.

Now, coming to our new product launches, we launched two new anesthetic liquid inhalation products in {? Q2 FY27 ?} from our Ambernath facility, and we expect them to scale up over the coming quarters. In addition, we have two ADHD product launches in the pipeline, which will further strengthen our portfolio and support future growth.

On the contrast media opportunity, we remain on track with development and continue to progress as planned. We expect the product to be launched in {? H2 FY27 ?}.

As for the products launched in FY26, we continue to see encouraging traction. Our cardiovascular product launched in Q3 FY26 has ramped up well. The ADHD product continues to scale up, supported by healthy demand from LatAm and Europe, and we expect the momentum to continue. Our liquid anesthetic product remains on track with steady monthly supplies.

In summary, we would like to reiterate that our trajectory towards the 1,000 crore revenue milestone by FY27 remains firmly on track, supported by a robust product pipeline and sustained demand across key therapeutic segments, including anesthetics, anti-diabetics, anti-anxiety, vitamins, and ADHD. We remain confident of our guidance of EBITDA margins in the range of 33% to 35%. However, as highlighted in our earlier call, growth is expected to be non-linear across quarters.

Furthermore, we would like to highlight that we have revisited our earlier plan to undertake the annual maintenance shutdown for blocks A to D in August, and we believe that we can undertake the maintenance in a phased manner instead of a complete shutdown. Hence, it will not impact our Q2 FY27 production in any major way.

With that, I now invite our CFO, Mr. Krishna Raghunathan, to take you through the detailed financial performance for Q1 FY27. Thank you.

Krishna Raghunathan – Chief Financial Officer: Thank you, Shivani. Good morning, everyone. Let me take you through the operational highlights of the quarter, following which we will open the floor for questions and answers.

For Q1 FY27, the company reported revenue from operations of 190 crores, as against 145 crores in Q1 FY26, a growth of 31% year-on-year. EBITDA for the quarter stood at 47 crores, as against 52 crores in Q1 FY26, a degrowth of 8.1% year-on-year, and EBITDA margins stood at 25% for Q1 FY27.

As mentioned by our Joint Managing Director, margins during the quarter were impacted by temporary cost headwinds, primarily higher solvent and power costs. These factors resulted in an additional operating cost of approximately 10.5 crores. Excluding these impacts, EBITDA margin would have remained within our guided range. Importantly, these are largely transient in nature, and

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we remain confident of delivering our FY27 growth and margin guidance.

PAT stood at 24 crores, as against 35 crores in Q1 FY26. PAT margins stood at 12.7% for Q1 FY27.

Our capex for Q1 FY27 stood at 16.58 crores, driven by spending on maintenance capex, smaller projects, formulation plant requirements, and the Isambe project.

Regarding the Patalganga land, as our Joint MD has updated, we have received all necessary clearances and will be developing the facility in phases. The project will include two API and advanced intermediate blocks and two formulation blocks. Total capex earmarked for this facility is around 200 crores for Phase 1.

Regarding borrowings, we would like to report that for the full year, we have not utilized any working capital limits except for letters of credit and bank guarantees.

With that, we can open the floor for questions and answers. Thank you.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press '*' and '1' on your touchtone telephone. If you wish to remove yourself from the question queue, you may press '*' and '2'. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Thank you. Our first question is from the line of Aditya Pal, MS Capital Partners. Please go ahead.

Aditya Pal – MS Capital Partners: Hello, am I audible?

Shivani Wagh – Joint Managing Director: Yes, you are audible.

Aditya Pal – MS Capital Partners: Right. Thank you so much for the opportunity. A large part of my questions have already been answered. I have just one question on Patalganga. I want to understand your viewpoint on why there is a delay in breaking ground and starting construction at Patalganga, because at this point in time, we only have Lote Parshuram, where we are also undertaking the kind of capex involving blocks A, B, C, and D, and Ambernath will also be completed by FY29-30. A greenfield facility, particularly in pharma, takes at least 3 to 4 years to come up. I wanted to understand how you are thinking about this.

Krishna Raghunathan – Chief Financial Officer: Aditya, we have already started building the boundary wall. In fact, that work has already started, so technically we have broken ground. I think we need to clarify that understanding. We have already started the work in Isambe, and the process of constructing the wall is in full swing.

Aditya Pal – MS Capital Partners: Understood. So, for Phase 1, are you expecting a particular timeline by which construction should be completed? I am referring to the API blocks, formulation block, warehouse, and the 200 crores of investment in Phase 1.

