

# Supriya Lifescience Ltd.

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## Initiating Coverage

30 Mar 2026

# Spark Initiating Coverage Reports – Rebooted!

## Outlining the framework from our desk

In the new, rejuvenated approach to publishing fundamental research ideas, we look to balance the traditional, time-tested framework with a contemporary, hopefully refreshing, segue to stock-picking. Ergo, our Initiating Coverage reports will be presented in 5 sections: **1) Forensic Analysis, 2) Business Assessment Scores, 3) Valuation Framework, 4) Stock Buzz & Influencing Factors, and 5) Technical Analysis**

This report is underpinned by our strong beliefs that 1) Technical analyses, when combined with Fundamental, leads to better stock-calling 2) Business assessment has to be separated from Valuation Frameworks, so equity research calibrates the mix objectively when making stock-calls and 3) Reactions to “Buzz” and factors that lend themselves to price actions have to be identified and assigned due regard when timing stock-calls, especially in current times where information flow is incessant.

### Annual Report Deep-Dive

Drawing on the time-tested, but often neglected, practice of drilling into historical annual reports, we choose to dedicate the starting section to the **Analytical Perspective** we could glean. The much helpful forensic overlay provides a clearer view of the company’s **historical operating performance, balance sheet behavior, cash-flow quality, and governance structure**. By anchoring the analysis in reported numbers and disclosures, this section helps assess earnings quality and risk before progressing on any forward-looking calls of conviction

### Business Assessment Scores

Done in detail to answer the question of “Can this company’s business have what it takes to be a winner in the long-term,” we try drawing on Porter’s 5P models to discuss vitals like revenue models, pricing risks, market positions, moats, et al. The financial analysis and estimates hinge on our reading of the business performance as well as potential. So that objectivity is not colored to suit gut-based calls, we have put in place a scoring model, capturing all drivers to the assessment across 5 composite vectors, and the scores alone would dictate our call on the business.

### Valuation Framework

We have watched with disdain how the markets have made target multiples look like the proverbial rabbits out of a hat! To cut away from our own temptation to merrily justify alongside the masses, we went back to first principles when designing the Valuation Framework. Contoured by market, peer, and historical absolute axes, our scores for Valuation multiples take into account Economic Value Added, Return Profiles, Growth and Leadership positions mapped against relevant multiples. All said the question of “All told about the business, markets and peers, does the pricing look attractive for this stock?” is a question that is the bedrock of stock-picking in equity research!

### Stock Buzz & Influencing Factors

The **Buzz Chart** & Liquidity Chart tracks stock-specific news flow, events, and market activity to help identify **periods of elevated attention or sentiment shifts**, complementing fundamental and valuation analysis.

### Technical Analysis

The report also includes a **Technical Analysis** section to capture prevailing price trends, momentum, and key support-resistance levels, offering additional insight into **timing and near-term market behavior**.

Source: Company, Midas Research.

# Report in Gist (1/2)

Last Day Close  
Rs. 588

1Y TP  
Rs. 825 (Incl.  
Dividends)

Upside  
40%

Rating  
BUY

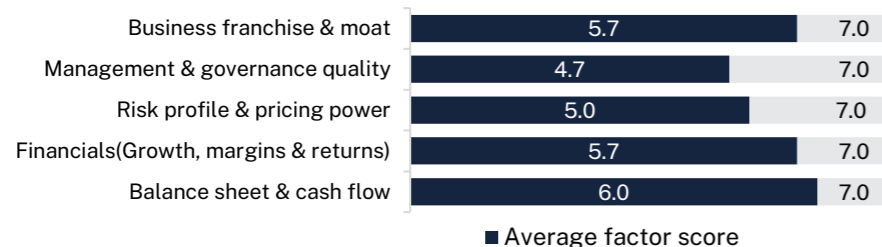
## About the company

- Supriya Lifescience Ltd., established in 1987 and headquartered in Mumbai, is a niche active pharmaceutical ingredient (API) manufacturer with a strong export-oriented business model, deriving ~85% of its revenue from exports. The company focuses on the development and manufacturing of specialized APIs across therapeutic segments such as anesthetics, antihistamines, vitamins, and analgesics.
- Supriya follows a backward-integrated manufacturing model, with ~20 products contributing ~74% of revenue, supported by in-house intermediate production, which aids cost efficiency and supply reliability. In addition to its core API business, the company has recently entered the formulations and CDMO segments through its newly commissioned Ambernath facility, positioning itself to capture higher-value opportunities in the pharmaceutical value chain.

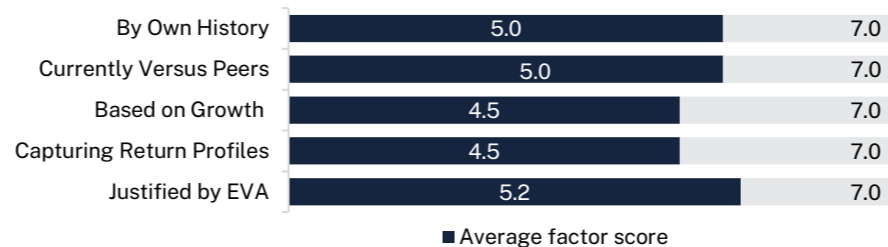
Annual Report  
Deep-Dive

Supriya delivered a revenue CAGR of 10% over FY22-25, led by expansion in regulated markets and new product launches. The company has been debt-free since FY24, maintaining a net-cash balance sheet despite ongoing capex. Working capital days (145 vs. peer average of 124) remain elevated, driven by inventory build-up due to capacity additions and new product ramp-up. Exports contribute 85% of revenue, led by Europe & Asia. The statutory auditor issued an unqualified opinion with no adverse remarks, while internal financial controls were found effective, with related-party transactions remaining immaterial to revenue.

## Business Assessment Scores



## Valuation Framework



## Financials and Estimates Summary

Particulars (Rs cr)	Revenue	EBITDA %	PAT %	EPS	ROE %	RoCE %	PE	EV/EBITDA	Mcap/Sales
2024	570	30.3	20.9	14.8	15.7	20.5	39.7	26.9	8.3
2025	696	37.4	27.0	23.4	20.7	26.5	25.2	17.8	6.8
2026E	829	33.0	23.4	24.1	17.8	22.6	24.4	17.0	5.7
2027E	1,005	34.0	23.8	29.7	18.4	23.5	19.8	13.6	4.7
2028E	1,203	35.0	25.0	37.3	19.3	24.2	15.7	11.0	3.9

30 Mar 2026

Industry Pharmaceuticals

## Key Stock Data

Key Stock Data	Value
Bloomberg	SUPRIYA IN
Shares o/s (cr)	8.05
Market Cap (Rs. cr)	4,729
52-wk High-Low	842/545
20D ADV ('000)	1,091
Index	Nifty Microcap 250
F&O	N

## Latest Shareholding (%)

	Dec 25	Sep 25	Jun 25
Promoters	68.3	68.3	68.3
Institutions	10.2	10.7	11.6
Public	21.5	21.0	20.1
Pledge	0.0	0.0	0.0

## Stock Performance (%)

	1M	3M	12M
Supriya Lifescience	-10.3	-19.5	-19.6
Nifty Microcap 250	-6.9	-10.7	-4.9

RESEARCH ANALYST

Viswanath AVR

viswanath.avr@sparkcapital.in

Source: Company reports, Bloomberg, Midas Research

# Report in Gist (2/2)

## Stock Buzz & Influencing Factors

- The stock has historically been sensitive to margin changes, where input cost volatility or API pricing pressure has led to disproportionate de-rating, even when underlying volumes and demand remain stable.
- Progress on new product commercialisation and scale-up remains a key trigger, with updates on successful launches, customer approvals, and initial order inflows typically leading to positive re-rating.

## Technical Outlook

- Supriya Lifescience is trading around a **key support zone (Rs. 555)**, with the ongoing consolidation phase likely nearing completion. A stable hold near current levels could support base formation and a potential rebound. Upside triggers include **reclaiming the 50-DMA (Rs. 654) and 200-DMA (Rs. 699)**, which would signal trend reversal and resumption of the broader uptrend, offering favourable risk-reward.



## Investment Rationale

- Supriya Lifescience is entering a phase of accelerated growth, supported by its niche API portfolio, strong backward integration, and rising penetration in regulated markets. The company is well-positioned to benefit from China+1 tailwinds and expansion into higher-value formulations and CDMO segments, driving margin improvement and earnings quality.
- We believe multiple growth drivers are in place, including scaling of existing products, a steady pipeline of 4–5 annual launches, CDMO ramp-up, and commissioning of the Ambernath facility, supporting a **revenue CAGR of ~20% and an earnings CAGR of ~17% over FY25–28E** broadly in line with peer average.
- We value Supriya at **22x FY28E P/E**, positioned at the lower end of its historical range and at a **~25% discount to the FY28E peer average**, arriving at a **target price of Rs. 825 (Incl. dividends)**, implying ~40% upside. We have valued the company conservatively despite PAT growth broadly in line with peers and industry-leading margins. We believe the discount can narrow in coming years as execution improves. Further improving business quality and earnings visibility, supported by increasing exposure to regulated markets, CDMO scale-up, and steady new product traction could lead to further re-rating.

# CONTENT

## *Research Rebooted*

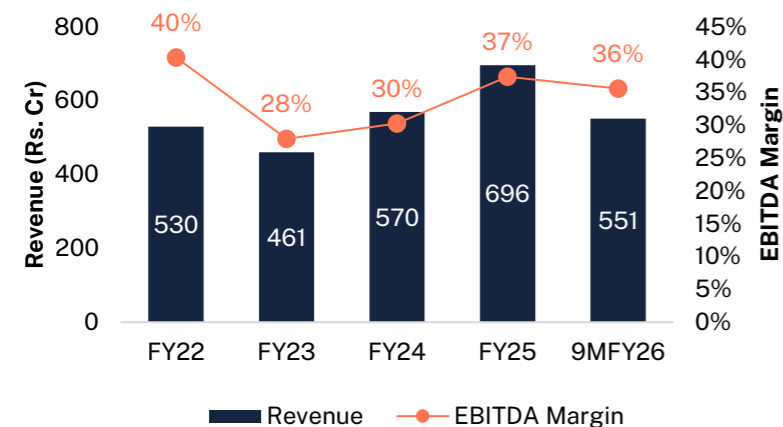
### *Report in Gist*

→	Section 1 - Annual Report Deep-dive	06
→	Section 2 – Business Assessment Scores	10
	2.1 Business Franchise and Moat	12
	2.2 Management and Governance Quality	15
	2.3 Risk Profile and Pricing Power	16
	2.4 Financials	17
	2.5 Balance Sheet and Cash Flow	19
→	Section 3 – Valuation Framework	21
	3.1 By Own History	22
	3.2 Currently Versus Peers	23
	3.3 Based on Growth	24
	3.4 Capturing Return Profiles	25
	3.5 Reflecting EVA	26
→	Section 4 – Stock Buzz and Influencing Factors	29
→	Section 5 – Technical Outlook	31
→	Annexures	35

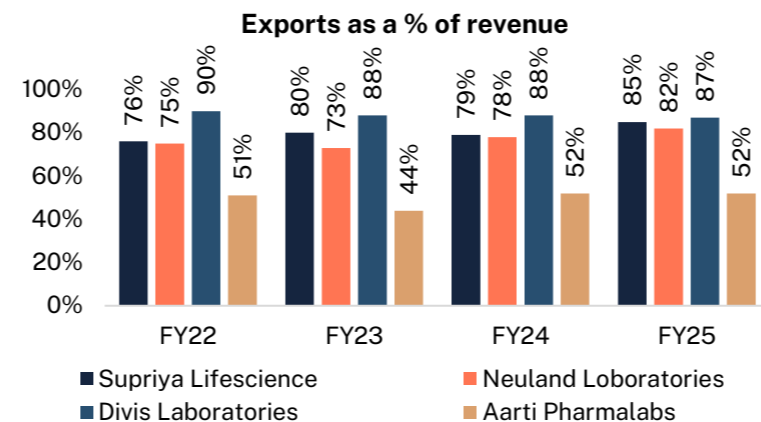
# 1 – Annual Report Deep-Dive (1/3)

Sustained growth backed by superior margins and a robust net-cash balance sheet

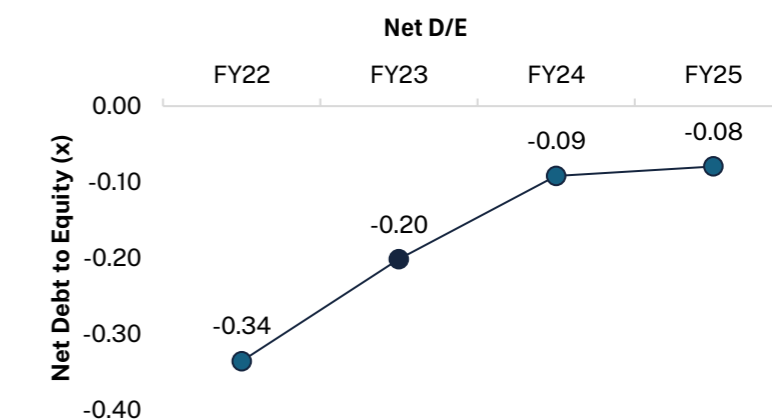
## Revenue (Rs cr)



## Strong export presence



## Net-cash position consistently from FY21 to FY25



### Earnings quality

- Total revenue grew at a CAGR of ~10% over FY22–25, driven by increasing presence in regulated markets, traction in new product launches, and capacity expansion.
- EBITDA margins declined to ~28% in FY23, in line with an industry-wide correction, partly due to product concentration.
- Subsequently, product diversification and improved operating leverage supported a sharp margin recovery through FY25.

### Strong export presence

- Supriya’s focus on niche, complex APIs and strong regulatory compliance allows it to serve regulated markets and operate with limited competition.
- As of FY25, exports accounted for 85% of revenue, with significant exposure to Europe and Asia, aligning with the presence of large generic formulators that are key buyers of the company’s APIs.
- Long-standing relationships with clients, coupled with lengthy qualification and regulatory approval cycles, drive repeat orders and customer stickiness.

### Balance sheet and leverage

- Supriya has maintained a net-cash position consistently from FY21 to FY25, turning debt-free in FY24.
- Despite undertaking capacity expansion, the company has avoided balance sheet leverage and maintained a healthy net debt-to-equity ratio.

