August 18, 2026

To,

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001
Scrip Code: 543434

National Stock Exchange of India Limited
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051
NSE Symbol: SUPRIYA

Dear Sir/Madam,

Subject: Transcript of the Earnings Call for the quarter ended June 30, 2026.

Further to our Letters dated August 10, 2026, August 13, 2026, and August 14, 2026, we would like to inform you that the Transcript of the Earnings Call held on August 14, 2026, with respect to Unaudited Financial Results of the Company for the quarter ended June 30, 2026, is available on the Company's website at:
https://www.supriyalifescience.com/ir-financial.php.

Kindly take the information on record.

Thanking you,

For Supriya Lifescience Limited
Prachi Suhas Sathe
Digitally signed by Prachi Suhas Sathe
Date: 2026.08.18 15:56:36 +05'30'
Prachi Sathe
Company Secretary & Compliance Officer

"Supriya Lifescience Limited Q1 FY '27 Earnings Conference Call"

August 14, 2026

MANAGEMENT: **DR. SALONI WAGH – MANAGING DIRECTOR – SUPRIYA LIFESCIENCE LIMITED**
MS. SHIVANI WAGH – JOINT MANAGING DIRECTOR – SUPRIYA LIFESCIENCE LIMITED
MR. KRISHNA RAGHUNATHAN – CHIEF FINANCIAL OFFICER – SUPRIYA LIFESCIENCE LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Supriya Lifescience Limited Q1 FY '27 Earnings Call. As a reminder, all participants' line will be in the 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 an operator by pressing '*' then '0' on your touchtone telephone. I now hand over the conference over to Ms. Sneha Salian from EY Investor Relations. Thank you and over to you, ma'am.

Sneha Salian: Thank you, Harsh. A warm welcome to all the participants to the Supriya Lifescience Limited Q1 FY '27 Earnings Conference Call. The investor presentation and the financial results are available on the company website and on the Stock Exchanges. Please note, 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 of the same will be made available on the website of the company as well as on the exchanges. Please also note that the audio of the conference call is the copyright material of Supriya Lifescience Limited and it cannot be copied, rebroadcasted or attributed in the press or media without specific and written consent of the company. To give you a brief business update and to 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 would now request Ms. Shivani Wagh to provide you with a brief update on the quarter. Over to you, ma'am.

Shivani Wagh: Good morning, everyone. I am Shivani Wagh, Joint Managing Director of Supriya Lifescience Limited. It is a pleasure to welcome you all to our Quarter 1 FY '27 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 Rs. 190 crores, reflecting a 31% year-on-year growth. Demand remained strong during the quarter, but water shortages led to a deferment of sales of around Rs. 35 crores. I will touch upon this in more detail later.

During the quarter, EBITDA stood at Rs. 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 delay in sales as highlighted earlier.
- Second, Maharashtra government changed the solar power policy, which led to increased fuel and power costs during the quarter. This alone had an impact of Rs. 8 crores at EBITDA levels.

These challenges were largely external and transient in nature. Excluding these one-off impacts, margins would have remained within our guided range. 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 FY '27 growth and margin objectives.

Moving to our geographical performance:

Exports continued to be a key growth driver contributing 81% of revenue in Q1 FY '27. Within exports, Asia contributed 39%, followed by Europe at 35% and LATAM at 20%. Our core strategy for backward integration continued to progress and currently we have 72% of total revenues fully integrated.

Now, coming to our new product launches:

We launched two new anesthetic liquid inhalation products in Q2 FY '27 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 products to be launched in H2 FY '27.

As for the products launched in FY '26, we continue to see encouraging traction. Our cardiovascular product launched in Q3 FY '26 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 Rs. 1,000 crores revenue by FY '27 remains firmly on track, supported by a robust product pipeline and a 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 FY '27's 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 FY '27. Thank you.

Krishna Raghunathan: Thank you, Shivani. Good morning, everyone.

Let me take you all through the operational highlights of the quarter, following which we will open the floor for questions and answers.

For Q1 FY '27, the company reported revenue from operations of Rs. 190 crores as against Rs. 145 crores in Q1 FY '26, a growth of 31% year-on-year.

EBITDA for the quarter stood at Rs. 47 crores as against Rs. 52 crores in Q1 FY '26, a degrowth of 8.1% year-on-year and EBITDA margin stood at 25% for Q1 FY '27.