Krishna Raghunathan – Chief Financial Officer: We would be looking at the API block to start with, along with the utility blocks. I think these would be the facilities that would be coming up for 200 crores. I do not think formulations can start immediately. From the time of acquisition, we should

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have around 40% completion within approximately 2.5 years, as required by MIDC. I think we will also take care of all those legal requirements while carrying out the construction. That process also needs to be taken care of, and we will take care of it.

Management: To add to Krishna's point, the first focus in Patalganga would be at the API level, because we are already close to exhausting the capacity at Lote. Of course, we will be undertaking minor refurbishments at Lote, which will further enhance the capacity, but for the next couple of launches, which are the larger molecules, we would be looking at Patalganga as a scale-up location. Therefore, the first focus would be on API.

Ambernath is not yet in full swing, so for finished formulations, CMO, and CDMO, we already have a facility available where the scale-up will happen over the next 2 to 3 years. Therefore, finished formulations would be considered in a phase-wise manner in Phase 2 at Patalganga.

Aditya Pal – MS Capital Partners: Understood. Just one last question before I come back in the queue. Regarding Ambernath, have you received any emails or messages from the EU team about when they can come and audit and when we can start generating revenue from the EU regulated market? I know it is already WHO-GMP compliant, but when can we expect revenue from the regulated market?

Management: We have already received the audit dates from the EU for the Ambernath facility. The audit is scheduled for the second half of November.

Aditya Pal – MS Capital Partners: Perfect. Best of luck. Thank you so much.

Management: Thank you so much.

Operator: Thank you very much. Our next question is from the line of Nikhil from SIMPL. Thank you. Please go ahead.

Nikhil – SIMPL: Good morning. I hope I am audible.

Management: Yes, you are audible.

Nikhil – SIMPL: I have one bookkeeping question and one question on contrast media. You mentioned the two temporary issues. I understand that water is not in your control, but over the longer term, as we see these issues arising, what are we thinking about to de-risk ourselves?

Secondly, regarding power, you mentioned the solar subsidy. Is it a one-time cost that has arisen, or will this cost continue for a longer term? Please help me understand why you think the solar subsidy is a one-time matter.

Krishna: There are two aspects to the solar subsidy. I think the government is asking us to pay from {? July '21 ?}. For all those items, they are collecting the back numbers today. They had collected the amount for the 4-month period between March and July. That is why that part is one-time.

The other aspect is the increase in prices due to the reduction in TOD hours. We will pass that on to our customers. That is what we are going to do. That is the complete answer regarding the solar subsidy.

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Nikhil – SIMPL: Just one minute. Regarding the retrospective amount that we have paid, what would be the quantum?

Krishna: This would be somewhere around 4.5 to 5 crores at this stage. In fact, the matter is also sub judice. There is a case pending in which all the solar power association members have come together and filed a case against MSEDCL.

Nikhil – SIMPL: Okay, fine. And regarding the water issue?

Management: Regarding the water issue, this is the first incident we have faced involving water scarcity in that particular area, because the area where the facility is located normally receives one of the highest levels of rainfall across the state of Maharashtra. This is the first time we have faced this issue.

However, we are working with several consultants on how we can further undertake water recycling. Since we are involved in API manufacturing, we cannot use recycled water in our end product, but at least for utilities such as cooling towers, we are examining how we can use it. That effort is ongoing. A lot of work with consultants is now underway to further improve the water situation.

Nikhil – SIMPL: My second question is on contrast media. My understanding is that there are only 4 or 5 formulators, and they have often closed down and do not share the specifications for the products. How are we managing the challenge of obtaining the specifications, and when we look at the commercial opportunity, would it be purely for the non-regulated market?

Management: For us, it is a combination of API for the non-regulated market, as well as the Ambarnath facility. A lot of companies want to enter into a tie-up for the finished formulation of IO, meaning the injection for the contrast media product. In that case, we have a good combination of non-regulated, or what I would call semi-regulated, markets as well as regulated markets.

Our biggest issue, and the reason why the launch has been delayed by 2 quarters, is that R&D is still fine-tuning the technology because there have been multiple variations in the cost of raw materials. We are also looking at alternative processes and alternative technologies to determine how we can be cost-competitive in the market, because this is already a generic product that has been in the market for a long time.

Therefore, the value addition has to come from a better process with a greater focus on margins. I think that is also the reason why the launch has been delayed by 2 quarters.

Nikhil – SIMPL: My last question, if I may. Regarding the customs issue, in our notes to accounts, under Note 3, we have mentioned that we still booked the sales in this quarter. Is this issue now resolved from our end, meaning that future exports are not being impacted, or what is the status?