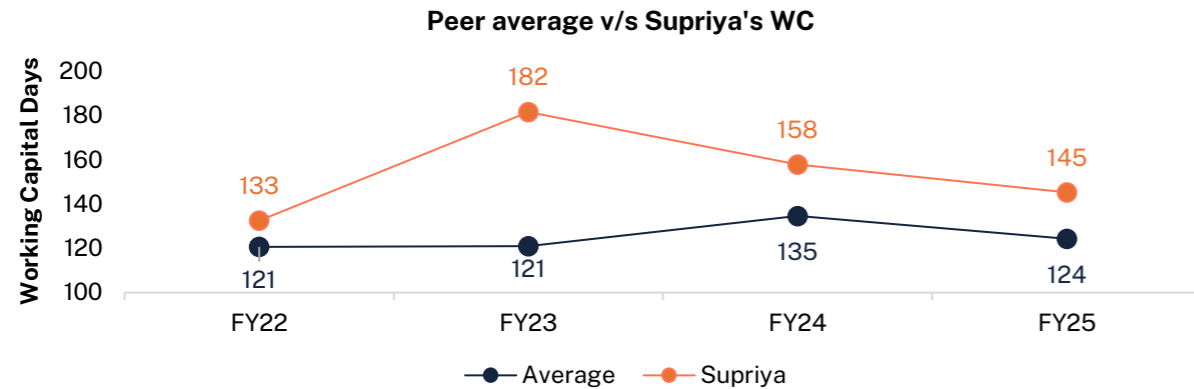


Source: Company, Midas Research

# 1 – Annual Report Deep-Dive (2/3)

## Quality of numbers drives quality of valuation

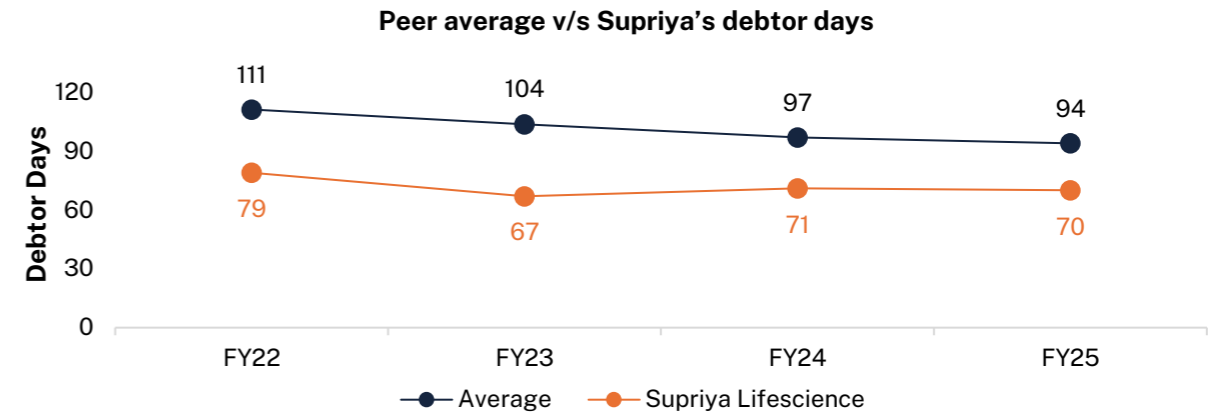
### Working capital days



#### Net working capital

- Working capital days remain elevated due to Supriya's multi-stage, backward-integrated API manufacturing, which requires inventory across raw materials, intermediates, and finished goods.
- Working capital peaked at ~182 days in FY23, driven by higher inventory holding amid product concentration and demand volatility during the industry-wide correction. Subsequently, it improved to ~145 days in FY25, supported by normalization of inventory levels, and improved product mix with higher offtake in key molecules.
- Despite this improvement, working capital is expected to remain relatively elevated in the near term, led by inventory build-up for the Ambernath facility, ramp-up of Module E, and stocking for new product launches and CDMO scale-up.

### Lower debtor days than peers



#### Significantly lower debtor days than peers

- Supriya's long-standing client relationships support efficient collection cycles, resulting in consistently low debtor days.
- While a relatively small customer base drives a large part of revenue, posing concentration risk, it enables tighter credit control and superior receivables management.

Note: Peer Average includes \*(Neuland Laboratories, Divi's Laboratories and Aarti Pharmed Labs)  
Source: Company, Midas Research.

# 1 – Annual Report Deep-Dive (3/3)

## Auditor and disclosure quality

- The statutory auditor, M/s Kakaria & Associates LLP, has issued an unqualified audit opinion, confirming that the financial statements present a true and fair view of the company's financial position in accordance with Indian Accounting Standards and the provisions of the Companies Act, 2013.
- The auditors also noted that the company has adequate internal financial controls operating effectively, with no instances of fraud reported during the year.
- Overall, the audit report does not contain any qualifications or adverse remarks, indicating clean accounting and disclosure practices.

## Management remuneration & governance assessment

- Dr. Satish Waman Wagh (Chairman & Executive Director) received director's remuneration of Rs. 11.85 cr in FY25, representing ~6.3% of PAT (Rs. 187.96 cr). He additionally received rent of Rs. 0.57 cr and dividends of Rs. 4.36 cr. (Remuneration exceeding 5% of PAT has been duly approved by shareholders).
- Dr. Saloni Satish Wagh (Managing Director) and Ms. Shivani Satish Wagh (Joint Managing Director) each received Rs. 2.52 cr, together accounting for ~2.7% of PAT.
- Mrs. Smita Satish Wagh (Whole-Time Director) received Rs. 1.74 cr (~0.9% of PAT), while Mr. Balasaheb Sawant (Whole-Time Director) – the only non-family executive director – received Rs. 0.74 cr (<0.4% of PAT).
- Dr. Satish Waman Wagh, Dr. Saloni Satish Wagh, Ms. Shivani Satish Wagh and Mrs. Smita Satish Wagh collectively draw ~Rs. 18.61 cr (~9.9% of FY25 PAT).
- Related-party transactions remain immaterial, indicating limited dependence on group entities and supporting governance standards.
- Mr. Rajeev Kumar Jain retired as Chief Executive Officer on June 14, 2024, upon attaining superannuation, with no successor appointed to date.

## 2 - Business Assessment Scores



# Business Assessment Scores – Summary

## 1 Business franchise and moat:

Operates in niche, complex APIs with high entry barriers, leading to strong customer stickiness due to lengthy regulatory approval cycles and high vendor-switching costs: **5.7/7.0**

## 2 Management and governance overview:

Supriya Lifescience scores well on management continuity, time-bound contracts, and a fully independent remuneration committee, but is weighed down by a heavily promoter-family-dominated board, with four of five executive directors from the Wagh family. Hence, a rating of **4.7/7.0**.

## 3 Risk profile and pricing power:

The overall industry structure remains favourable, driven by high entry barriers, strong customer stickiness, and premium pricing power. However, this is moderated by input cost volatility and high buyer concentration, leading to a rating of **5.0/7.0**.

## 4 Financials (Growth, margins & returns):

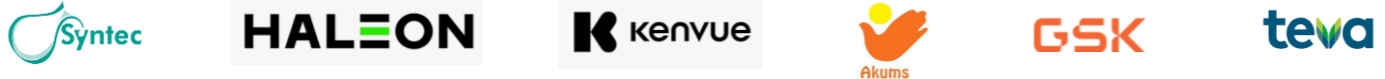
Growth is supported by the scale-up of new product launches, increasing visibility in CDMO opportunities, and steady contribution from the existing portfolio, along with expansion into regulated markets. Nevertheless, execution remains key, as slower-than-expected customer onboarding and ramp-up could impact growth visibility. Hence, a rating of **5.7/7.0**.

## 5 Balance sheet and cash flow analysis:

The company maintains a debt-free balance sheet, with rapidly expanding operating cash flows and improving working capital efficiency, turning FCF decisively positive and enabling fully self-funded growth through internal accruals. This leads to a rating of **6.0/7.0**.



# Supriya Lifescience Ltd – Company Snapshot

Corporate Factsheet	
<b>Company background</b>	Supriya Lifescience Ltd. is an Indian pharmaceutical company specializing in the manufacture of active pharmaceutical ingredients (APIs). Established in 1987, it offers 40+ APIs across segments like anaesthetics, anti-histamines, vitamins, and analgesics. With a WHO-GMP certified facility and approvals from USFDA, EDQM, and others, it exports to over 120 countries. The company emphasizes deep backward integration and is expanding into high-value CDMO and formulation services.
<b>Business segments</b>	<ul style="list-style-type: none"> <li>Anesthetics (54% of 9MFY26 revenue)</li> <li>Anti-Histamine (10% of 9MFY26 revenue)</li> <li>Vitamins (12% of 9MFY26 revenue)</li> <li>Anti-Asthmatic (6% of 9MFY26 revenue)</li> <li>Anti-Allergic (5% of 9MFY26 revenue)</li> <li>Analgesic (3% of 9MFY26 revenue)</li> <li>Anti-hypertensive (2% of 9MFY26 revenue)</li> </ul>
<b>Manufacturing facility</b>	<ul style="list-style-type: none"> <li><b>Block A:</b> 157 KLPD</li> <li><b>Block B:</b> 195 KLPD</li> <li><b>Block C:</b> 30 KLPD</li> <li><b>Block D:</b> 215 KLPD</li> <li><b>Block E:</b> 335 KLPD</li> <li>As of 9MFY26, capacity utilisation stands at 76%.</li> </ul>
<b>Key facts</b>	Manufactures 40+ APIs, operates ~932 KLPD of reactor capacity, serves 1,500+ customers across 120+ countries, derives 82% of revenue from exports (Q3FY26), and operates ~35,000 sq.m of WHO-GMP-compliant manufacturing facilities, backed by 40+ years of expertise.
<b>Key management personnel</b>	<ul style="list-style-type: none"> <li>Satish Wagh, Executive Chairman &amp; WTD</li> <li>Saloni Wagh, Managing Director</li> <li>Shivani Wagh, Joint Managing Director</li> <li>Krishna Raghunathan, Chief Financial officer</li> </ul>
<b>Auditors</b>	M/s. Kakaria & Associate LLP, Chartered Accountants
<b>Key customers</b>	
<b>Credit rating</b>	ICRA long-term credit rating of A (positive) has been withdrawn at the request of the company (Absence of Outstanding Rated Debt).
<b>Employee count</b>	515 as of FY25

Category (Dec '25)	Share
Promoter Group	68.3%
FII	5.2%
DII	5.0%
Government	0.0%
Others (Public)	21.5%
<b>Total</b>	<b>100%</b>

Key Metrics	FY23	FY24	FY25	9MFY26
Revenue (Rs cr)	461	570	696	551
EBITDA (Rs cr)	129	173	261	196
EBITDA Margin	28.0%	30.3%	37.4%	35.6%
PBT (Rs cr)	123	166	248	183
PBT Margin	26.8%	29.0%	35.7%	33.0%
Adj PAT (Rs cr)	90	119	188	135
Net worth (Rs cr)	699	815	997	NA
Net debt (Rs cr)	(141)	(75)	(79)	NA
NWC – ex cash (Rs cr)	229	247	277	NA
Total assets (Rs cr)	820	921	1,112	NA
FCF	(42)	(32)	2	NA
ROCE %	17%	21%	27%	NA

Source: Company, Midas Research

## 2.1 – Business Franchise & Moat (1/2)

5.7 7.0

Operates in niche, complex APIs with high entry barriers, leading to strong customer stickiness due to lengthy regulatory approval cycles and high vendor-switching costs.

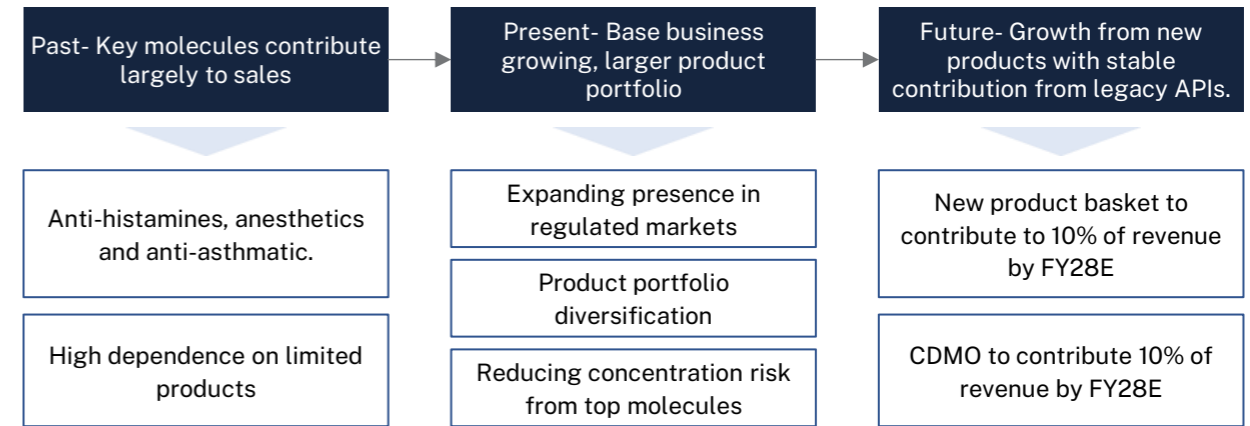
Operates in a high-entry-barrier segment with entrenched customer relationships



- Supriya Lifescience Ltd operates largely in niche and complex APIs, where manufacturing involves multi-step chemical synthesis, stringent regulatory compliance, and specialized process capabilities.
- These characteristics create structurally high entry barriers, as new entrants require significant time and capital to build process expertise, scale manufacturing, and secure regulatory approvals.
- The API commercialization cycle is long and approval-intensive, involving DMF filings, customer qualification, and multi-market regulatory clearances. As a result, once approved by a pharmaceutical customer, switching vendors is time-consuming, costly, and operationally risky, supporting strong customer stickiness.

- Supriya operates in globally competitive API segments, focusing on capturing market share from Chinese suppliers in large-volume molecules. Backed by global supply chain diversification away from China, the company targets opportunities where even limited penetration can drive meaningful revenue, while scaling select products to maximise capacity utilisation and operating leverage.
- New product ramp-up follows a structured trajectory, with ~10% market share achieved within 12–18 months of launch, scaling to 20–30% in the next 2–3 years as regulatory approvals are secured and customer onboarding progresses.

Shift from concentrated portfolio to diversified, regulated-market-led growth



**Shift from a Concentrated Portfolio to a Diversified Portfolio to Drive Margins**

- The company has historically derived much of its sales from its top products across the Anti-histamines, anesthetics and anti-asthmatic segments, in which they controlled large portions of exports.
- This over-reliance led to margin contraction in FY23 amid an industry-wide decline in API prices. Supriya subsequently diversified its portfolio and has since reported industry-leading margins.

**New Product Launches Support Strong Medium Term Revenue Visibility**

- The new products that were launched over FY26 are expected to ramp up significantly as management guides for a 10% revenue contribution from them in the next 3-4 years.
- Scaling of the existing portfolio in regulated markets, along with traction in new product launches, provides strong visibility on continued revenue growth over the medium term.