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 Rs. 10.5 crores. Excluding these impacts, EBITDA margins would have remained within our guided range. Importantly, these are largely transient in nature, and we remain confident of delivering our FY27 growth and margin guidance.

PAT stood at Rs. 24 crores as against Rs. 35 crores in Q1 FY '26. PAT margins stood at 12.7% for Q1 FY '27. Our CapEx for Q1 FY '27 stood at Rs. 16.58 crores driven by spend on maintenance CapEx, smaller projects, formulation plan requirements and Isambe project.

On 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 but advanced intermediate blocks and two formulation blocks. The total CapEx earmarked for this facility is around Rs. 200 crores for Phase-1.

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

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

Moderator: Thank you very much. Our first question is from the line of Adityapal, MSA Capital Partners. Please go ahead.

Adityapal: Last part of my questions has already been answered. Just one question on the Patalganga. So, just want to understand your viewpoint on why there is a delay in the breaking of land and starting the construction at Patalganga. Because at this point of time we only have Lote Parshuram, which is also the kind of Capex's that we are doing with block F, it is chock-a-block and Ambernath will also get completed by say by FY '29 - '30 and a greenfield particularly in Pharma takes at least three to four years to come up. So, just wanted to understand how you are thinking about this.

Krishna Raghunathan: See, Aditya, we have started already building the boundary walls. In fact, that is something which has already started. So, technically, we have broken the ground. I think we need to if at all the understanding there. So, we have started the work already in Isambe and the process of constructing the wall is in full stream.

Adityapal: So, Phase-1, are you expecting a particular timeline that the completion of the construction should happen by, say, a particular set timeline? The API blocks, formulation block and the warehouses are Rs. 200 crores of investment in Phase-1.

Krishna Raghunathan: We would be looking at the API block to start with. That would be the first thing which we would be building along with the utility blocks. I think these would be the ones which would be coming up for Rs. 200 crores. I don't think formulation can start immediately. Say, right from the acquisition, around 2.5 years, we should have a 40% completion as per MIDC. I think we will take care of all those legal requirements also while doing our construction. That process also needs to be taken care of which we will take care of.

Dr. Saloni Wagh: And also, to add to Krishna's point, the first focus in Patalganga would be at the API level because we are already now closer to exhausting the capacity at Lote. Of course, we will be taking up 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 place.

So, the first focus would be on API. Ambernath is not yet in full swing. So, for the finished formulation, CMO, CDMO, we, anyways have a facility available where the scale-up will happen in the next 2 to 3 years. So, the finish formulation would be considered in a phase-wise manner in Phase-2 at Patalganga.

Adityapal: Just one last question before I come back in the queue in terms of Ambernath. So, now, have you got any mails or messages from the EU team that when they can come and audit and when can we really start generating revenues for the EU, the regulated markets? I know it is WHO-cGMP already but from the regulated markets, when will it be possible?

Dr. Saloni Wagh: So, we have already received the dates for audit from EU at Ambernath facility. The audit is scheduled for the second half of November.

Moderator: Next from the line of Nikhil from SIMPL. Please go ahead.

Nikhil: Just one bookkeeping question and one question on contrast media. See, you mentioned the two temporary issues. One, I understand water, which is not in your hand, but over a longer term as we see these issues rising, what are we thinking to de-risk ourselves?

And secondly, on the power part, you mentioned on the solar subsidy. So, is it like a one-time cost which had come in or my idea was that this cost will sustain for a longer term. So, if you can just help me understand why do you think the solar subsidy is a one-time thing?

Krishna Raghunathan: See, there are two things on solar subsidy. I think the government is asking even to pay from July 25. So, for all those things, they are collecting the back numbers today. In the four months period between March to July, they had collected. So, that part is one time.

See, on the other part, whatever it is, the increase in the prices or due to what do you call reduction in ToD hours, that we will be passing it on to our customers. That is something which we are really going to do about it. So, that would be the total anchor for your solar subsidy.

Nikhil: So, on this retrospective amount which we have paid, what would be the quantum?

Krishna Raghunathan: See, this would be somewhere around Rs. 4.5 crores - Rs. 5 crores at this stage. So, in fact, the matter is also sub judice. There is a case which is running on around in that wherein all the Solar Power Association members have come around, and they have filed a case against the MSEDCL.

Nikhil: And on the water part?