Management: The matter is currently still sub judice. However, I would like to inform everyone that we have already received the new export authorization from the Central Bureau of Narcotics for the same consignment, which, in our opinion, should regularize this particular export. But because the matter is sub judice, we are still waiting for the results from the High Court. Once we receive the judgment, I think this export will be regularized.

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Nikhil – SIMPL: But we have booked it in our sales?

Management: The shipping bill for the said consignment has already been filed, and because that particular shipping bill is still under investigation, we do not have the freedom to cancel it. That is one of the main reasons. The said consignment itself is not of very high value. It is a very small, minuscule-value consignment.

I would also like to reiterate that for this particular product, every consignment is accompanied by an export permit. Therefore, it is not that this impacts all the other consignments or the entire product. It is limited only to this particular consignment.

Nikhil – SIMPL: Fine. Thanks a lot. I will come back in the queue.

Management: Thank you.

Operator: Thank you. Our next question is from the line of Milesh from Shah and Savla. Please go ahead.

Milesh – Shah and Savla: Thank you for taking my question. In continuation of both these questions from the previous participant, may I get some clarification on the higher costs related to water and power for Q2? Since we are saying that our annual guidance still remains, with the top line and EBITDA margin of approximately 33% to 35%, as well as the PAT margin of 25%, remaining in line, I would like to get some reconfirmation on both these guidance figures as well as the Q2 cost estimates on account of water and power. That is my first question.

Management: The water issue, as our Joint MD mentioned in her speech, has already been resolved. Because of the late onset of the monsoon, the water issue impacted us for only about 15–20 days. During those 15–20 days, we lost production of almost 30–35 crores worth of products.

However, the water issue has now been resolved. We are getting ample water from the Koyna River, and MIDC is also receiving water, so I do not think this will be a recurring issue in Q2.

As Krishna said, a large part of the power cost was also slightly retrospective, so that will not recur in Q2. Whatever operational price increases have occurred, along with the increases in several other raw material and solvent prices in Q1, will all be taken into account and passed on to customers.

Because we work on a purchase-order basis, we have the flexibility to pass on price increases or operational cost increases to our customers. We will take care of that, and I think the one-off expenses or additional expenses incurred in this quarter will not carry over into Q2.

As regards the guidance, we are still confident that we will be able to make up for the lost 25–30 crores of sales in the coming quarters. We remain confident that we will be able to achieve our guidance of revenue closer to 1,000 crores while maintaining EBITDA margins between 32% and 35%.

Milesh – Shah and Savla: Great, ma'am. That is really helpful and gives us renewed confidence in the company. Regarding the customs issue, as you said, because of whatever reason, we have booked

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the sale. Have we made any provision against that sale, or is our view that no provision is required and once the matter is resolved, everything will be routed accordingly?

Krishna: At this point in time, as my MD has already said, we have already received the re-export permit from the Central Bureau of Narcotics. For this reason, we have not made any provision on this front, and we believe that this should be resolved amicably.

Milesh – Shah and Savla: Are all our other exports continuing normally? Is there any difficulty anywhere due to the expiry of a license, a pending renewal, or anything similar? I am also wondering how the renewal of a particularly important license was missed by our team.

Management: Let me clarify this. It is not a license renewal. For the particular product in question, which is a psychotropic drug, there is a new import authorization and a new export authorization for each and every consignment.

This new export authorization is limited only to that particular consignment. It does not apply across different customers, different countries, or different products. It is specifically for that particular consignment, that particular country, and that particular customer.

Therefore, it is not that the license had expired and that this has had a cascading effect on any other customer or shipment. It is limited only to that particular shipment.

Milesh – Shah and Savla: So we were supposed to obtain the authorization for this export, but we did not obtain it?

Management: No, we had the export authorization. We had all the documents in place as issued by the Central Bureau of Narcotics. There was only a technical lapse of 2 days, involving a human oversight by the logistics department, whereby the export authorization expired before the shipping bill was raised.

It is not a question of not having the document. All the required documents were already in place. It was simply a 2-day technical lapse, and now, with the new CBN export authorization that we have received, our view is that this should regularize that particular export.

Milesh – Shah and Savla: Thank you, ma'am. In fact, this clarification was required somewhat earlier as well. I would have thought that the company would come up with a clarification so that the investors' concerns could be clarified. It is good that you have now clarified everything. Thank you so much, and I wish you all the very best.

Management: Thank you very much.

Operator: Our next question is from the line of Achal Maheshwari from Naredi Investment. Please go ahead.