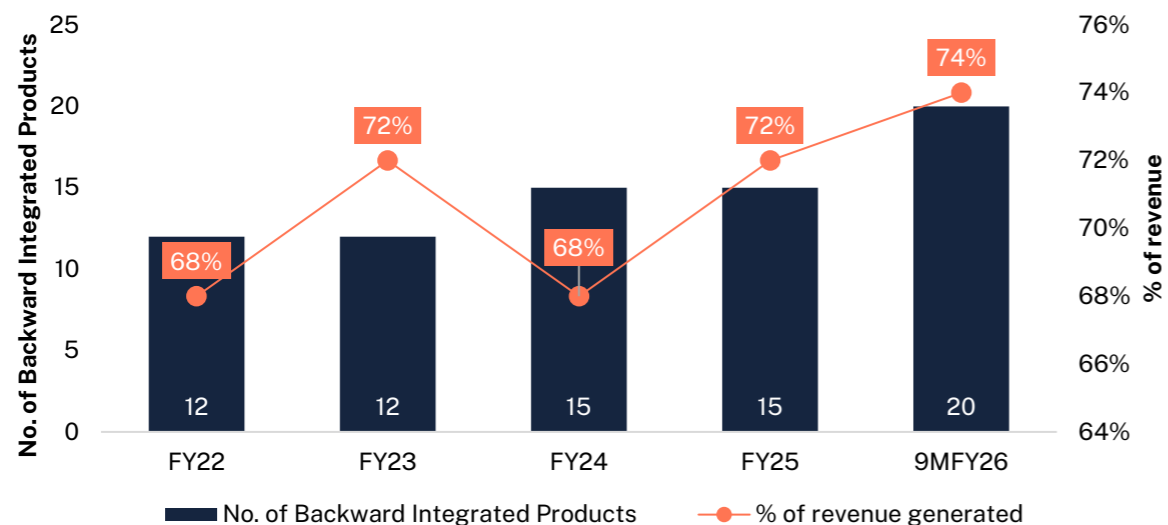


Source: Company, Midas Research.

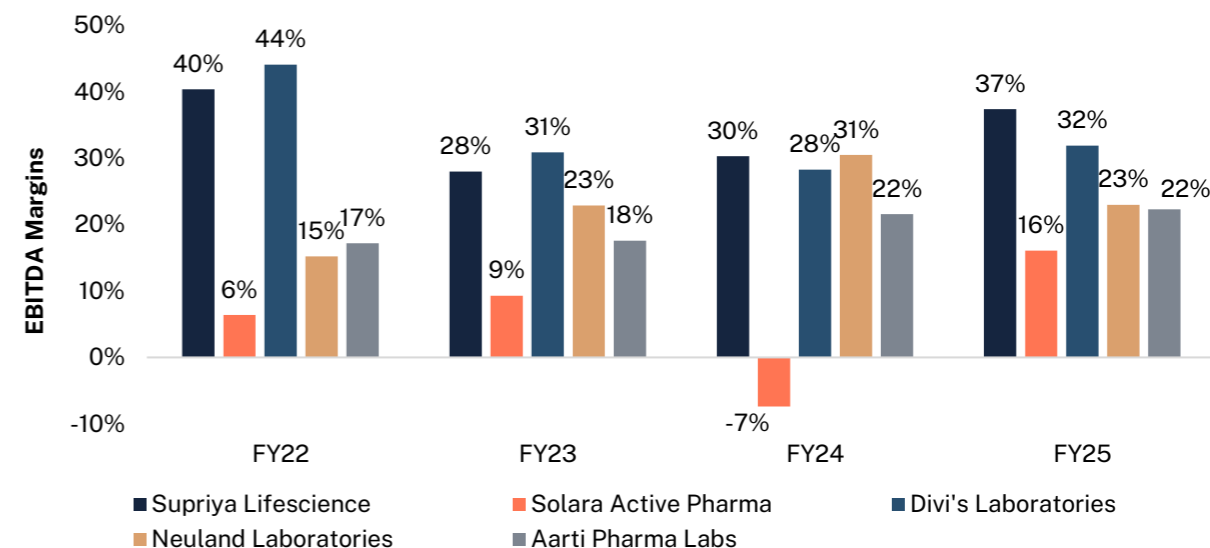
## 2.1 – Business Franchise & Moat (2/2)

Deep backward integration and niche product mix enable high margins

### Backward integrated products



### Peer margin comparison



- Extent of integration so far: As of 9MFY26, out of 40+ API products, 20 are fully backward integrated in therapies like Anesthetics, Anti-Asthmatic, Anti-Histamine, Decongestant and Anti-Gout.
- Operational Impact: Vertical integration ensures operational superiority by giving greater control over critical inputs, optimizing cost, and enhancing reliability. Management noted that being “a fully backward integrated company” with a rising integration percentage helps secure the “best cost of material”.
- Their capacity expansion at Lote Parshuram (Module E) has been strategically commissioned not only for new product rollouts and CMO opportunities, but also for further backward integration of existing products. The company envisions becoming a fully-integrated pharmaceutical entity, covering the entire value chain from API development and advanced manufacturing to finished dosage form production.

- Supriya’s niche & complex API portfolio creates high entry barriers, enabling premium pricing power, while deep backward integration supports structurally higher margins relative to peers.
- Divi’s Laboratories maintains a structurally strong margin profile (~30–37%), driven by its scale, operational efficiency, and high asset utilisation. Unlike niche-focused players, Divi’s operates on a large-scale manufacturing model with a more standardised product portfolio.
- Neuland Laboratories, with relatively lower backward integration, remains more exposed to raw material volatility, which reflects in comparatively moderate margins.
- Solara’s margin profile has historically been impacted by its commodity-driven Ibuprofen portfolio; however, the company is actively diversifying towards a higher-value ex-Ibuprofen mix to reduce volatility.
- Aarti Pharmalabs maintains mid-tier margins, supported by its CDMO exposure, complex chemistry capabilities, and a diversified API and intermediates portfolio.



Source: Company, Midas Research

## 2.2 – Management & Governance Overview (1/2)

### Management

4.7

7.0

Supriya Lifescience scores well on management continuity, time-bound contracts, and a fully independent remuneration committee, but is weighed down by a promoter-family-dominated board, with four of the five executive directors from the Wagh family.

The senior management team comprises competent professionals from reputed organizations and universities



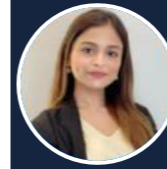
**Satish Wagh**  
Executive Chairman &  
WTD

- An honorary Ph.D. in entrepreneurship from the Faculty of Management Studies, National American University.
- B.Sc. from R.D National College and W.A. Science College, University of Bombay.
- Director on the board of Supriya Medi-Chem Private Limited, Lote Industries Testing Laboratory Association and Sachin Industries Limited.



**Saloni Wagh**  
Managing Director

- Ph.D. in chemistry from the Faculty of Science, Pacific University, Udaipur.
- M.Sc. from the Institute of Science, University of Mumbai.
- B.Sc. from Parle Tilak Vidhyalaya Association's Sathaye College, University of Mumbai.



**Shivani Wagh**  
Joint Managing Director

- Master's degree in International business management from Manchester Business School, University of Manchester.
- Bachelor's degree in management studies from M.L. Dahanukar College of Commerce, University of Mumbai.



**Krishna Raghunathan**  
Chief Financial Officer

- Chartered Accountant (CA) from ICAI.
- Bachelor degree of Science in Zoology from Madras University.
- Previously associated with companies like Dr. Reddy's Laboratories Limited and Granules India Limited.



Source: Company, Midas Research

## 2.2 – Management & Governance Overview (2/2)

✔: Positive  
✔: Neutral  
✘: Negative

Rating	Corporate Factsheet
<span style="color: purple;">✔</span> <b>Board of Directors- Independence &amp; diversity</b>	<ul style="list-style-type: none"> <li>The Board of Supriya Lifescience comprises ten members, including five Executive Directors (Dr. Satish Waman Wagh, Mrs. Smita Satish Wagh, Dr. Saloni Satish Wagh, Ms. Shivani Satish Wagh, and Mr. Balasaheb Gulabrao Sawant) and three Non-Executive Independent Directors (Dr. Neelam Yashpal Arora, Dr. Ganapati Dadasaheb Yadav, and Dr. Sunil Subhash Bhagwat), following the completion of tenure of two independent directors in March 2026.</li> <li>The board demonstrates strong gender diversity, with four women directors (~40% of board strength), including one Independent Director. However, governance remains promoter-driven, with all four promoter family members holding executive roles.</li> </ul>
<span style="color: purple;">✔</span> <b>Board of Directors- changes in directors</b>	<ul style="list-style-type: none"> <li>Dr. Satish Waman Wagh: Re-appointed as the Whole-Time Director designated as Executive Chairman for a term of three years, effective August 1, 2024</li> <li>Dr. Saloni Satish Wagh: Appointed as the Managing Director for a term of three years, effective August 1, 2024</li> <li>Ms. Shivani Satish Wagh: Appointed as the Joint Managing Director for a term of three years, effective August 1, 2024</li> <li>Mr. Kedar Shankar Karmarkar: Ceased to be a Director on February 1, 2025, upon the completion of his second consecutive five-year term</li> <li>Mr. Bhairav Manojbhai Chokshi: Ceased to be a Director on February 1, 2025, upon the completion of his second consecutive five-year term</li> <li>Mr. Dinesh Navnitlal Modi: Ceased to be an Independent Director effective March 24, 2026, upon completion of his five-year term</li> <li>Mr. Dileep Kumar Jain: Ceased to be an Independent Director effective March 24, 2026, upon completion of his five-year term</li> </ul>
<span style="color: green;">✔</span> <b>Board of Directors- Independence in board committees</b>	<ul style="list-style-type: none"> <li>The Audit Committee comprises three members, out of which two are Independent Directors.</li> <li>The Nomination and Remuneration Committee comprises of three members, all of whom are Independent Directors.</li> </ul>
<span style="color: green;">✔</span> <b>Changes in Key Managerial Personnel</b>	<ul style="list-style-type: none"> <li>Mr. Rajeev Kumar Jain: Retired as Chief Executive Officer effective June 14, 2024, upon attaining the age of superannuation.</li> <li>Ms. Shweta Singh: Resigned as Company Secretary &amp; Compliance Officer effective January 29, 2025, to pursue new career opportunities.</li> <li>Ms. Prachi Sathe: Appointed as Company Secretary &amp; Compliance Officer effective March 10, 2025.</li> <li>There has been no change to the Chief Financial Officer (Mr. Krishna Raghunathan) in the last two years, as he has held the position since January 23, 2023.</li> </ul>
<span style="color: purple;">✔</span> <b>Management continuity</b>	<ul style="list-style-type: none"> <li>Dr. Satish Waman Wagh is under a three-year contract as Executive Chairman, effective August 1, 2024, to July 31, 2027.</li> <li>Additionally, Mrs. Smita Satish Wagh is under a three-year contract as Whole-time Director effective June 1, 2025, to May 31, 2028.</li> <li>Dr. Saloni Satish Wagh and Ms. Shivani Satish Wagh are also under three-year contracts as Managing Director and Joint Managing Director, respectively, ending July 31, 2027.</li> <li>M/s. Kakaria &amp; Associates LLP has served as the company's statutory auditor since 2017.</li> <li>They are currently in their second five-year term, which expires at the conclusion of the 19th AGM in 2027.</li> </ul>
<span style="color: purple;">✔</span> <b>Governance Structure (Promoter-led vs Professionally Managed)</b>	<ul style="list-style-type: none"> <li>Executive leadership remains largely promoter-led, with a majority of executive directors from the founding family. However, key roles such as the CFO are held by professionals outside the family, indicating a degree of operational and financial oversight independence.</li> </ul>
<span style="color: purple;">✔</span> <b>Promoter holding</b>	<ul style="list-style-type: none"> <li>Dr. Satish Waman Wagh (67.64%), Promoter Group: Mrs. Smita Satish Wagh (0.40%) and Dr. Saloni Satish Wagh (0.13%); Promoter holding has been constant over the past four years.</li> </ul>
<span style="color: green;">✔</span> <b>Stock-based compensation</b>	<ul style="list-style-type: none"> <li>Nil, The company does not operate a stock option scheme.</li> </ul>
<span style="color: green;">✔</span> <b>Related-party transactions</b>	<ul style="list-style-type: none"> <li>Nil</li> </ul>

Source: Company, Midas Research

## 2.3 – Risk Profile & Pricing Power

### Risk profile and pricing power

5.0 7.0

The overall industry structure remains favorable, driven by high barriers, customer stickiness, and premium pricing power. However, this is moderated by input cost volatility and high buyer concentration.

#### Strengths

- **Strong positioning in niche APIs-** built scale in specialized molecules across anti-histamine, anti-allergic, anaesthetic and vitamin segments.
- **Global customer base-** 85% of revenue share comes from exports, indicating strong compliance capabilities.
- **Consistently high-margin profile-** operational efficiency, premium pricing power, and backward integration all aid in higher margins than peers.