Dr. Saloni Wagh: On the water part, I mean, this is the first incident that we have faced on scarcity of water in that particular area because the area where the facility is located normally receives one of the highest rainfalls across the state of Maharashtra. So, this is the first time we have faced this issue.

We are working with a lot of consultants on how we can further take up recycling of water. Because we are into API manufacturing, we can't use recycled water in our end product, but at least for the utility part of it, the cooling towers and all, how we are able to do that, that effort is ongoing. So, a lot of work with consultants is now ongoing to further improve the water situation.

Nikhil: Second question on contrast media. See, what I understand is that here because there are only four or five formulators, they many a times have closed and don't share the specifications around the product. So, how are we managing that challenge in terms of getting the specifications and when we look at the commercial, would it be purely for the non-reg market?

Dr. Saloni Wagh: So, for us, it is a combination of API for the non-regulated market as well as at Ambernath facility, a lot of the people want to do a tie-up for the finished formulation of Iohexol, I mean, for the contrast media product which is the injection. So, in that case, we have a good combination between the non-regulated or, I would say, semi-regulated markets as well as regulated markets.

Also, I think our biggest issue why the launch has been delayed by two quarters is because the R&D is still fine-tuning on the technology part of it because there have been multiple variations in the cost of the raw material.

We are also looking at alternate process, alternate technology on how we can be cost-competitive in the market because this is already a generic product which has been in the market for a long time. So, the value addition has to come from a better process with better focus on margin. So, I think that is the reason why also it has been delayed for two quarters.

Nikhil: And last question. See, on this customs issue in our notes to account on note 3 which we have mentioned, so we have said we have still booked the sales in this quarter. So, is this issue resolved now from our end and future exports are not being impacted or what is the status here?

Dr. Saloni Wagh: So, currently, the matter is still sub judice. However, one thing I would like to inform everyone is that we have already received the new export authorization from 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 result from the High Court. So, once we get that, I think this export would be regularized.

Nikhil: But we have booked it in our sales.

Dr. Saloni Wagh: It is because the shipping bill for the said consignment is already filed and because the particular shipping bill is still under investigation, we are not at the freedom of cancelling that particular shipping bill. So, that is one of the main reasons and the said consignment itself is not very high value. It is a very small, miniscule value consignment.

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

Moderator: Our next question is from the line of Mulesh from Shah and Savla. Please go ahead.

Mulesh: In continuation of both these questions of previous participant, may I get some color on still the higher cost related to water and power for the Q2? And since we say that our annual guidance still remains, so the top line and margin of about 33% to 35% EBITDA as well as the PAT margin of 25% remains on line. So, I would like to get some reconfirmation on both these guidance as well as Q2 cost estimates on account of water and power. That is my first question.

Dr. Saloni Wagh: The water issue, like our Joint MD mentioned in her speech, the water issue is already resolved because of the late onset of monsoon. The water issue impacted us for only about 15-20 days.

But during those 15-20 days we have lost production of almost Rs. 30 crores - Rs. 35 crores equivalent product. But now the water issue is already resolved. We are getting ample water from the Koyna River and MIDC is also getting the water. So, I don't think this would be a recurrent issue in Quarter 2.

Like Krishna said, a large part of the power cost also was slightly retrospective. So, that would not come back in Quarter 2. And whatever operational price increases have happened along with a lot of other raw material solvent price increases also which have happened in Quarter 1, all those would be taken into account, and they would be passed on to the customers.

Because we work on purchase order basis, we have the liberty to pass on the price increases or the operational increases to our customers. So, that we will be taking care, and I think that sort of one-off expense which has happened or the additional expenses that have happened in this quarter will not move to Quarter 2.

Now as regards the guidance, we are still confident that we will be able to make up for this lost Rs. 25 crores - Rs. 30 crores of sales in the coming few quarters. And we are still confident we will be able to achieve our guidance of closer to Rs. 1,000 crores while maintaining the EBITDA margin levels between 32% to 35%.

Mulesh: That is really helpful and that gives us renowned confidence in the company. And on custom front, as you said, that because of whatever reason we have booked the sale, so have we made any provision against those sales or our view is that no provision is required and once that is resolved, everything will be routine?

Krishna Raghunathan: At this point of time, like my MD has already said, we had already got the re-export permit from Central Bureau of Narcotics. So, because of this reason, we haven't had any provision to be made on this front, and we believe that this should be resolved amicably.