Achal Maheshwari – Naredi Investment: Good morning. I have one question, ma'am. Now that our Ambernath facility is also coming onboard, how much depreciation do we expect for the full year?

Management: Ambernath alone would contribute somewhere around 14–15 crores in depreciation. Adding that to the regular depreciation, the overall depreciation should be approximately 35–40

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crores.

Achal Maheshwari – Naredi Investment: Okay, thank you so much.

Operator: Thank you. Our next question comes from the line of Abhishek from Padmaja Investments. Please go ahead.

Abhishek – Padmaja Investments: Good morning. Am I audible?

Management: Yes.

Abhishek – Padmaja Investments: I have 3 questions. What is the status of the general manager who was involved in the case? Is he still behind bars, or has he received bail?

Management: Abhishek, your voice is a bit muffled.

Abhishek – Padmaja Investments: How is it now? I am asking about the status of the general manager issue. Is he still behind bars?

Operator: Your voice is not clearly audible, sir. If you are using any Bluetooth device, please use your handset. Hello?

Abhishek – Padmaja Investments: Is it clear now?

Operator: It is somewhat better, sir. Please go ahead.

Abhishek – Padmaja Investments: What is the status of the general manager as of now? Is he still behind bars, or did he receive bail?

Management: As I mentioned, the matter is still sub judice, so he is still in judicial custody.

Abhishek – Padmaja Investments: What is the closing inventory as of June 30 in our books?

Management: It is somewhere around 230–240 crores. It was on the higher side because, in the last quarter, we had planned to undertake maintenance. Therefore, we had started building up the inventory.

Now that we are revisiting that plan, we have to start liquidating the inventory. Based on the original plan, we had increased all the inventories, but since that maintenance shutdown is not going to happen as my Joint MD has already suggested, we will now have to liquidate the inventory over the next 3 to 4 quarters.

Abhishek – Padmaja Investments: I have one small observation. If you look at the last Q4 or Q1, just before the earnings announcement, the stock price reacts in correlation with the event. I think some information is being leaked. Perhaps you could try to do something. I do not know whether it is possible, but I wanted to mention it.

Management: I do not think this is something that we can speculate about or discuss in any forum. Therefore, it is not within our control.

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Abhishek – Padmaja Investments: I am not talking about speculation. My observation is that the earnings are somehow being leaked. That is all from my side. Thank you.

Operator: Thank you. Our next question comes from Nirmam Mehta from Unique PMS. Please go ahead.

Nirmam Mehta – Unique PMS: My first question is whether there are any updates on the CDMO contract that you were expecting.

Management: We have made good progress specifically on one of the large anesthetic CDMO contracts that we are evaluating. We are very close to signing a term sheet. Hopefully, in the next quarter, we will be able to announce something positive.

At the back end, a lot of the qualification work has now been completed. Quality has been approved, so we are making good progress on the CDMO opportunity.

Nirmam Mehta – Unique PMS: This quarter, when I look at the therapy mix, vitamins have performed very well. Does that mean the DSM ramp-up is happening? We were also expecting this, and I believe we had received pharma validation. Have we ramped up supplies?

Management: Yes, we have. DSM has now reached a very stable stage, and we are very close to their peak volumes. Pharma validation is complete.

As I mentioned in the previous calls, we had set up a dedicated facility for DSM. That facility is now up and running, so things are moving very positively in the DSM project.

Nirmam Mehta – Unique PMS: Regarding the launches we undertook last year, is the ramp-up in line with our expectations? I believe Ambernath would be the key trigger for those products, correct?

Management: There are two aspects to this. The products that we added last year also have independent API exposure in several countries, and they will also be used for forward integration at Ambernath. We are working on multiple projects across both Ambernath and Lote.

We are seeing very good traction. Even the cardiovascular advanced intermediate that we launched has already been commercialized, and we are seeing good traction from the domestic and semi-regulated markets.

For the anesthetic API that we launched at the API level, we are also seeing good traction from semi-regulated markets such as Korea and Taiwan. We have filed for the CEP, and we expect to receive the CEP sometime between October and November of this year. This will further boost sales of these products in regulated markets such as Europe.

As I mentioned earlier, once the EU audit takes place in November, Ambernath will help open up the ramp-up of products there. We have also commercially launched 2 anesthetic products from Ambernath.

Nirmam Mehta – Unique PMS: Regarding Block S, have we started work there, and when do we expect the block to be up and running?

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Management: We have not started it yet. We will start it in the next couple of quarters.

Nirmam Mehta – Unique PMS: That is all from my side. Thank you, and all the best.