#### Weaknesses

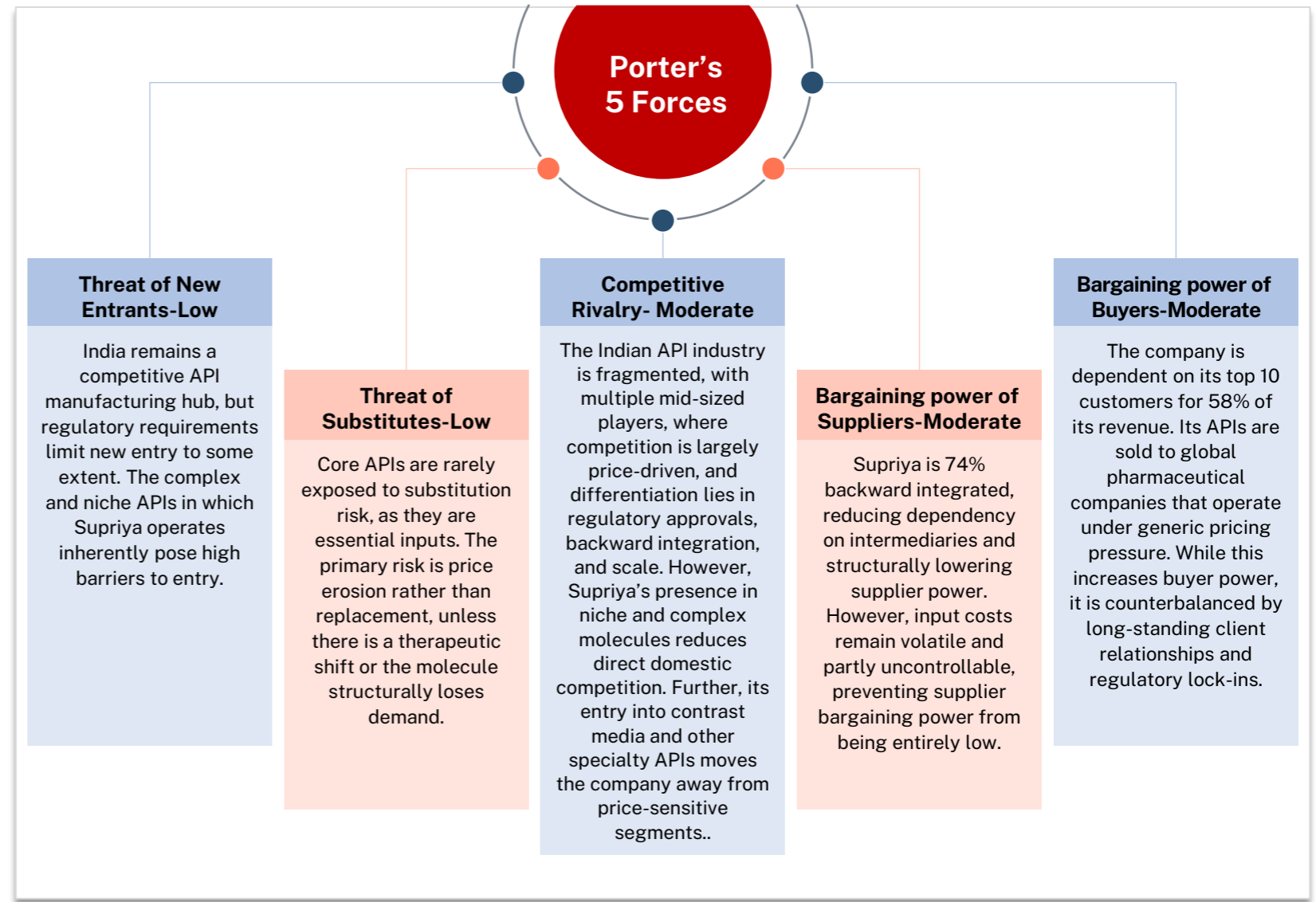
- **Lower R&D scale-** investment in discovery and complex chemistry capabilities remains modest.
- **Product concentration-** top molecules in the anesthetics, anti-histamines segment are major revenue drivers.

#### Opportunity

- **Expansion into CMO-** by moving up the value chain, they are tapping into a high-margin, high-growth sector.
- **Capacity additions-** support new product launches, CMO facility, and backward integration.
- **Global players diversifying away from China-** shift from over-reliance on Chinese suppliers creates more export potential.

#### Threats

- **Raw material price and supply volatility-** dependence on select chemical intermediaries exposes the company to margin fluctuations.
- **Execution risk-** delays in scaling the new facility could hinder new product launches and CMO ramp-up.



Source: Company, Midas Research

## 2.4 – Financials (1/2)

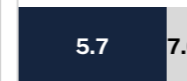
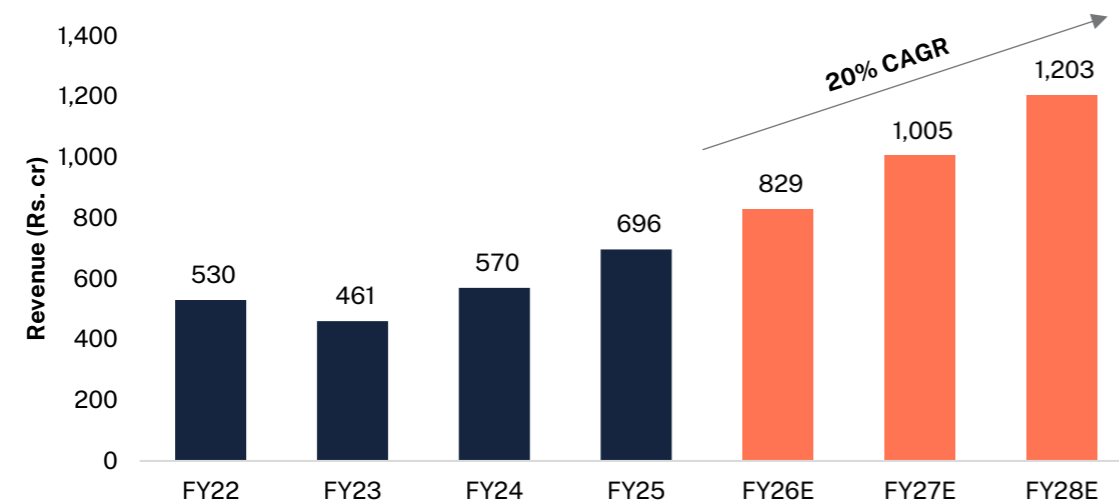
New product launches and expansion of current products to drive revenue

Scaling into regulated markets with CEP / USDMF filings



- Supriya's product strategy typically involves launching products initially in semi-regulated markets. Building on this approach, the company is now leveraging its existing portfolio to enter regulated markets, representing the next phase of growth for the base business.
- This transition is strategically important, as regulated markets offer higher margins due to stringent compliance requirements, longer approval cycles, and a limited pool of qualified suppliers, enabling premium pricing and margin expansion over time.

Sustained revenue growth led by new product scale-up and stable base business



Growth is driven by new product scale-up, rising CMO opportunities, and steady contribution from the existing portfolio as it expands into regulated markets. However, execution remains critical, as slower customer onboarding or ramp-up could impact growth visibility.

Product launch cadence: 3-4 new APIs per year

- The below-mentioned products (Anesthetics, ADHD, Contrast Media, Cardiovascular) were launched in the last 12 months.
- Company will further launch 4-5 products annually (in line with historical launches) across anti-anxiety, anti-diabetes, and cardiovascular segments.

Recent API product launches - ~\$1 bn addressable market and a strong CMO pipeline

### Anesthetics | \$300 mn

Launching liquid anesthetics in a duopolistic domestic market, with steady supplies and a healthy order book. This finished formulation product is manufactured at the new Ambernath facility. By entering a market with only 2 major domestic producers, Supriya leverages a significant cost advantage via backward integration.

### ADHD | \$90 mn

Large market opportunity with no alternative manufacturer in India and only a handful globally. Being a controlled substance, high entry barriers protect Supriya's position. The company holds narcotics manufacturing license and expertise from its anesthetic molecule scale-up — a key differentiator.

### Contrast Media | \$500 mn

Fully backward integrated with significant cost advantage. The space is dominated by GE Healthcare, Guerbet, and Bracco (80% share). Supriya targets the remaining 20% over 3-4 years. Technology confidence is high with complete vertical integration from ATS-3 intermediates.

### Cardiovascular | \$100 mn

Another fully backward-integrated product with ATS-3 to ATS-5 reaction commercialized. Strategic pricing approach — volumes capped at 250-300 tonnes with premium pricing to maximize margin. Complex chemistry creates high barriers to entry for competitors.

### CMO / CDMO | Rs. 60-70 cr

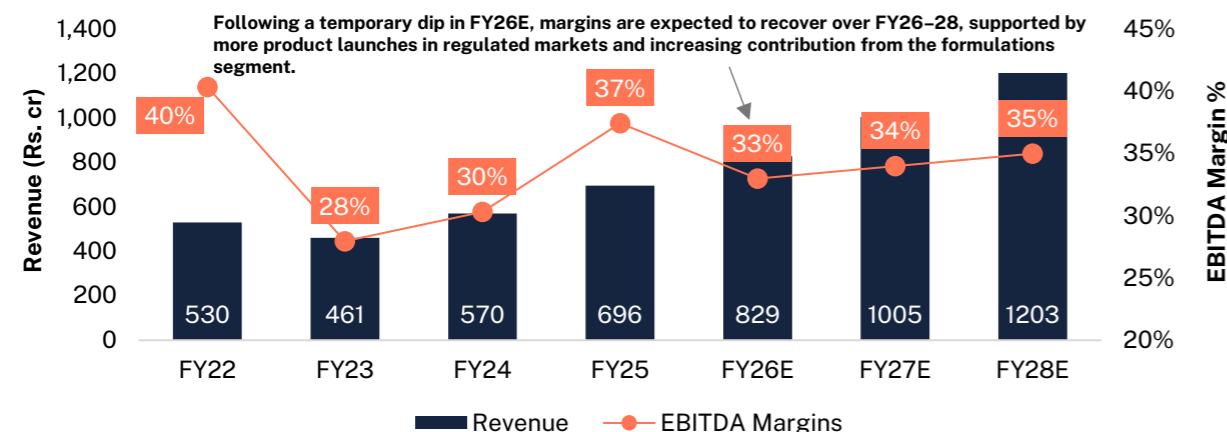
Confirmed contract with DSM Firmenich | They have ~4-5 CMO projects in the pipeline.

Source: Company, Midas Research

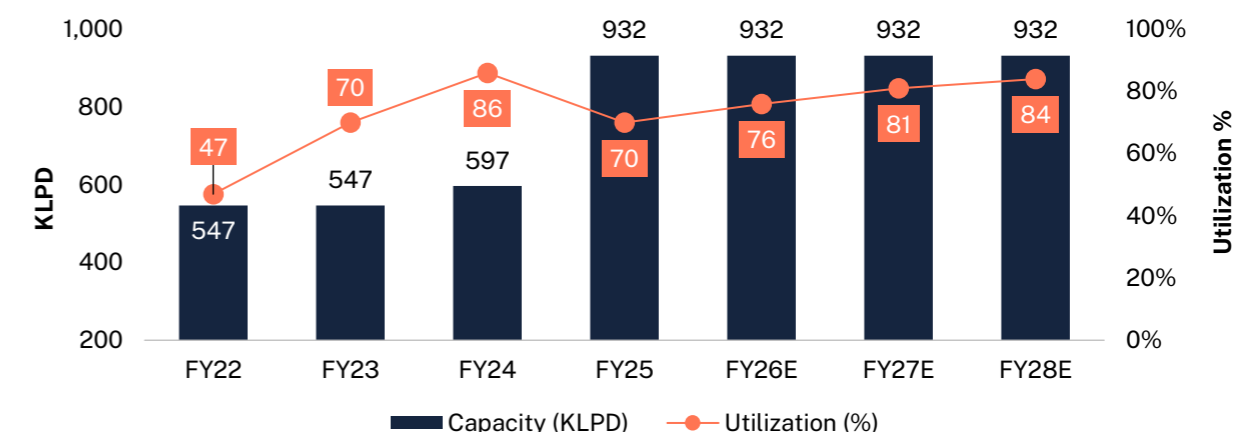
## 2.4 – Financials (2/2)

### Foray into high-margin formulations business and scale in capacity utilization

#### Margins to moderate in FY26E post FY25 peak, due to mix shift & Ambernath scale-up



#### Measured capex, tied to order visibility, to boost utilization



#### Ambernath Facility – foray into formulations, a high-margin business; increased capacity through Module E

- Supriya’s Ambernath facility marks its strategic entry into formulations, with capabilities across tablets, capsules, liquids & sterile inhalation products, and is likely to be capitalized in Q4FY26. At peak utilization, the facility is projected to generate ~Rs. 500 Cr in revenues, with margins higher than the core API business, aided by a Rs. 150–160 Cr investment.
- On the API side, Module E commissioning in FY25 added 335 KLPD capacity, taking total capacity to 932 KLPD (+55%), boosting backward integration and in-house capabilities.
- FY25 EBITDA margins represented a cyclical peak, driven by favorable product mix and near-peak capacity utilisation (~85–86%), and are not fully sustainable. Utilisation has since moderated to ~70% post expansion but is expected to recover to ~84% by FY28E, driven by new product launches and CDMO scale-up.
- While margins may temporarily soften to ~33% in FY26E due to initial launches in lower-margin semi-regulated markets and Ambernath scale-up costs, we expect normalization to ~35% by FY28E, supported by operating leverage and a better product mix.

#### Disciplined capex strategy with demand-led expansion driving sustainable capacity utilisation and long-term growth visibility

- Supriya has demonstrated disciplined, demand-led capacity expansion, with capex decisions closely aligned to utilisation levels and order visibility. Historically, capacity additions have been undertaken only after achieving high utilisation, reflecting prudent capital allocation.
- Near-term capex is expected to remain largely maintenance-led, with no major expansions planned until the commencement of the Patalganga greenfield project (expected late FY27–FY28). Capacity utilisation, which has temporarily moderated post Module E, is likely to improve as new product launches and CDMO operations scale up.
- Beyond this, the next phase of growth will be driven by the Patalganga facility (~Rs. 350 cr capex), which will house both APIs and formulations and is expected to support revenue scale-up beyond Rs. 1,600–1,800 cr.

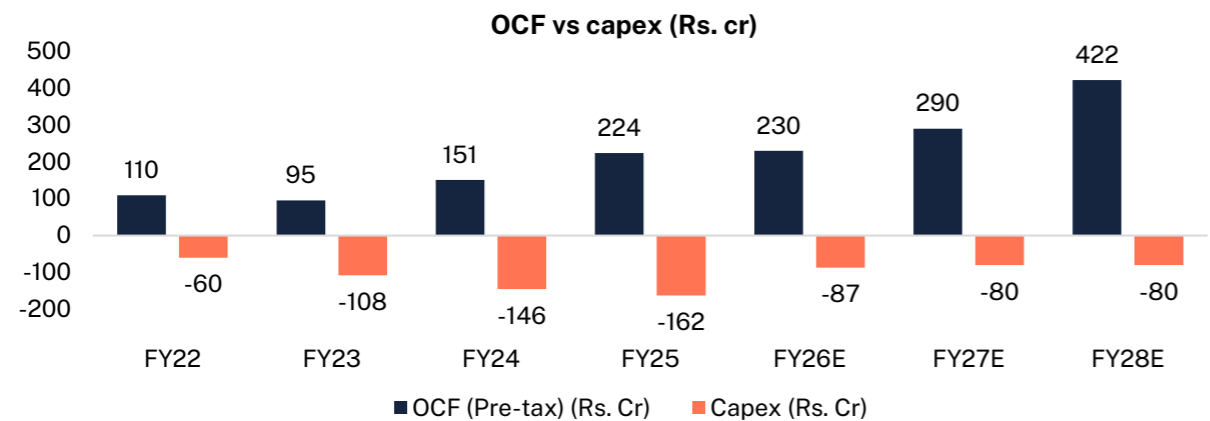
Source: Company, Midas Research

# 2.5 – Balance Sheet & Cash Flow Analysis

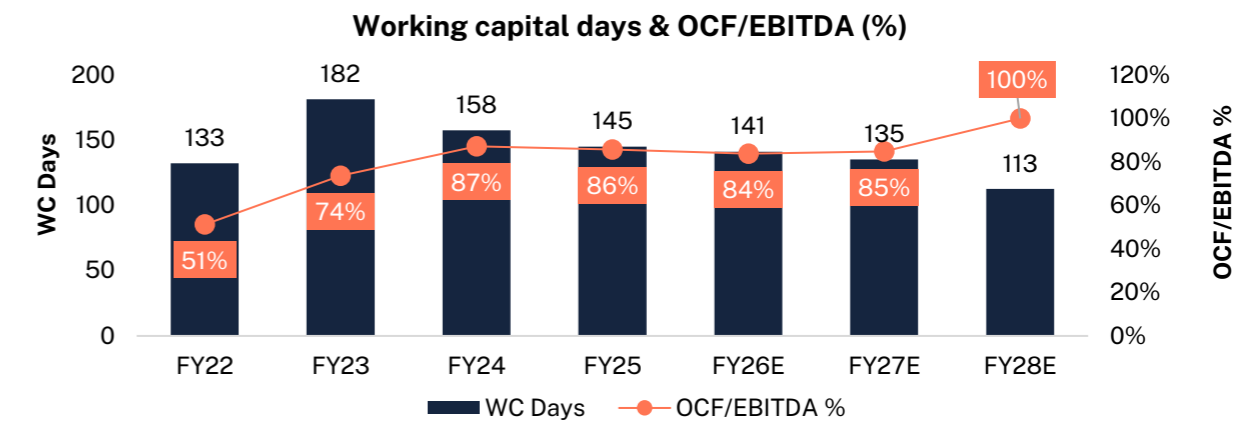
Revenue is vanity, profit is sanity, but cash is reality

6.0 7.0  
Debt-free balance sheet with rapidly growing operating cash flows and improving working capital efficiency, making FCF decisively positive and enabling fully self-funded growth through internal accruals.