Mulesh: And all our other exports are normally happening. I mean, there is no difficulty anywhere due to this expiry of license or renewal was pending. And I am just wondering how the renewal of a particular very important license was missed by our team?

Dr. Saloni Wagh: No, actually let me clarify this. It is not a renewal of license for the particular product in question. It is a psychotropic drug. For each and every consignment, there is a new import authorization. There is a new export authorization. This new export authorization is only limited to that consignment. It doesn't work across different customers, different countries or different products. It is just specifically for that particular consignment, that particular country, that particular customer. So, it is not that the license had expired and it has a cascading effect on any other customer or any other shipment. It is only limited to that particular shipment.

Mulesh: So, we were supposed to get the license for authorization for this export, and we did not get it?

Dr. Saloni Wagh: 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 two days where there was a human oversight by the logistics department and that the given export authorization had 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 just a two-day technical lapse that happened and now with the new CBN export authorization that we have received, our opinion is that this should regularize that particular export.

Mulesh: In fact, this clarification was required a little earlier also. I would have thought that probably the company will come up with some clarification so that the investor's minds are clarified and clear. So, now it is good that you have cleared everything. Thank you so much, and I wish you all the very best.

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

Aanchal Maheshwari: Now that we have our Ambernath facility also coming on board, how much is the depreciation that we expect for the full-year basis?

Krishna Raghunathan: Ambernath alone I think would contribute somewhere around Rs. 14 crores to Rs. 15 crores on depreciation. So, that you can add up to a regular I think should be somewhere around nearing to Rs. 35 crores to Rs. 40 crores should be the overall depreciation.

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

Abhishek: What is the status of the general manager as of now? Like is he still behind bars or did he get any bail?

Dr. Saloni Wagh: No. Like I mentioned, the matter is still sub judice. So, they are still in judicial custody.

Abhishek: And what is the closing inventory as of June 30 in our books?

Krishna Raghunathan: Somewhere around Rs. 230 crores to Rs. 240 crores. It is on the higher side. Since the last quarter, we had planned for taking the maintenance, so we had started building up the inventory. Now that we are revisiting that, we have to now start slowly liquidating the inventory. With that plan originally in mind, we had jacked up all the inventories. But now that it is not going to happen like what my Joint MD has already suggested, so we will have to now liquidate over the next three to four quarters.

Abhishek: And this is one small observation. Like if you see even in the last Quarter 4, in Quarter 1, just before the earnings, the stock price is reacting in correlation with the event. I think there is some information spillage that is happening. Maybe try to do something. I don't know if it is possible or not also.

Krishna Raghunathan: I don't think so. This is something which we cannot speculate or talk about anywhere in any forum. So, it is something that is not in our control.

Abhishek: No, I am not talking about speculation. I think earnings is somehow being leaked out. That is my observation. That's all. Thanks for the answers.

Moderator: Our next question comes from Nirmam Mehta from Unique PMS. Please go ahead.

Nirmam Mehta: My first question, is any updates on the CMO contracts that you are expecting?

Dr. Saloni Wagh: We have made good progress specifically on one of the large anesthetic CDMO contract that we are looking at. We are very close to signing a term sheet. So, hopefully in the next quarter, we will be able to announce something good. But at the back end, a lot of qualification work is now completed. Quality has been approved. So, we are making good progress on the CMO, CDMO.

Nirmam Mehta: Next, so this quarter, when I look at the therapy mix, vitamins have done really well. So, does that mean that the DSM ramp up is happening? And so, we also had received the pharma validations, I believe. So, have we ramped up the supply?

Dr. Saloni Wagh: Yes, we have. So, I think DSM has now reached a very stable state where we are very close to their peak volumes. Pharma validation is completed. Like I mentioned in the previous calls, we have set up now a dedicated facility for DSM. So, that is now up and running. So, things are moving very positively in the DSM project.

Nirmam Mehta: And lastly, on the launches that we did last year, the ramp up is as per our expectation. And so, is the ramp up as per our expectation? And I believe Ambernath would be the key trigger for those products, right?

Dr. Saloni Wagh: So, there are two parts to it. The product that we added last year, we also have independent API exposure in a lot of countries. Plus, it will also be used for forward integration at Ambernath. So, we are working on multiple projects across both Ambernath as well as Lote. We are seeing actually very good traction. Even the cardiovascular advanced intermediate that we launched, it has already commercialized and we are seeing good traction from domestic market and semi-regulated markets.