Management: Thank you.

Operator: Our next question comes from the line of Rachna Kukreja from SIMPL. Please go ahead.

Rachna Kukreja – SIMPL: Thank you for the opportunity. I have 3 questions. First, what drove the sequential improvement in the North American market? Is this trend expected to continue, and which molecules are gaining stronger traction in those markets?

Management: As we have mentioned before, we have filed multiple DMFs in the North American market. Specifically, we have filed at least 4–5 US DMFs, and many customers have now started picking up volumes for validation and related activities.

I think that is the reason why we are seeing a slight increase in the North American market. As we have mentioned before, once the newer products that we are launching scale up in North America, you will also see sales increase and our exposure rise.

Rachna Kukreja – SIMPL: Understood. Could you provide the revenue contribution from the cardiovascular product? You mentioned that it has gained strong traction. Please provide some colour on how it has performed in terms of revenue compared with other recently launched products, in terms of revenue scale, profit margins, and competitive positioning.

Management: We will not be able to discuss the contribution or margin contribution of individual products in detail. However, I would like to say that in terms of volume pickup, we are now almost at a commercialized level of manufacturing.

Volumes have built up very well over the last couple of months, and we are seeing good traction. However, for it to become a larger contributor, it would still take at least 9–12 months because many customers are still under qualification and have completed their stability studies and related activities. Therefore, for its full effect to be realized, I think we are still approximately 9 months away.

Rachna Kukreja – SIMPL: One last question: why has the revenue mix from backward-integrated products declined, and has that impacted EBITDA margins?

Management: It is not only the backward-integrated revenue mix that has contributed to the reduction in EBITDA margin. You would have observed that sales in Europe were on the lower side, and that had its own impact on EBITDA margins.

Rachna Kukreja – SIMPL: Understood. So it is more of a country-wise mix that has slightly impacted our EBITDA margins. That is the main factor.

Management: There were multiple factors. If you had followed the points that my Joint MD mentioned earlier regarding production losses, certain materials that were supposed to go into regulated markets could not be shipped. It was a combination of multiple factors that caused the EBITDA decrease. I think we elaborated on this in the speech itself.

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Rachna Kukreja – SIMPL: Understood. Thank you.

Operator: Thank you. The next question comes from Saloni Singh, who is an investor. Please go ahead.

Saloni Singh – Investor: Good morning.

Management: Good morning.

Saloni Singh – Investor: My question is, could you tell us more about the planned shutdown in Q2 and its impact on revenue?

Management: As my Joint MD mentioned in her speech, initially we had planned a major shutdown in Q2 across multiple blocks. However, we have already lost a significant amount of production time in Q1 because of the water issue and other issues, so we have decided to defer that shutdown in Q2.

We will undertake smaller debottlenecking activities across different blocks to avoid any major impact on production. Therefore, the planned shutdown will not take place in Q2.

Saloni Singh – Investor: My next question is, what are the company's plans to sustain growth beyond FY27? Is there any guidance for FY28?

Management: We have already said that we would be growing at a CAGR of approximately 20% year-on-year. I think the same trend will continue.

Beyond FY27, we are already working in multiple directions. We are adding new products to our existing API basket and adding newer therapies to make it more robust. We have also added a finished formulation vertical at Ambarnath, which will start generating revenue after the audit is completed.

We have also started entering into CMO and CDMO collaborations at the API, advanced intermediate, and finished formulation levels. Work is therefore progressing on several fronts to add more verticals to the business and more products to the pipeline. In addition, we are investing in the Patalganga facility for capacity building.

Keeping in mind all these strong fundamentals and the areas in which we are working, I am sure growth will continue over the next 3 to 4 years.

Saloni Singh – Investor: One last question: is there any other employee involved in the matter?

Management: There is no involvement of any other employee in the matter.

Saloni Singh – Investor: What about the customers' response?

Management: One person, as we have mentioned before, is already in judicial custody. Therefore, there is no further—

Saloni Singh – Investor: No, apart from him, is there any other employee?

Management: No.

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Saloni Singh – Investor: Thank you so much, ma'am.

Operator: Thank you. Our next question is from the line of Aditya Pal from MSCA Capital Partners. Please go ahead.

Aditya Pal – MSCA Capital Partners: Thank you so much for the opportunity again. I just wanted to understand: when we say that 1,000 crores remains on track, does that mean we are seeing very strong demand for our recently launched products and can broadly achieve 270–280 crores per quarter? Is that on track? We do not have any doubts about this because that would mean we would be growing by 30% year-on-year.