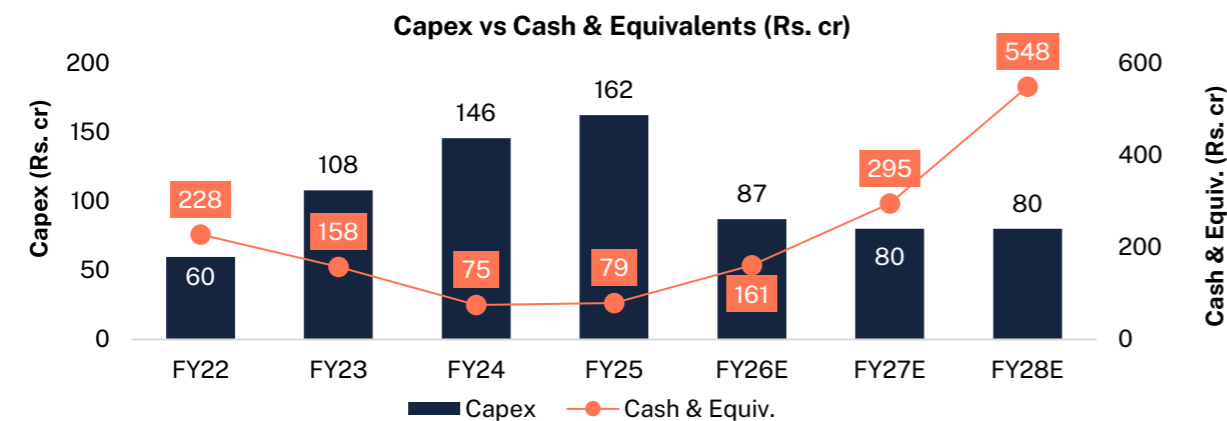
OCF surged as capex peaked in FY25 and tapers, signaling a shift from investment to harvesting phase



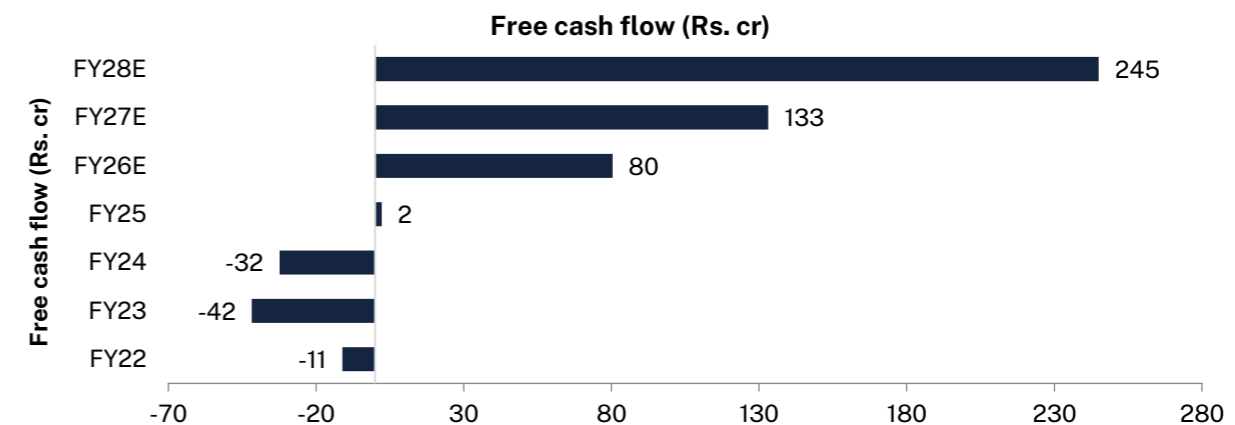
WC days drop to 113; OCF/EBITDA improving, indicating stronger cash conversion



Debt-free since FY24; moderating capex drives cash accumulation



After capex-led FCF drag over FY22-24, free cash flows to accelerate led by modest Capex and robust operating cash flow



Source: Company, Midas Research

# 3 - Valuation Framework



# Valuation Framework – Summary

## 1 By Own History:

Valuation multiples have normalized below historical averages after earlier cycle volatility. With improving earnings visibility, the current discount across metrics indicates an attractive valuation. Accordingly, we assign a rating of **5.0/7.0**.

## 2 Currently Versus Peers:

Supriya trades at a significant discount to peers despite comparable margins and earnings visibility. With a strong growth outlook from new product launches, CDMO ramp-up, and improving operating leverage, sustained execution could support a valuation re-rating. Accordingly, we assign a rating of **5.0/7.0**.

## 3 Based on Growth:

EBITDA growth is moderate versus peers; however, an undemanding EV/EBITDA and favorable PEG ratio offer strong valuation comfort, supporting an attractive risk-reward profile. Accordingly, we assign a rating of **4.5/7.0**.

## 4 Capturing Return Profiles:

RoE/RoCE, after peaking in FY25, are expected to moderate in FY26 due to ongoing expansions, before recovering over FY26–28E and remaining broadly in line with high-growth peers. Accordingly, we assign a rating of **4.5/7.0**.

## 5 Reflecting EVA:

EVA spreads are improving with rising profitability, supporting valuation normalization. However, historically volatile EVA reflects inconsistent economic value creation, warranting a moderate rating of **5.2/7.0**.



# 3.1 – By Own History (In Charts)

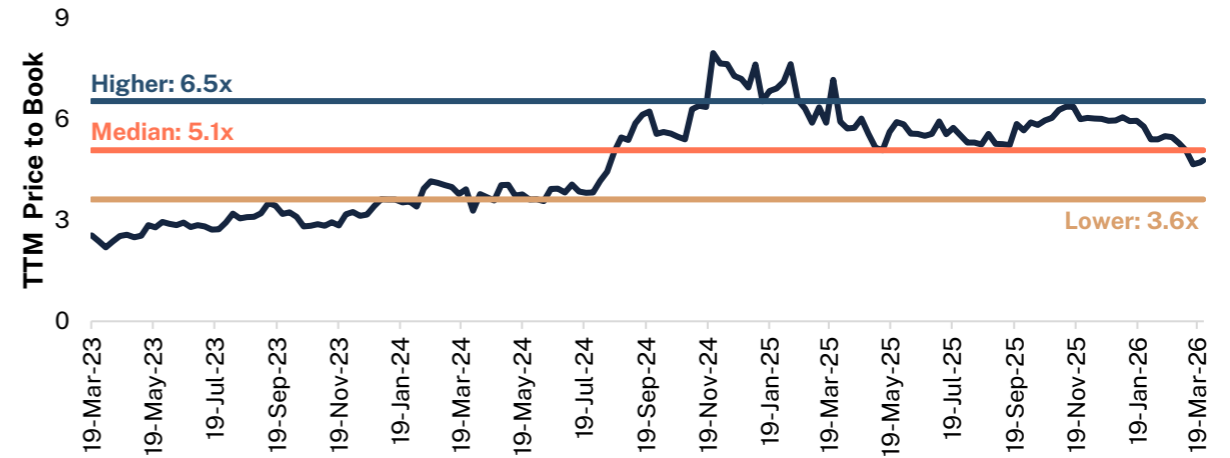
5.0 7.0

Valuation multiples have normalized below historical averages after earlier cycle volatility. With improving earnings visibility, the current discount across metrics indicates attractive valuation comfort.

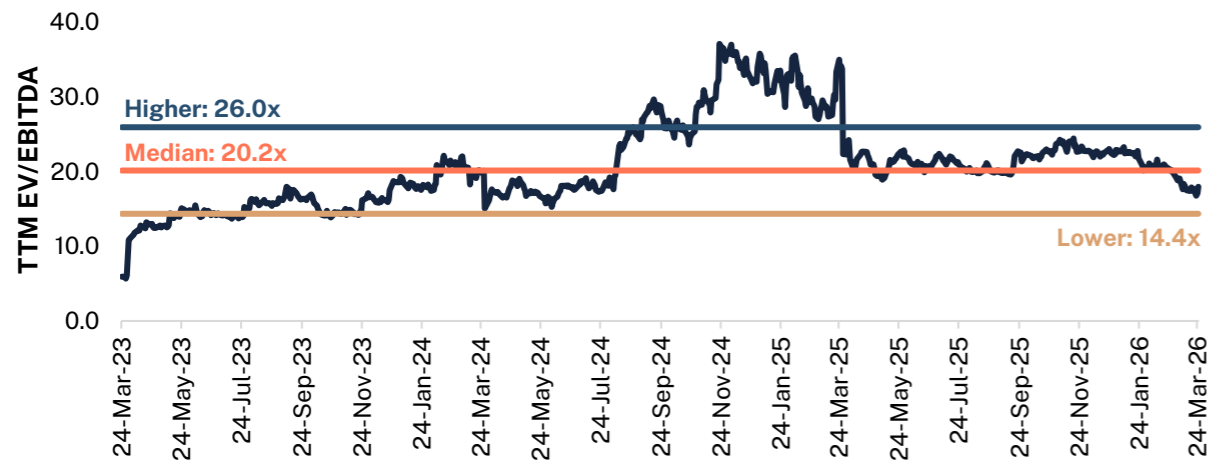
**P/E Has Moderated From Highs – Currently Below Median at ~25x**



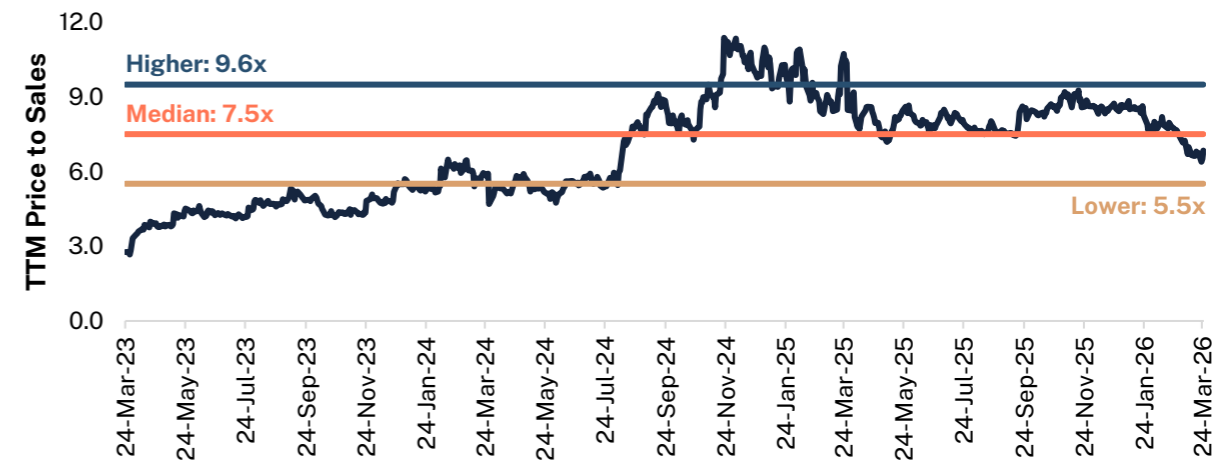
**P/B at 4.7x – Below Historical Median**



**EV/EBITDA Has Compressed – Trading Below the Median**



**Price/Sales Steady Around Median – Upside as Revenue Scales**



Source: Company, Midas Research, Bloomberg

## 3.2 – Currently Versus Peers

### Peer comparison

5.0

7.0

Supriya trades at a meaningful discount to peers despite comparable margins and earnings visibility. With a strong growth outlook, driven by new product launches, CDMO ramp-up, and improving operating leverage, we believe sustained execution could drive a valuation re-rating.

- Supriya trades at a significant discount to peers, with a FY28E P/E of ~16x versus the peer average of ~29x, despite comparable margins and earnings visibility. The company delivers industry-leading EBITDA margins (~35%), outperforming more established players, supported by its niche API positioning and backward integration. PAT is expected to grow at ~17% CAGR over FY25–FY28E, broadly in line with peers, while revenue/EBITDA/PAT are projected to grow at 20%/24%/25% CAGR over FY26E–28E, reflecting margin acceleration post FY26E.
- In contrast, peers command premium valuations due to their established track record in scaling complex APIs and CDMO businesses, whereas Supriya is still in a transition phase.
- However, as execution improves and new growth drivers gain traction, the current multiple offers scope for re-rating.