Even for the anesthetic API that we have launched at the API level, we are seeing good traction coming in from, I would say, semi-regulated markets like Korea, Taiwan.

We have also filed for the CEP, and we are expecting the CEP also to be received somewhere between October to November of this year, which will further boost the sales of those products in regulated markets like Europe.

And like I mentioned before Ambernath, once I think the EU audit happens in November, that will actually sort of open up the ramp up of products there. But we have commercially launched two anesthetic products from Ambernath as well.

Nirmam Mehta: And lastly on the Block F, so have we started work there? And by what time do we expect the block to be up and running?

Krishna Raghunathan: We haven't started it yet. We will be starting it in next couple of quarters.

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

Rachna Kukreja: Just three questions. What drove the sequential improvement in North America market, and is this trend to continue, and which molecules are gaining stronger traction in those markets?

Dr. Saloni Wagh: Yes. So, like we have mentioned before, we have filed multiple DMFs in North American market. Specifically, we have filed at least four to five US DMFs and a lot of the customers have now started picking up the volumes for their validation and everything.

So, I think that is the reason why we see a slight increase in North American markets. Like we have mentioned before also, I think once the newer products that we are launching scale up in North America, you will also see the sales going up and the exposure will also go up.

Rachna Kukreja: And if you could call out the revenue contribution from cardiovascular products as we are saying, it has gained strong traction. So, if you could just provide some color on how it has performed in terms of revenue versus other recently launched products in terms of revenue scale and profit margins as well as competitive positioning.

Dr. Saloni Wagh: So, we will not be able to talk in detail about individual product contribution or margin contribution, but I would like to say that in terms of the volume pickup, yes, we are now at almost a commercialized level of manufacturing. The volumes have built up very well in the last couple of months and we are seeing good traction, but for it to be a larger contributor, it would still take at least 9 to 12 months because a lot of the customers are still under qualification. They have done their stability and everything. So, for its full effect to happen, I think we are still about nine months away.

Rachna Kukreja: One last question. Why has the revenue mix from backward integrated products declined and has that created an impact on EBITDA margin?

Krishna Raghunathan: See, it is not only backward integrated, also the revenue mix has created some of the reduction in EBITDA margin. You would have observed that in Europe, the sales were on the lesser side. So, it had its own impact on the EBITDA margins.

Rachna Kukreja: So, it is more of a country-wide mix that has impacted slightly on EBITDA margins. That is the main factor.

Krishna Raghunathan: Multiple factors, I could say. If you would follow the script, what my Joint MD had suggested, see there were some production losses and because of which certain of the materials which were supposed to go into regulated markets could not go. It is, I would say, a multiple mix of factors which had caused the EBITDA dip. I think that we have elaborated in the speech itself.

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

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

Dr. Saloni Wagh: No. Like my joint MD mentioned in her speech, initially we had planned a big shutdown in Quarter 2 across multiple blocks. However, we have already lost a lot of production time in Quarter 1 because of the water issues and the other issues. So, we have decided to now push back on that shutdown in Quarter 2.

What we will be doing is, we will be taking up smaller debottlenecking activities across different blocks so as to avoid any larger impact on production. So, the planned shutdown will not happen in Quarter 2 anymore.

Saloni Singh: My next question is, what are the plans company has to sustain the growth beyond FY '27? Is there any guidance for FY '28?

Dr. Saloni Wagh: No. So, we have already said that we would be growing at a CAGR of about 20% year-on-year. I think the same trend would continue. And beyond FY '27, I think already we are working in multiple directions. We are adding new products to our existing API basket. We are adding newer therapies to make it more robust. We have also added finish formulation vertical at Ambernath, which would start giving revenue after the audit is completed. We also have started entering into CMO-CDMO collaborations both at API, advanced intermediate, and finish formulation level.

So, I think work is happening on a lot of fronts in adding more verticals to the business, more products to the pipeline, plus the Patalganga facility we are investing for capacity building. So, keeping in mind all the strong fundamentals and all the areas where we are working, I am sure the growth will happen in the next 3-4 years.

Saloni Singh: One last question. Is there any other employee involved in the matter?

Dr. Saloni Wagh: No, there is no involvement of any other employee in any matter.

Saloni Singh: Regarding the customs matter, ma'am?

Dr. Saloni Wagh: So, already one person, like we have mentioned before, is in judicial custody.

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

Dr. Saloni Wagh: No.