Management: As I mentioned earlier, the fundamentals of the company remain the same. We are receiving good traction for the new products that we are launching. We are already undertaking several filings in regulated markets to enable these products to ramp up.

Even in the existing portfolio, we are seeing good growth. Customer volumes across different countries are increasing. Ambernath will start contributing to revenue this year. Therefore, all the fundamentals remain in place, which is why we are confident that we should be able to achieve our target.

How it will happen and how much of the loss encountered in Q1 we will be able to recover fully in Q2 is something we will have to wait and see. However, for the full year, we remain confident that we will be able to achieve that number.

Aditya Pal – MSCA Capital Partners: I am not referring specifically to Q2, but to the full year. Even if we spread it over the next 3 quarters, it would be a strong comeback.

Management: Yes.

Aditya Pal – MSCA Capital Partners: Regarding our {? ATS ?} product, is there any change from the previous guidance that there was visibility of at least 250 tons for this year? Is there any change? Are we seeing lower volumes, with the tonnage actually being pushed into FY28?

Management: We had said that the 250 metric ton number would be achieved over the next 2 years once the product is fully commercialized. We did not guide to 250 tons for this particular year because the ramp-up will be gradual.

It cannot happen that within 6–7 months of launching a product, we achieve that level of traction. Customers also need to take the product, validate their API, put it through stability checks, and change their filings, because the API is ultimately used in regulated markets as well.

Therefore, this is the gradual scale-up potential of the product. That is the number we had indicated. This number is not meant for this particular year.

Aditya Pal – MSCA Capital Partners: Understood. Does the visibility still remain?

Management: Yes, it still remains.

Aditya Pal – MSCA Capital Partners: Understood. That is all. Best of luck. Thank you so much.

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Management: Thank you.

Operator: Thank you. Our next question is from the line of Tushar Bohra from MK Ventures. Please go ahead.

Tushar Bohra – MK Ventures: Good morning, everyone. Thank you for the opportunity, and thank you to the management for clarifying several issues and points surrounding the company.

My first question is regarding the several initiatives you highlighted for the second half of the year, including the scale-up of liquid anesthetics from Ambernath, the launch of the contrast media product, and the scale-up of the cardiovascular drug. You have also highlighted a few new initiatives for the coming years.

Is it fair to say that we should see a much stronger ramp-up in the second half of this year, entering into next year, compared with the company's current run rate?

My second question is regarding the 20% growth trajectory. Would it be fair to assume that there is potential for growth higher than 20%? How well prepared is the management if there is a possibility of 30%, 35%, or 40% growth in a given year? How well prepared are you from a process and scale-up standpoint to handle that kind of growth trajectory? What are we doing to strengthen the organization's capabilities to handle that kind of growth?

Management: To answer your first question, the ramp-up would definitely be much stronger in the second half of this financial year.

Regarding growth over the next couple of years, there is potential to grow beyond 20% because, as I mentioned earlier, we are working on multiple fronts, ranging from the addition of capacity to the addition of new products and new verticals. There are also several CMO and CDMO opportunities under discussion, although they are currently at a very initial stage.

Keeping in mind the different areas in which management is working, there is definitely potential for the business to grow beyond 20%.

Many of these developments also depend on how quickly regulatory approvals are received, because we operate in a highly regulated environment. More than 80% of our revenue comes from exports, and a large portion of that comes from regulated markets. Therefore, obtaining the right regulatory approvals for products and new facilities is very important for the scale-up to happen.

However, keeping in mind all the efforts that management is making, the product pipeline we have, and the other products that are also gradually ramping up, there is potential for the business to grow beyond 20%.

Tushar Bohra – MK Ventures: Thank you. As a follow-up, we are probably at a stage where the company will increasingly work with innovators and larger companies. You highlighted that we have several opportunities in liquid anesthetics, including the Dahej contract. I believe we are moving more toward the CMO and CDMO journey.

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This incident involving the technical lapse on a consignment also gives the company an opportunity to strengthen its processes and controls and prepare for a much larger organization in terms of organizational capability. Could you highlight what is being done to strengthen the company's processes and controls?

Management: We are working extensively to strengthen our internal systems. As we speak, we are undergoing SAP implementation, and we expect to go live with SAP in another 4 to 5 months. This will further strengthen our internal systems.

On several other fronts, we are also introducing significant automation, including at the site quality level. We have implemented software such as TraceWise, which is very important for quality management systems and documentation.

Therefore, considerable effort is taking place in the background to further improve the organization and make it more system-driven.