Company	CMP Rs	Mkt cap Rs cr	Revenue (Rs.cr)			EBITDA(Rs.cr)			PAT(Rs.cr)			EBITDA Margin		RoE		P/E
			FY25	FY28E	CAGR	FY25	FY28E	CAGR	FY25	FY28E	CAGR	FY25	FY28E	FY25	FY28E	FY28E
<b>Supriya Lifescience Ltd</b>	<b>588</b>	<b>4,729</b>	<b>696</b>	<b>1,203</b>	<b>20%</b>	<b>261</b>	<b>421</b>	<b>17%</b>	<b>188</b>	<b>301</b>	<b>17%</b>	<b>37%</b>	<b>35%</b>	<b>20.7%</b>	<b>19.3%</b>	<b>16</b>
Neuland Laboratories Ltd	12,067	15,404	1,434	2,533	21%	331	811	35%	266	546	27%	23%	32%	18.5%	22.8%	28
Divi's Laboratories Ltd	5,998	1,60,635	9,325	14,457	16%	2,972	5,128	20%	2,190	3,745	20%	32%	35%	15.4%	18.6%	43
Aarti Pharmalabs Ltd	609	5,520	2,086	2,557	7%	464	616	10%	274	304	4%	22%	24%	14.5%	12.4%	17
<b>Average</b>	<b>-</b>	<b>60,519</b>	<b>4,282</b>	<b>6,516</b>	<b>14.5%</b>	<b>1,256</b>	<b>2,185</b>	<b>21.6%</b>	<b>910</b>	<b>1,531</b>	<b>16.7%</b>	<b>26%</b>	<b>31%</b>	<b>16.1%</b>	<b>17.9%</b>	<b>29</b>

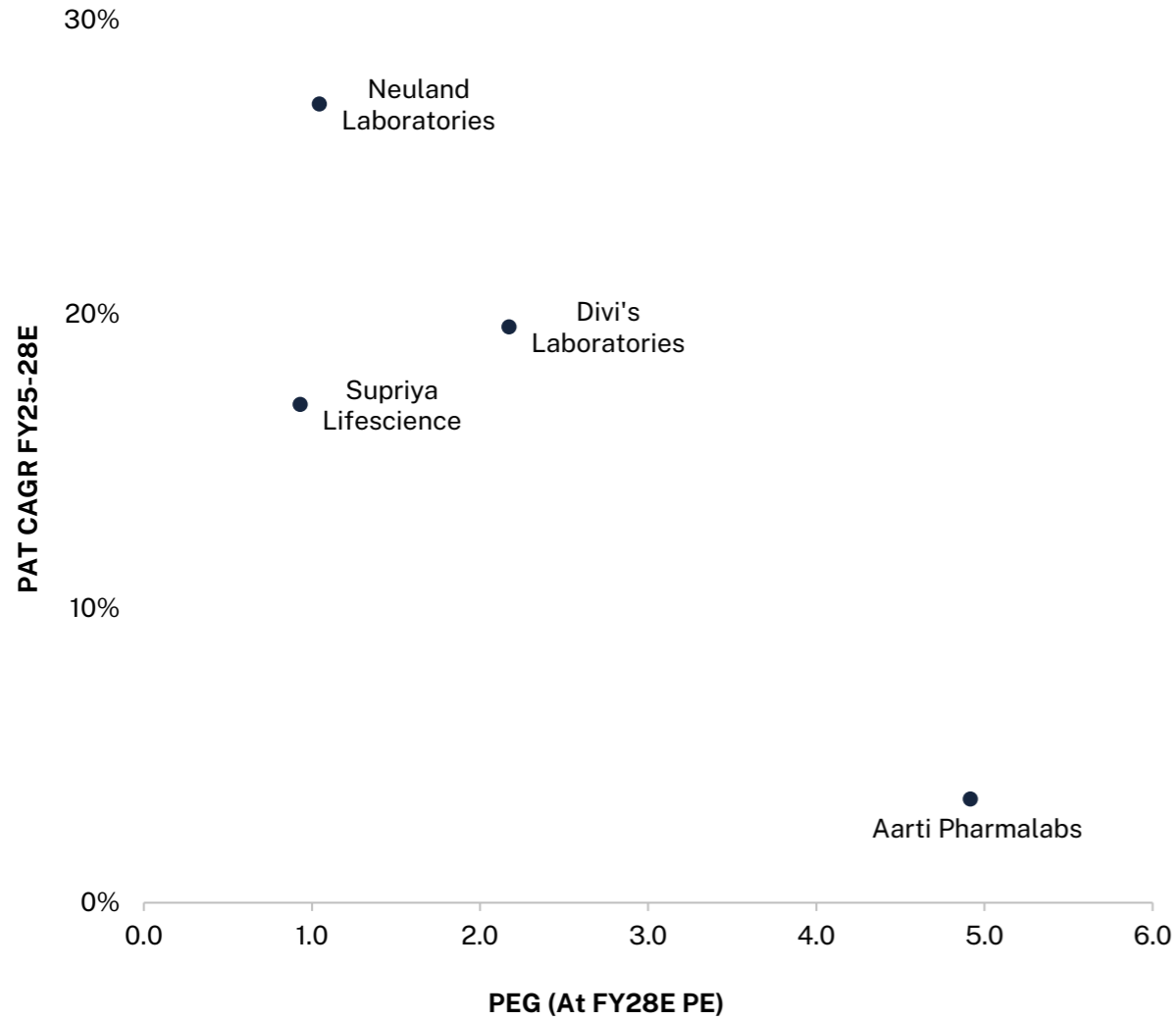
Note: Peer Average includes \*(Neuland Laboratories, Divi's Laboratories and Aarti Pharmalabs)  
Source: Company, Midas Research, Bloomberg

# 3.3 – Based on Growth

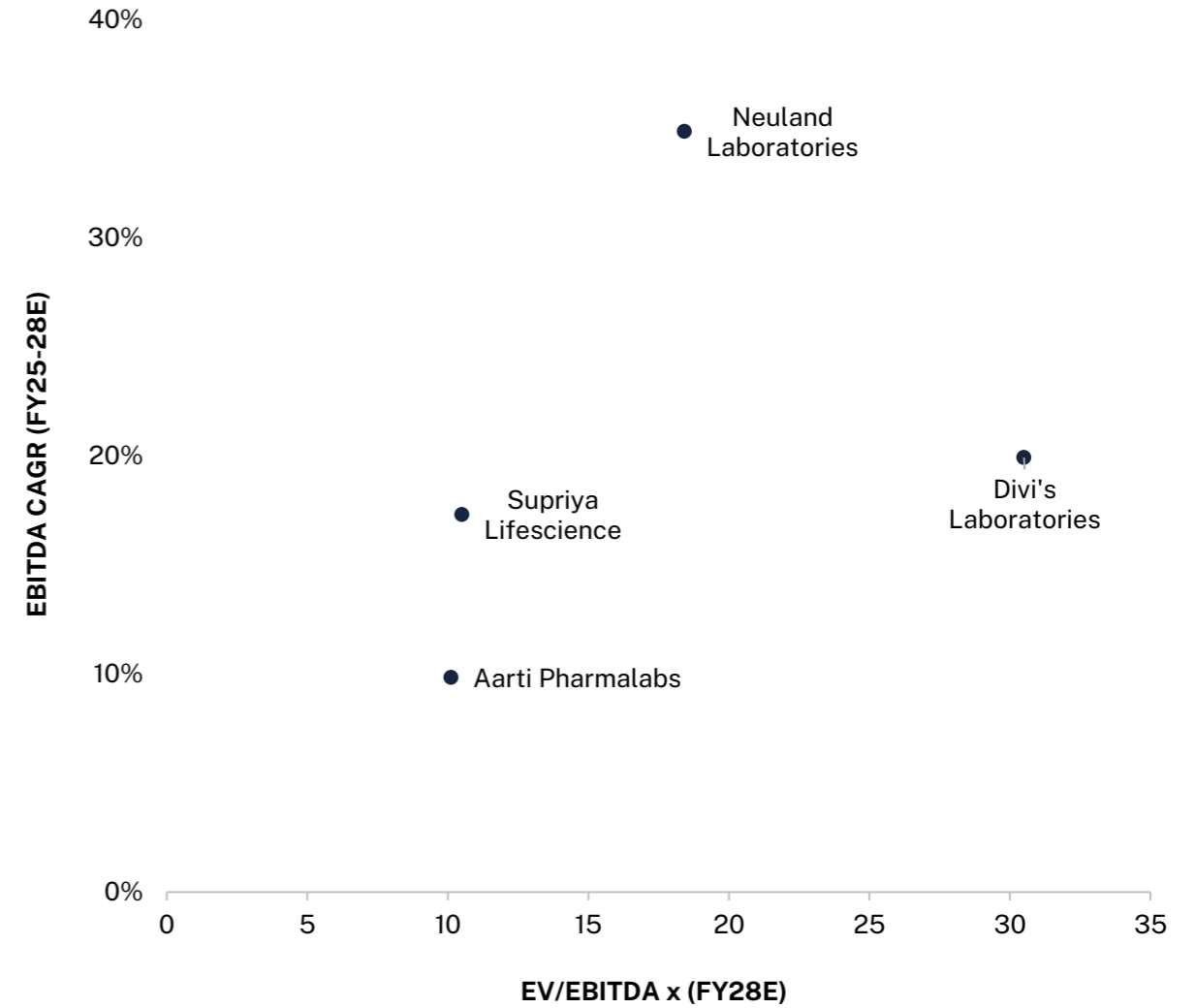
4.5 7.0

EBITDA growth is moderate versus peers; however, an undemanding EV/EBITDA and favorable PEG ratio provide strong valuation comfort, supporting an attractive risk-reward profile.

Moderate growth vs peers, but low PEG offers strong valuation comfort



Favourable EV/EBITDA reflects compelling growth-adjusted valuation



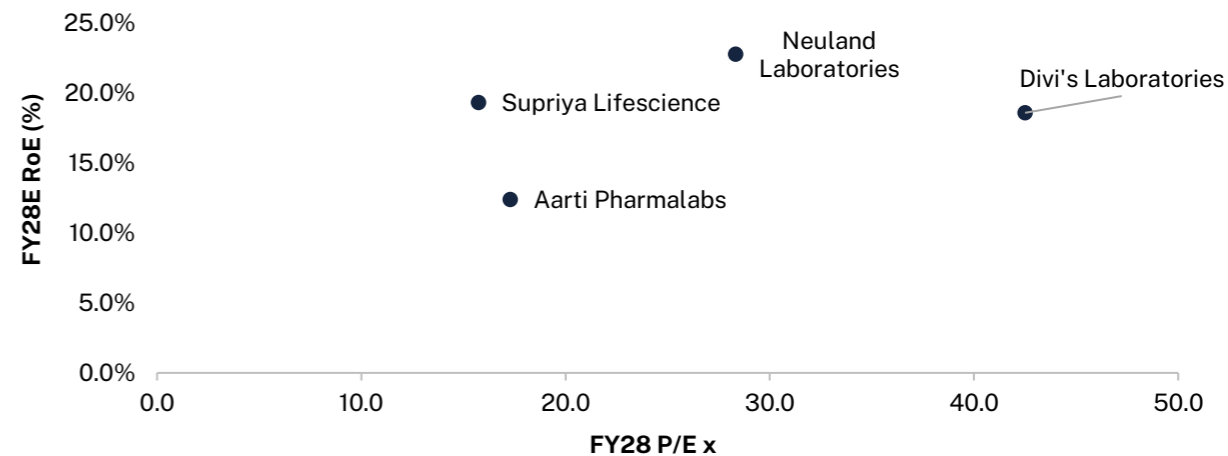
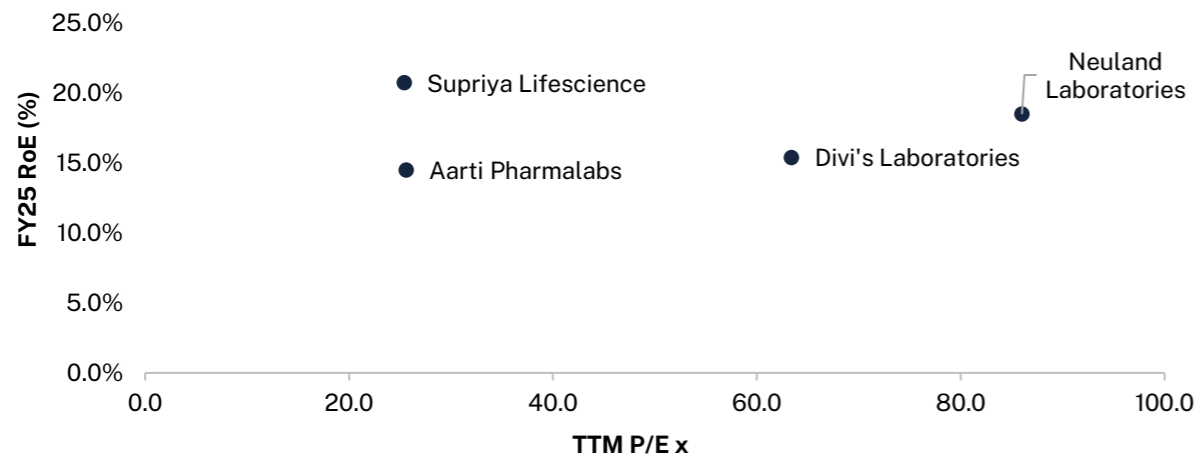
Source: Company, Midas Research, Bloomberg

# 3.4 – Capturing Return Profiles

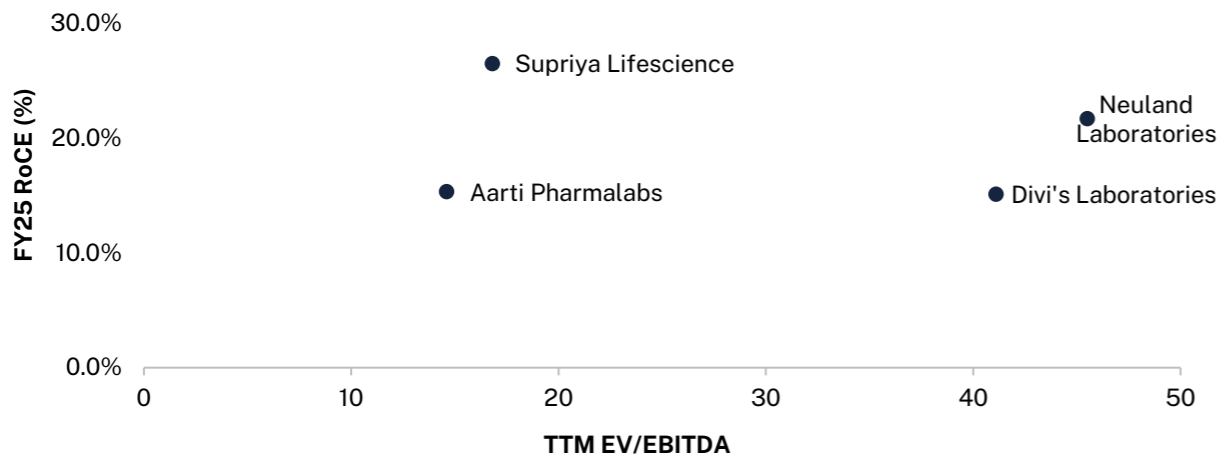
4.5 7.0

RoE/RoCE, after peaking in FY25, are expected to moderate in FY26 due to ongoing expansions, before recovering over FY26–28E and remaining broadly in line with high-growth peers