Moderator: Our next question is from the line of Adityapal from MSA Capital Partners. Please go ahead.

Adityapal: Just wanted to understand from you, so we are seeing Rs. 1,000 crores is still on track. It means that we are seeing really strong demand from our recently launched products. So, we can easily do broadly Rs. 270 crores - Rs. 280 crores per quarter and that is on track. We don't see any doubts with that because that would mean that on a Y-o-Y basis, we will be growing by 30%.

Dr. Saloni Wagh: So, like I mentioned before also, the fundamentals of the company still remain the same. The new products that we are launching, we are getting good traction. We are already doing a lot of filings in the regulated markets for them to ramp up.

Even in the existing portfolio itself, we are seeing good growth. The volumes of the customers across different countries are growing. Ambernath will start contributing to the revenue from this year. So, all the fundamentals are still in place, and that is the reason why we feel confident that we should be able to achieve our target. How it will happen and how much of this loss that we have encountered in Q1, we will be able to recover fully in Quarter 2, that we will have to wait and see. But for the full year, we are still confident we will be able to achieve that number.

Adityapal: Not so much for Quarter 2, but so much for the full year because even if we spread out over the next three quarters, it is a good comeback that we will make.

Dr. Saloni Wagh: Yes.

Adityapal: And in terms of, you were speaking about our ATS-8 product. So, is there any change from last time you had said that there is a visibility of easier 250 tons for this year? Is there any change? Are we seeing lower and then the tonnage will actually be pushed into FY '28?

Dr. Saloni Wagh: So, we had said that the 250 metric ton number will be achieved in the next two years' time once it is fully commercialized. We have not guided 250 tons for this particular year because it will be a slow ramp up. It cannot happen that in six, seven months of launch of a product, you will get that much traction.

The customers also need to take the product, validate their API, put in for stability, change their filings because finally the API is also in regulated markets. So, this is the gradual scale up to which this product can go. That is the number that we had said. This number is not meant for this particular year.

Adityapal: And the visibility still remains?

Dr. Saloni Wagh: Yes, it still remains.

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

Tushar Bohra: Thank you to the management for clarifying a number of issues and points surrounding the company. So, my first question is, you highlighted a number of initiatives in the second half of the year. The scale-up of the liquid anesthetic from Ambernath launch of the contrast media product.

Also, I think we are scaling up on the cardiovascular drug. We have highlighted a few initiatives for the coming years as well. Is it fair to say that we should have a much stronger ramp-up second half of this year entering into next year compared to the current run rate of the company? That is my first question.

Second, while we maintain a 20% growth trajectory, would it be fair to assume that there is potential for a higher number than 20%? And how well prepared is the management, let's say, if there's a 30%-35%-40% kind of a possibility for growth in a given year, how well prepared is the management from a process standpoint and scale-up standpoint to handle that kind of a growth trajectory? What are we doing to strengthen the capabilities of the organization to handle that kind of a growth trajectory?

Dr. Saloni Wagh: So, yes, to answer your first question, the ramp-up would definitely be much stronger in the second half of the year for this financial year. As far as the next couple of years' growth is concerned, yes, there is a potential to grow beyond the 20% because, like I mentioned before, we are working on multiple different fronts right from addition of capacity to addition of new products, new verticals. There are a lot of CMO, CDMO opportunities also which are under discussion at this point at a very initial stage.

So, keeping in mind the different areas in which the management is working, there is definitely potential in the business to grow beyond that 20% as well. A lot of these things are also a result of how fast regulatory approval comes because we operate in a very regulated environment. beyond 80% of the revenue comes in from exports and in that also a large chunk of it comes from regulated markets.

So, getting the right regulatory approvals for the products, for the new facilities, is very important for that scale-up to happen. But definitely keeping in mind all the efforts that the management is putting and the product pipeline that we have and the other products which are also ramping up slowly, there is potential in the business to grow beyond that 20%.

Tushar Bohra: Just a follow-up to this, we are probably at a stage of the company where we are going to work increasingly with the innovators and the bigger companies. You highlighted on the liquid anesthetic, we have a few opportunities coming up, that DSM contract obviously. So, I believe that you are going probably more towards the CMO-CDMO journey.

Also, with this incident that has happened around the technical lapse of that consignment, that gives the company an opportunity to strengthen our processes and controls, maybe prepare for a much larger organization ramp-up in terms of capability of the organization. Can you just highlight what is being done in this regard to strengthen the company's processes and controls?