Tushar Bohra – MK Ventures: Thank you, ma'am. One last question, if I may. We have repeatedly highlighted the China-plus-one opportunity and how we intend to take volumes away from China, particularly for specific products. We have also been vocal about the CDMO and CMO opportunity.

Could you highlight what action is being taken in this regard and what kind of potential collaborations or product initiatives we can expect over the next 1 to 2 years? How serious are we about building this CDMO journey?

Management: We are working very seriously on the CDMO journey. Liquid anesthetics would probably be one of our biggest areas of collaboration with an innovator, where the opportunity size could be quite large. That project is ongoing and progressing well.

At the same time, we have another 4–5 APIs as well as advanced intermediates where we have already started discussions with customers from regulated markets and are gaining good traction. However, those projects are at an initial stage.

Ambarnath is also predominantly a CMO- and CDMO-driven site. We have already launched 2 anesthetic finished-formulation products, and we already have approximately 5–6 products in the pipeline, including tablets and injectables. We are also seeing good collaboration opportunities from customers in Europe and North America.

Therefore, over the next 3 to 4 years, CMO and CDMO should emerge as one of the company's strongest verticals. For CDMO, a period of 1.5 to 2 years is a very short period of time.

Tushar Bohra – MK Ventures: Thank you so much, ma'am. I will join back in the queue.

Management: Thank you.

Operator: Thank you. Our next question is from the line of Rishabh Tripathi, individual investor. Please go ahead.

Management: Go ahead, how much business?

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Rishabh Tripathi – Individual Investor: Hi. Am I audible?

Management: Yes.

Rishabh Tripathi – Individual Investor: Thanks for the opportunity. My first question is regarding CMO and CDMO. A lot of R&D effort would be going into this area. At the same time, molecules come and go, and not every project will be successful, but there would be a lot of learning from them.

Can we highlight some of the learnings from the last couple of years in this journey toward CMO and CDMO? What have been the key learnings from both successes and failures?

Additionally, what internal structures are in place to ensure that all these learnings are captured? How can one learning from one project be transformed and used in another project? What types of processes, setups, or repositories are we using so that the learning is not lost and can be captured for the long term?

Management: CMO and CDMO have taught us a lot over the last 2–3 years, and specifically, they have helped us strengthen our internal systems.

One example is that larger innovators and multinational companies place significant focus on ESG, whereas we did not have much focus on this a couple of years ago. Obtaining EcoVadis, TfS, and ISO certifications are some of the initiatives that we have taken up very aggressively over the last couple of years.

We recently received a silver rating from EcoVadis, which shows that we are building an organization that will be future-ready in these areas. We were able to bring about significant improvement in ESG as a result of our CDMO and CMO collaborations.

We also invested heavily in R&D. Earlier, our R&D was heavily focused on the life-cycle management of products, but with the emergence of new opportunities, we are now focusing on new product launches.

We have a dedicated team for CMO and CDMO collaborations. We have also set up a small new pilot plant where we scale up these projects.

We have learned a great deal in terms of infrastructure upgrades and automation. We also now have a dedicated project team covering the entire process, from R&D to pilot stage to commercial scale-up.

We now have a strong CMO and CDMO team in place led by our technical lead, Dr. Shirish Ambekar. These are some of the key initiatives that we have undertaken to further strengthen the organization for CMO collaborations.

Rishabh Tripathi – Individual Investor: Thank you, ma'am, for the detailed answer. My second question is regarding the learnings and the efforts going into R&D. How are we trying to build a system? We currently talk a lot about launching products one after another, but if we look at growth over a period of 2 or 3 years, how are we trying to build a system that thinks in terms of a 5-year,

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7-year, or 10-year period? That is my other question.

Management: As I said, our strategy is now focused on multiple verticals. We are trying to de-risk the business by adding different verticals. Earlier, we had only an API business. Now, we are trying to add a finished formulations vertical and a CMO and CDMO vertical.

We are also trying to bring in professionals who are experts in these particular areas. This is how we are trying to prepare the organization.

On the systems side, as I mentioned, over the last year we have implemented several systems relating to QMS, quality management systems, and documentation. We are also undergoing SAP implementation.

This is how we will be able to bring the systems up to the same level as the people we are bringing into the organization. A lot of efforts are ongoing.

Capacity building is another area we are working on because we see significant potential in our new launches and in the new product portfolio. We also have to build equivalent capacity for the scale-up of those products.

All those initiatives are underway. At the site level, we have also introduced significant automation, including gravity-flow systems and DCS systems, which have helped reduce manual intervention and make operations more automated. These are some of the things we have been able to do over the last couple of years.