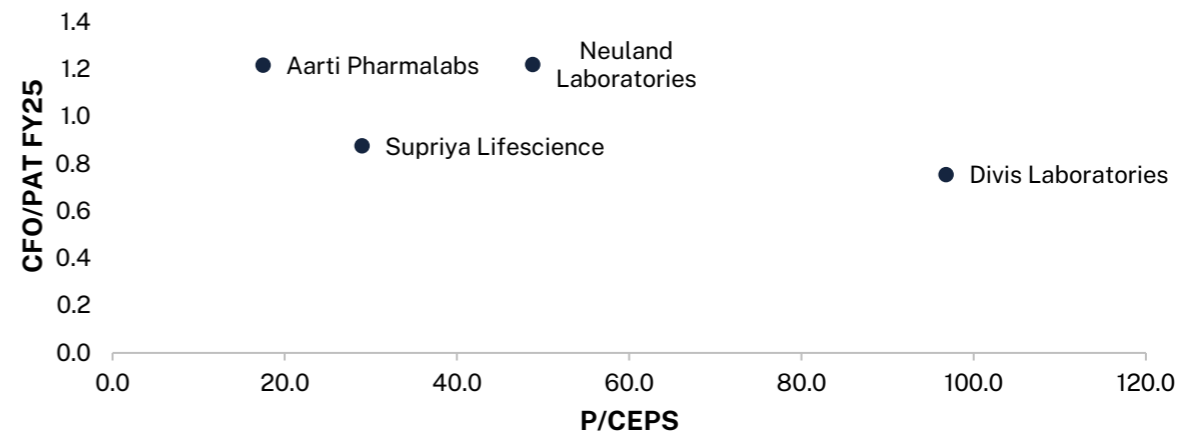
Leading margins and return ratios are aided by niche API exposure; RoE/RoCE to recover post FY26 after a dip due to product launches and capacity ramp-up



High FY25 RoCE reflects efficient capital allocation & superior asset utilization



Moderate cash conversion, with attractive valuation (P/CEPS) versus peers



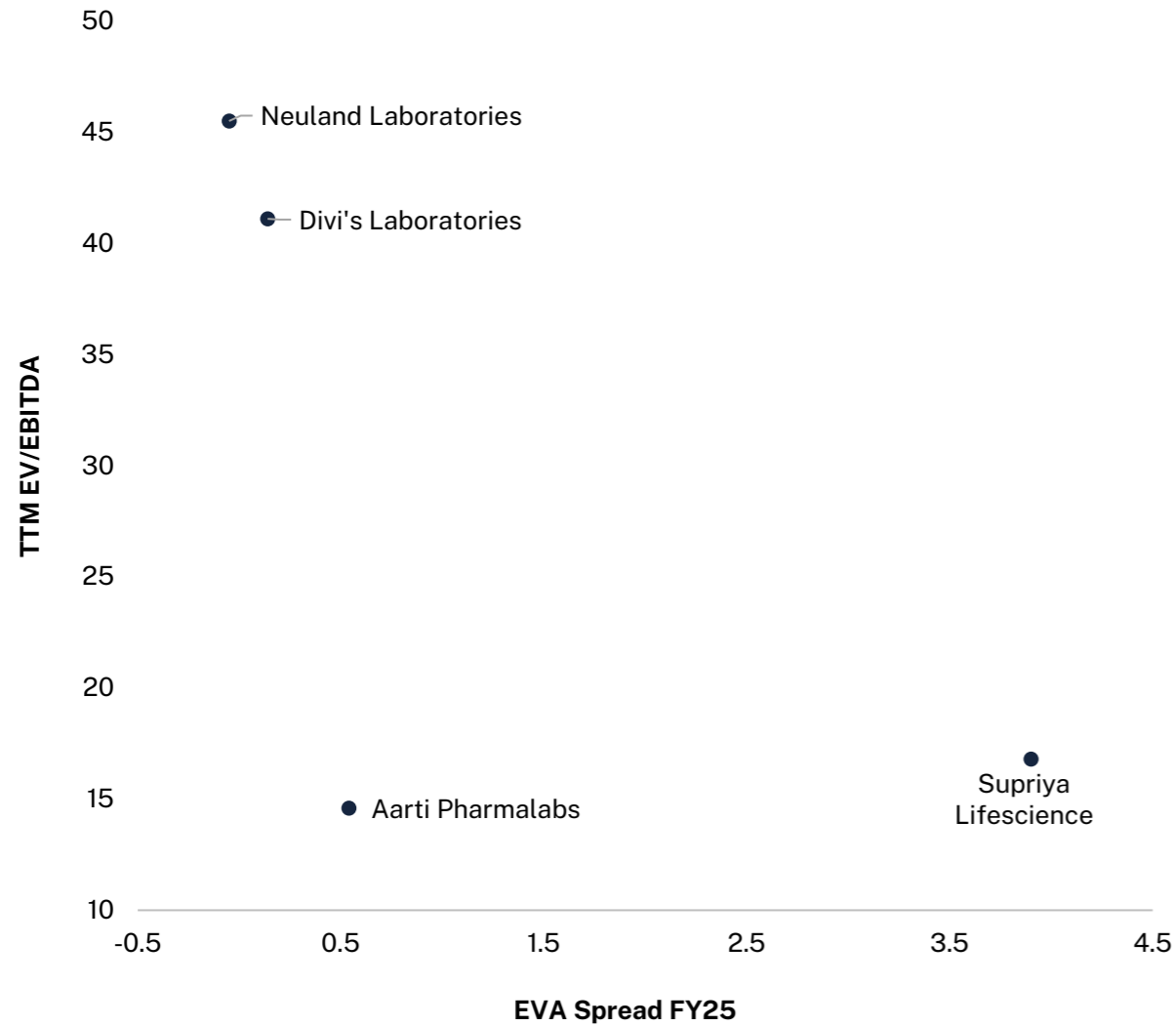
Source: Company, Midas Research, Bloomberg

# 3.5 – Reflecting EVA

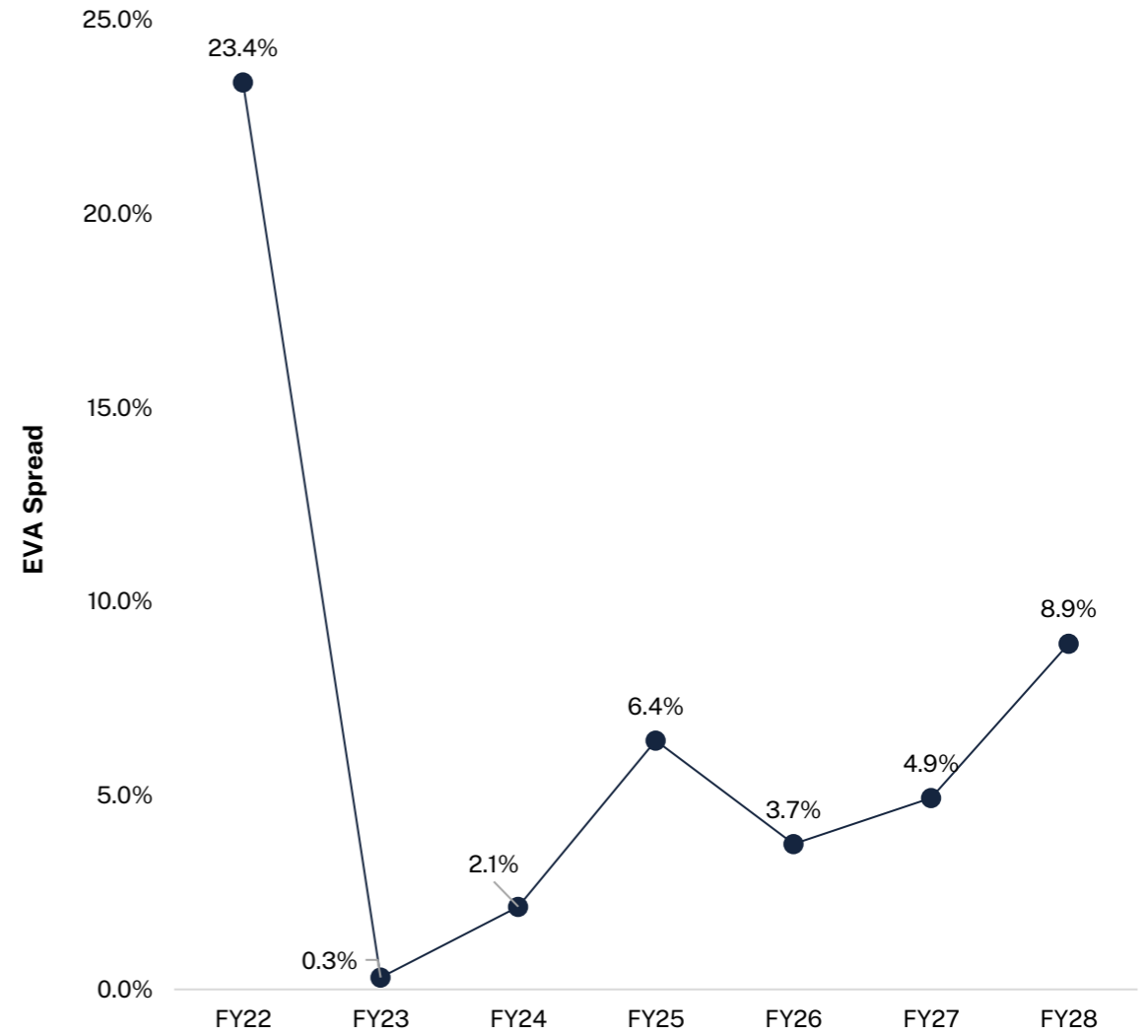
5.2 7.0

EVA spreads are improving with rising profitability, supporting valuation normalization. However, historically volatile EVA reflects inconsistent economic value creation, warranting a moderate rating.

## EVA spread stronger than peers in FY25



## Recovering EVA spread signals stronger economic profitability



Source: Company, Midas Research, Bloomberg

# Valuation Rationale

We value Supriya at 22x FY28E P/E, arriving at a target price of Rs. 825 (incl. dividends), implying a 1-year upside of 40%

## Why do we use P/E as the valuation metric

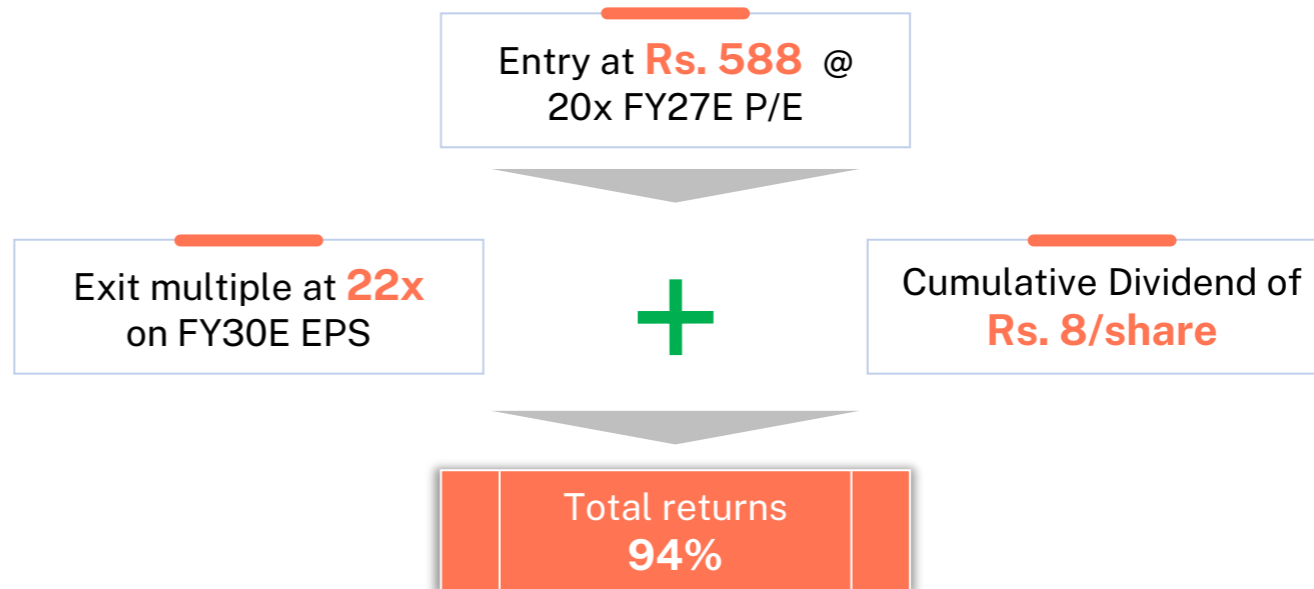
- Supriya is moving toward robust earnings growth, driven by new product scale-up, higher capacity utilization, and expansion into regulated markets, making net profit a key measure of shareholder value creation.
- The company maintains a net cash balance sheet with minimal finance costs, ensuring earnings closely reflect underlying operating performance.
- With no significant near-term capex and a focus on maximizing existing assets, depreciation and capital intensity are expected to stabilize, further enhancing earnings quality.

## Rationale for 22x P/E multiple

- The assigned 22x FY28E P/E multiple reflects improving business quality and enhanced earnings visibility. Despite trading at a discount to peers, Supriya delivers industry-leading margins and a growth outlook broadly in line with peers, while API peers have historically traded at ~20x P/E.
- The multiple captures the company's transition towards a more diversified, higher-quality earnings mix, driven by increasing exposure to regulated markets, CDMO scale-up, and steady new product traction. While near-term return ratios may moderate due to ongoing investments, normalisation in RoE/RoCE and improving capital efficiency should support valuation re-rating.
- Additionally, favourable PEG and undemanding EV/EBITDA provide strong valuation comfort, offering an attractive risk-reward profile.
- Despite these positives, we value the company at the lower end of its historical range, even as its PAT growth remains broadly in line with peers.

# Future Lens

- Supriya Lifescience's niche API portfolio, strong backward integration, and growing presence in regulated markets position it to deliver superior growth in the API and CDMO space. Its focus on complex, low-competition molecules and China+1 opportunities provides structural tailwinds for sustained market share gains.
- We believe multiple growth drivers are in place, including scaling of existing products in regulated markets, a steady pipeline of 4-5 annual product launches targeting ~\$1bn addressable markets, ramp-up of CDMO opportunities, and commissioning of the Ambernath formulations facility.
- Further, margin expansion is likely to be supported by higher share of regulated markets, rising contribution from formulations and CDMO, and operating leverage from recent capacity additions.
- As a result, we expect earnings to grow at ~21% CAGR over FY26E-30E, aided by a richer product mix & improved capacity utilisation.
- Disciplined capital allocation, clear visibility on new product scale-up, and upcoming Patalganga capacity expansion further strengthen the company's medium-term growth outlook.