Dr. Saloni Wagh: Yes, absolutely. I think we are working a lot in internally strengthening our systems more. As we speak, we are actually under SAP implementation, so we will be live in another four to five months, we should be live with our SAP, which will further strengthen our internal system.

And even on a lot of the other fronts, I mean, we are introducing a lot of automization. Even at the site quality level, we have implemented different softwares like TrackWise, which are very important for quality management systems and the documentation part of it. So, a lot of efforts have been going on in the background to further improve and make it a more system-driven organization.

Tushar Bohra: So, given that we have been highlighting about the entire China plus One, multiple times in the previous quarters, we have been highlighting how we intend to take away volumes from China on specific products. We have also been quite vocal about the CDMO, CMO opportunities.

Can you just highlight what all action is being done in that regard and what kind of maybe potential collaboration or, let's say, product initiatives that we can expect over the next, say, one to two years? How serious are we to build that CDMO journey?

Dr. Saloni Wagh: So, we are working very seriously on the CDMO journey. The liquid anesthetic would probably be one of our biggest areas of collaboration with an innovator where the opportunity size could be pretty big. So, that project is ongoing and it is moving quite well.

At the same time, we also have another four or five APIs as well as advanced intermediate where we have already started talking to customers from regulated markets where we are gaining good traction. However, those projects are at an initial stage.

Also, Ambernath, which is a very predominantly CMO, CDMO-driven site, we have already launched two aesthetic product finished formulation and we already have about five or six products in the pipeline, tablets, injectables, where we are also seeing good collaboration opportunities from customers in Europe as well as North America.

So, I think in the next three to four years, because for CDMO, I think 1.5-2 years is a very short period of time. But I think in the next three to four years, CMO, CDMO will come up as one of the company's strongest verticals.

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

Rishabh Tripathi: So, my first question is on the line of since we are talking about CMO, CDMO. So, a lot of R&D effort would be going on in this direction. But at the same time, molecules come and go. Every project would not be successful, but there would be a lot of learning coming out of it.

So, can we highlight some of the learning over the last couple of years in this journey of moving towards CMO, CDMO that we have had, key learning from maybe success and failure?

And additionally, what are the internal structures that we have so all these learning get captured? So, one learning from one project can be transformed and can be used in the other project. So, what type of processes set up or maybe some tech uses that we are doing so that learning do not leak and can get captured for the long term? So, that is my first question.

Dr. Saloni Wagh: Yes, I think CMO, CDMO has taught us a lot in the last 2-3 years. And specifically, it has helped us strengthen our internal systems. Some small examples that I would like to give here is that larger innovators and larger multinationals focus a lot on the ESG aspect, where we did not have much focus a couple of years back.

So, going in for EcoVadis, again for FSSAI certifications, for ISO certifications, I think these are some of the things that we have taken up very aggressively in the last couple of years. And we have made, I mean, we got a Silver rating in EcoVadis recently. So, it shows that we are building an organization which will be future ready on these aspects. So, a lot of improvement we were able to bring on the ESG aspect because of CDMO-CMO collaborations.

The other thing also, we invested heavily in R&D. Before this, our R&D was heavily focused on life cycle management of products. But with the newer opportunity coming in, we are now focusing on new product launches. We have a dedicated team for CMO-CDMO collaborations. We have also set up a new small pilot plant where we do scale-up of these projects.

So, I think a lot we have learned in terms of infrastructure, upgradation, automization. And we also now have a dedicated project team, right from R&D to pilot to commercial scale-up. We now have a strong CMO-CDMO team in place, which is led by our technical lead, Dr. Shirish Ambekar. So, I think these are some of the key things that we were able to take on and further strengthen our organization for CMO collaborations.

Rishabh Tripathi: My second question would be around, with all these learnings and the efforts that are going into R&D, how we are trying to build a system. Let's say, right now, we talk a lot about launching products, one product after another.

But from going through the block of, let's say, growth of 2-3 years, how we are trying to build a system which thinks in terms of block of 5 years, 7 years, 10 years. So, that would be my another question.

Dr. Saloni Wagh: So, like I said, now the strategy is focused on multiple verticals. We are trying to de-risk the business by addition of different verticals into the business. Earlier, it was only an API business.

Now, we are trying to add finished formulation vertical. We are trying to add CMO, CDMO vertical. We are trying to bring in professionals who are experts in these particular areas. So, this is how we are trying to get the organization ready.