Rishabh Tripathi – Individual Investor: Thank you for the answer. That is helpful. One point, as the previous participant also mentioned, is that as we move toward interacting with partners that may be much larger innovators and companies, compliance becomes critical, and any lapse could cost us significantly. Hopefully, this is a one-time incident and will not recur. Thank you for all the answers.

Management: Thank you.

Operator: Thank you. Our next question is from the line of Namrata Manocha from Sadguru Impex. Please go ahead.

There was a disturbance. I think she has put us on hold. I am connecting the other participant now. Our next question is from the line of Miten Shah, individual investor. Please go ahead.

Miten Shah – Individual Investor: Thank you for the opportunity, and very good morning. My question is, what are the cash reserves as of now?

Management: Cash reserves?

Miten Shah – Individual Investor: Yes, cash reserves.

Management: Cash reserves are around 150 crores in fixed deposits and mutual funds.

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Miten Shah – Individual Investor: The reason I am asking is, do we have any plans for capex in this fiscal year or the next fiscal year? How do we plan to utilize that amount?

Management: This would be used for the initial phase of the Dahej project.

Miten Shah – Individual Investor: How much would that be?

Management: The first phase could be 200 crores. It would be around 200 crores, and the second phase would also have a similar amount, or rather, a larger amount—still larger.

Miten Shah – Individual Investor: Secondly, regarding the North American contribution, I believe it is roughly around 3%. Given the tariff rates being imposed on some products, how much is the impact, and how do we see the traction given the tariff scenario?

Management: As of now, I think that after a couple of years, there could be a 100% tariff on pharma. However, under the current scenario, I do not think there is much tariff on pharma products yet.

Miten Shah – Individual Investor: The assumption is that there could be the imposition of higher tariff rates on various products from North America, correct?

Management: That could happen going forward, but it would be too speculative to answer at this stage.

Having said that, our exposure is currently larger in Europe. Even for finished formulations, the larger opportunities for us are coming from Europe. While North America will grow over the next couple of years with new launches and the new CMO and CDMO portfolio, Europe may remain the larger market for us.

As of now, I do not think we are significantly affected by the tariffs being introduced.

Miten Shah – Individual Investor: Understood.

Miten Shah – Individual Investor: So it was never a larger priority for exports, correct?

Management: Because of the inherent nature of the product portfolio we had, our current product portfolio predominantly has a larger market share in Europe and Latin American markets. Those two are our highest-revenue regions.

Miten Shah – Individual Investor: That answers my question. Thank you for being so candid. I really appreciate it and wish you all the best. Thank you so much.

Management: Thank you very much.

Operator: Thank you. Our next question is from the line of Jason, individual investor. Please go ahead.

Jason – Individual Investor: Hello, am I audible?

Management: Yes, you are audible.

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Jason – Individual Investor: Thank you, ma'am, for the opportunity. As the company scales its CDMO business, highly skilled scientific talent will be a key differentiator. Could you share your plans for expanding the R&D and technical team over the next 3 years? Are you investing in hiring experienced scientists, building specialized capabilities, or developing ecosystems to support this growth?

Management: We have already made significant investments in R&D over the last 2 years. Earlier, we had only a single R&D facility at our Lote site, which was mainly focused on life-cycle management.

We have now expanded that R&D facility and also started a new R&D facility at Ambernath, with two separate divisions: one for API and the other for finished formulations.

Over the last 2–3 years, our R&D strength has increased from approximately 20–30 people to almost 70 people. We have added personnel in R&D and also added new verticals, such as finished formulations, to our R&D operations.

Jason – Individual Investor: Thank you, ma'am.

Operator: Thank you. Our next question is from the line of Achal Maheshwari from Naredi Investment. Please go ahead.

Achal Maheshwari – Naredi Investment: Thank you for giving me the opportunity again. As we move toward the formulation side of the business over the next few years, do we expect any further margin improvement from current levels?

Management: I think margins would remain at current levels, mainly because we are looking at CMO and CDMO opportunities.

Another reason is that we are constantly adding new products to our portfolio, and the scale-up initially takes place in semi-regulated markets and subsequently in regulated markets. This cycle will continue over the next few years.

Therefore, I think margins would remain at 33% to 35% for at least the next 3 to 4 years.

Achal Maheshwari – Naredi Investment: Thank you so much.

Management: Thank you.

Operator: Thank you. As there are no further questions in the queue, ladies and gentlemen, on behalf of Supriya Lifescience Ltd., that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.