I also mentioned on the system side, we have implemented in the last one year a lot of systems on QMS, quality management system documentation. We are now under a SAP implementation as well. So, this is how we will also be able to bring the system on par with the people that also we are trying to bring in.

So, a lot of efforts are ongoing. Capacity building is another thing that we are doing because we see large potential in our new launches in the new product portfolio that we have. So, we also have to build equivalent capacity for the scale up of that. So, all those things are there.

Even at the site level, a lot of automation. We have been able to bring gravity flow kind of things, DCS systems where we have been able to reduce manual intervention and bring it more on an automized way. So, all those things we have been able to do in the last couple of years.

Rishabh Tripathi: Just one point like as last participant also mentioned that since we are moving into direction with interaction with maybe our partners would be of much larger size, innovators and the other stuff is compliance piece becomes pretty critical. Any lapse there would cost us a bit. So, hopefully this is one of the incidents which happened, and it will not be a recurring thing. Thanks for all the answers.

Moderator: Our next question is from the line of Mithin Shah, individual investor. Please go ahead.

Mithin Shah: So, my question would be like what is the cash reserves as of now we speak?

Krishna Raghunathan: Cash reserves. See, we have around Rs. 150 crores in FDs and mutual funds.

Mithin Shah: Correct. So, the reason I am asking you is there any plan for CapEx in this fiscal or the next fiscal, and how do we utilize that basically?

Krishna Raghunathan: See, this would be what do you call for the initial phase of Isambe project, we would be using this.

Mithin Shah: How much would that be?

Krishna Raghunathan: That would be Rs. 200 crores. First phase would be around Rs. 200 crores and which would also what do you call, the second phase will have a similar number or a larger number, still larger number.

Mithin Shah: And secondly, regarding this North America contribution, I guess it is roughly somewhere around 3% odd or so. So, given, I do not know what are the tariff rates that have been imposed on some of the products. How much is that, and how do we see the traction given the tariff scenario?

Krishna Raghunathan: See, as of now, I think after a couple of years, I think there is going to be a 100% tariff on pharma. I do not think the existing scenario, there is not any much tariff on pharma products yet.

Mithin Shah: So, the assumption is that there would be the imposition of some harder tariff rates on various products from North America, right?

Krishna Raghunathan: That would be going forward. It would be too speculative to answer at this stage.

Dr. Saloni Wagh: And also having said that, I think our exposure is mainly larger at this point in Europe and even for the finished formulations, the larger opportunities for us are coming from Europe. So, while yes, of course, North America will grow in the next couple of years with the new launches and the new CMO, CDMO bucket, I think Europe might remain the larger market for us. So, as of now, I do not think we are much affected by the tariffs that are being rolled out.

Mithin Shah: So, it was never a larger pie of the exports, am I right?

Dr. Saloni Wagh: Just because of the inherent nature of the product portfolio that we had, as of now, the product portfolio that we have predominantly has a larger market share in Europe and Latin American markets. So, those two are our highest revenue regions.

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

Jason: As the company is scaling its CDMO-CMO business, I believe scientific talent will be a key differentiator. Could you share your plans around expanding the R&D and technical team over the next few years? Are you investing in hiring experienced scientists or building specialized capabilities or ecosystems to support this growth?

Dr. Saloni Wagh: Yes. So, we have already done a lot of investment in R&D in the last two years. Earlier, we only had one single R&D out of our Lote site, which was mainly life cycle management. Now, we have expanded that R&D also. Plus, we have also started a new R&D at Ambernath, where there are two segregations. One is for API and the other one is for finished formulation.

So, as we speak in the last, I think, two, three years, our R&D strength has gone from, about 20-30 to almost 70 people now. So, we have added people in R&D and we have also added new verticals like finished formulation in our R&D.

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

Aanchal Maheshwari: As we move towards the formulation side of the business over the next few years, do we see any further margin improvement from where we are today?

Dr. Saloni Wagh: No, I think the margins would remain where we are today, mainly because there we are looking at CMO, CDMO kind of opportunities. So, I think for the next couple of years and also the other reason being that in our portfolio, we are constantly adding new products where the scale-up first happens in the semi-regulated markets and then in the regulated markets.

So, now this cycle will keep on going for the next few years. So, I think the margins would remain at that 33% to 35% at least for the next three to four years.

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

(This document was edited for readability purpose)