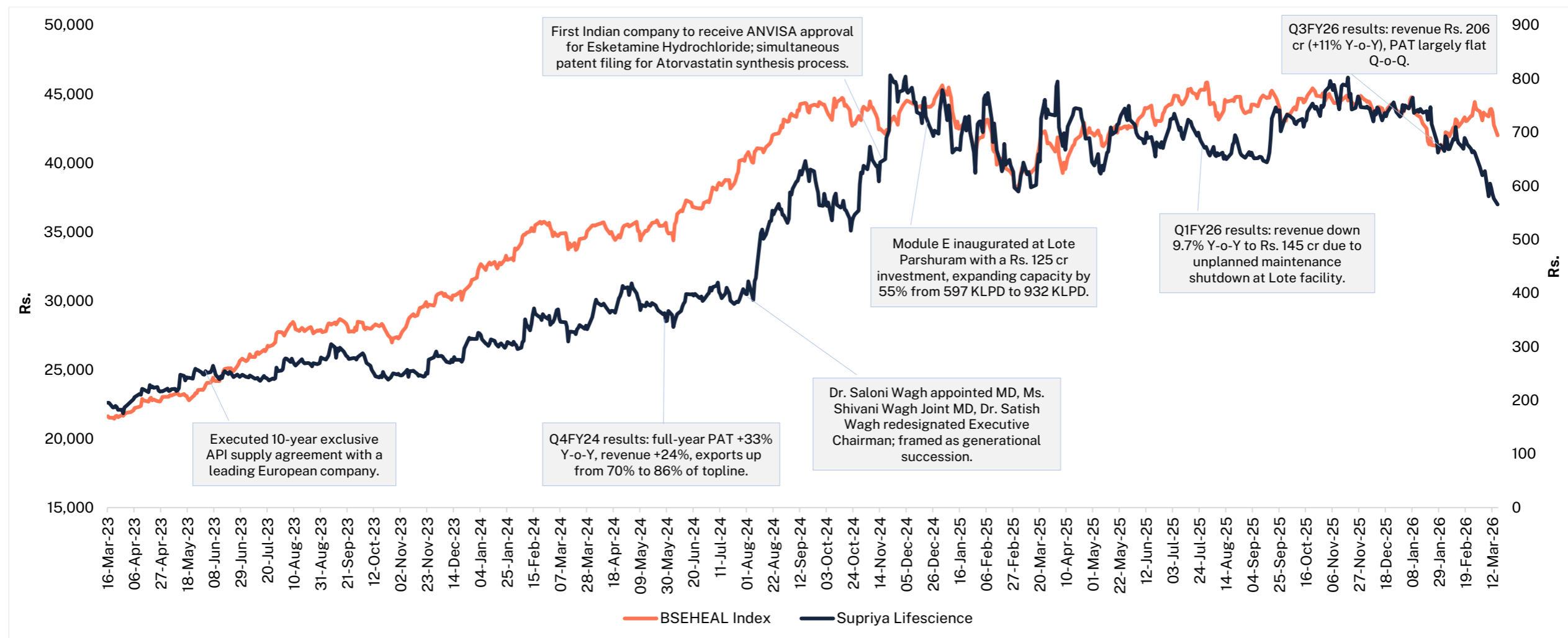


## Sensitivity of 3-yr TP

Target price sensitivity		EPS				
		41	45	50	55	61
Valuation multiple	18	750	835	925	1,020	1,120
	20	835	925	1,030	1,135	1,245
	22	920	1,020	1,135	1,245	1,370
	24	1,000	1,110	1,235	1,360	1,495
	26	1,085	1,205	1,340	1,475	1,620

# 4.1 – Stock Buzz & Influencing Factors

Noise vs signal: what really moved the stock?



**Supriya Lifescience's stock price is driven by the cadence of regulatory approvals, export contract wins, and capacity utilization, while de-ratings occur whenever plant disruptions, product concentration, or earnings deceleration cast doubt on its potential.**



Source: Company, Midas Research, Bloomberg

## 4.2 – Stock Buzz & Influencing Factors

### Follow the money

MF	26-Feb		26-Jan		25-Dec	
	Shares held	Month change %	Shares held	Month change %	Shares held	Month change %
Abakkus Flexi Cap Reg Gr	524,516	0%	524,516	1987%	25,127	100%
ITI Large & Mid Cap Reg Gr	182,927	0%	182927	0%	182927	0%
Quantum Small Cap Reg Gr	103,430	12%	92588	9%	84850	17%
ITI ELSS Tax Saver Reg Gr	91,519	0%	91519	0%	91519	0%
Motilal Oswal Nifty Mrcrp 250 Idx Reg Gr	81,019	-3%	83189	-6%	88048	0%
WhiteOak Capital Phrm and Hlthcr Reg Gr	68,038	0%	68,038	18%	57,594	13%
ITI Pharma and Healthcare Reg Gr	25,370	0%	25,370	0%	25,370	0%
Motilal Oswal BSE Healthcare ETF	808	0%	811	8%	751	5%
Groww Nifty Total Market Idx Reg Gr	431	0%	429	0%	428	1%
Bandhan BSE Healthcare Index Reg Gr	317	0%	318	-3%	327	-4%
Motilal Oswal BSE 1000 Index Reg Gr	72	1%	71	1%	70	3%
Angel One Nifty Total Market Idx Reg Gr	69	0%	69	5%	66	2%
Mirae Asset Nifty Total Mkt Idx Reg Gr	61	2%	60	2%	59	2%
Angel One Nifty Total Market ETF	54	0%	54	0%	54	0%
Bandhan Nifty Total Market Index Reg Gr	51	2%	50	0%	50	0%
<b>Total</b>	<b>1,078,682</b>		<b>1,070,009</b>		<b>557,240</b>	

Ex-Date	Divided Amount	Dividend Type	Instrument Type
4-Sep-25	1	FINAL	Equity Share
20-Sep-24	0.8	FINAL	Equity Share
15-Sep-23	0.6	FINAL	Equity Share
1-Sep-22	0.6	FINAL	Equity Share

MF	Client Category	Action	Reported To/By Exchange	Quantity	Post Transaction Holding	Traded %
Shivani Satish Wagh	Other	Acquisition	3/5/2024	73125	-	9%
Shivani Satish Wagh & PACs	Promoter	Disposal	3/5/2024	73125	54,967,715	9%
Shivani Satish Wagh & PACs	Promoter	Acquisition	3/5/2024	73125	54,967,715	9%
Shivani Satish Wagh	Promoter	Acquisition	3/4/2024	73125	54,967,715	9%
Dr Saloni Satish Wagh	Promoter	Disposal	3/4/2024	73125	54,967,715	9%
Shivani Satish Wagh	Promoter Group	Acquisition	2/28/2024	73125	102,375	9%
Saloni Satish Wagh	Promoter Group	Disposal	2/28/2024	73125	102,375	9%
Shivani Satish Wagh	Promoter	Acquisition	1/4/2024	73125	-	9%
Dr Satish Wagh	Promoter	Acquisition	4/4/2023	13000	54,441,205	1%
Satish Waman Wagh	Promoter	Acquisition	4/3/2023	13000	54,441,205	2%
Dr Satish Wagh	Promoter	Acquisition	4/1/2023	14000	54,428,205	1%
Satish Waman Wagh	Promoter	Acquisition	3/31/2023	14000	54,428,205	2%
Dr Satish Wagh	Promoter	Acquisition	3/10/2023	10000	54,414,205	1%
Satish Waman Wagh	Promoter	Acquisition	3/6/2023	2000	54,414,205	0%
Satish Waman Wagh	Promoter	Acquisition	3/6/2023	8000	54,412,205	1%
Satish Waman Wagh	Promoter	Acquisition	3/2/2023	8000	54,402,205	1%
Satish Waman Wagh	Promoter	Acquisition	3/2/2023	2000	54,404,205	0%
Dr Satish Wagh	Promoter	Acquisition	3/2/2023	10000	54,404,205	1%

Source: Trendlyne, Midas Research

# 5 – Technical Outlook

Technical setup indicates base formation and potential trend reversal ahead



## Technical View

- Supriya Lifescience has been in a consolidation phase following a brief test of its all-time highs in November 2025, with the stock witnessing a gradual pullback over the past few months.
- The stock is currently trading below key moving averages and is approaching a support zone near Rs. 555, which could act as a base for a potential rebound.
- Failure to hold this level could lead to a test of the next support at the October 2024 low of ~Rs. 511.
- However, given the extended consolidation and proximity to historical supports, the risk-reward appears favourable for a potential base formation and technical rebound.
- On the upside, immediate resistance is placed at the 50-DMA (~Rs. 654), followed by the 200-DMA (~Rs. 699).
- A decisive reclaim of these moving averages would be a key technical trigger, indicating a trend reversal and resumption of the broader uptrend.

RESEARCH ANALYST

Viswanath AVR  
 viswanath.avr@sparkcapital.in

Pharmaceuticals

Reco/View

Buy

Last Day Close

Rs. 588

Source: Trading View, Midas Research

Supriya Lifescience

Midas  
 Equities and Research

# Key Risks

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Working capital days remain stretched due to rising inventory, and management is actively working to reduce them.

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High client concentration remains a key risk, with 58% of FY25 revenue from the top 10 customers. While the breadth of these clients' portfolios provides some stability, it warrants continued vigilance.

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The new CMO agreement marks Supriya's entry into finished dosage manufacturing but scaling beyond the first contract remains untested. Timely approvals and repeat wins will be key.

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Source: Midas Research

# Financial Summary

Particulars	FY24	FY25	FY26E	FY27E	FY28E
<b>Profit &amp; Loss</b>					
Revenue	570	696	829	1,005	1,203
Gross profit	349	485	580	703	842
EBITDA	173	261	274	342	421
Depreciation	(16)	(20)	(27)	(37)	(45)
EBIT	157	240	246	305	376
Other Income	11	10	11	11	21
Interest expense	(2)	(2)	(1)	-	-
Exceptional items	-	-	-	-	-
PBT	166	248	256	316	397
Reported PAT (after minority interest)	119	188	194	239	301
Adj PAT	119	188	194	239	301
EPS (Rs.)	14.8	23.4	24.1	29.7	37.3
<b>Balance Sheet</b>					
Net Worth	815	997	1,182	1,411	1,699
Total debt	-	-	-	-	-
Minority interest	-	0	0	0	-
Other liabilities and provisions	30	35	35	35	35
<b>Total Network and liabilities</b>	<b>921</b>	<b>1,112</b>	<b>1,317</b>	<b>1,567</b>	<b>1,879</b>
Gross Fixed assets	360	523	628	768	888
Net fixed assets	304	447	524	628	703
Capital work-in-progress	149	148	130	70	30
Intangible Assets	2	1	1	1	1
Investments	64	74	74	74	74
Cash and bank balances	75	79	161	295	548
Loans & advances and other assets	5	5	5	5	5
Net working capital	247	277	321	373	372
<b>Total assets</b>	<b>921</b>	<b>1,112</b>	<b>1,317</b>	<b>1,567</b>	<b>1,879</b>
Capital Employed	815	997	1,182	1,411	1,699
Invested Capital (CE - cash - CWIP)	592	770	891	1,046	1,120
Net debt	(75)	(79)	(161)	(295)	(548)
<b>Cash Flows</b>					
Cash flows from Operations (Pre-tax)	151	224	230	290	422
Cash flows from Operations (post-tax)	113	165	167	213	325
Capex	(146)	(162)	(87)	(80)	(80)
Free cashflows	(32)	2	80	133	245
Free cashflows (post interest costs)	(33)	1	79	133	245
Cash flows from Investing	(174)	(152)	(76)	(69)	(59)
Cash flows from Financing	(22)	(8)	(9)	(10)	(13)
<b>Total cash &amp; liquid investments</b>	<b>75</b>	<b>79</b>	<b>161</b>	<b>295</b>	<b>548</b>

All figures in Rs cr

Particulars	FY24	FY25	FY26E	FY27E	FY28E
<b>Growth ratios (%)</b>					
Revenue	23.7%	22.1%	19.0%	21.2%	19.7%
EBITDA	34.2%	50.8%	4.9%	24.9%	23.3%
Adj PAT	32.6%	57.8%	3.1%	23.3%	25.8%
<b>Margin ratios</b>					
Gross	61.1%	69.7%	70.0%	70.0%	70.0%
EBITDA	30.3%	37.4%	33.0%	34.0%	35.0%
Adj PAT	20.9%	27.0%	23.4%	23.8%	25.0%
<b>Performance ratios</b>					
Pre-tax OCF/EBITDA	87.3%	85.8%	84.0%	84.9%	100.2%
OCF/IC (%)	19.2%	21.4%	18.8%	20.4%	29.0%
RoE (%)	15.7%	20.7%	17.8%	18.4%	19.3%
RoCE (%)	20.5%	26.5%	22.6%	23.5%	24.2%
Fixed asset turnover (x)	1.7	1.6	1.4	1.4	1.5
Total asset turnover (x)	0.7	0.7	0.7	0.7	0.7
<b>Financial stability ratios</b>					
Net Debt to Equity (x)	(0.1)	(0.1)	(0.1)	(0.2)	(0.3)
Net Debt to EBITDA (x)	(0.4)	(0.3)	(0.6)	(0.9)	(1.3)
Interest cover (x)	74.5	142.6	246.2	na	na
Working capital days	158	145	141	135	113
<b>Valuation metrics</b>					
Fully Diluted Shares (Cr)	8.0	8.0	8.0	8.0	8.0
Market cap (Rs Crs)		4,729			
P/E (x)	39.7	25.2	24.4	19.8	15.7
P/OCF(x)	41.7	28.7	28.2	22.2	14.5
EV (Rs.Cr) (ex-CWIP)		4,650			
EV/ EBITDA (x)	26.9	17.8	17.0	13.6	11.0
EV/ OCF(x)	41.0	28.2	27.8	21.8	14.3
FCF Yield	-0.7%	0.0%	1.7%	2.8%	5.2%
Price to BV (x)	5.8	4.7	4.0	3.4	2.8
Dividend pay-out (%)	5%	4%	4%	4%	4%
Dividend yield (%)	0.1%	0.2%	0.2%	0.2%	0.3%
Cash as a % of CE	9.2%	7.9%	13.6%	20.9%	32.3%

# Glossary

CAPEX	Capital Expenditure	RoCE	Return on Capital Employed
API	Active Pharmaceutical Ingredient	RoIC	Return on Invested Capital
CDMO	Contract Development and Manufacturing Organization	R&D	Research and Development
CAGR	Compounded Annual Growth Rate	PBT	Profits Before Tax
CMP	Current Market Price	CMO	Contract Manufacturing Organization
EBIT	Earning Before Interest and Tax	ADHD	Attention-Deficit/Hyperactivity Disorder
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization	USDMF	United States Drug Master File
EPS	Earnings Per Share	CF	Cash Flow
EV	Enterprise Value	CEPs	Certificate of Suitability to the monographs of the European Pharmacopoeia
FCF	Free Cash Flow	KLPD	Kilo Litres Per Day
P/E	Price to Earnings	CoGS	Cost of Goods Sold
PBT	Profit Before Tax	Crs	Crores
RoE	Return on Equity	DCF	Discounted Cash Flow

Source: Company, Midas Research

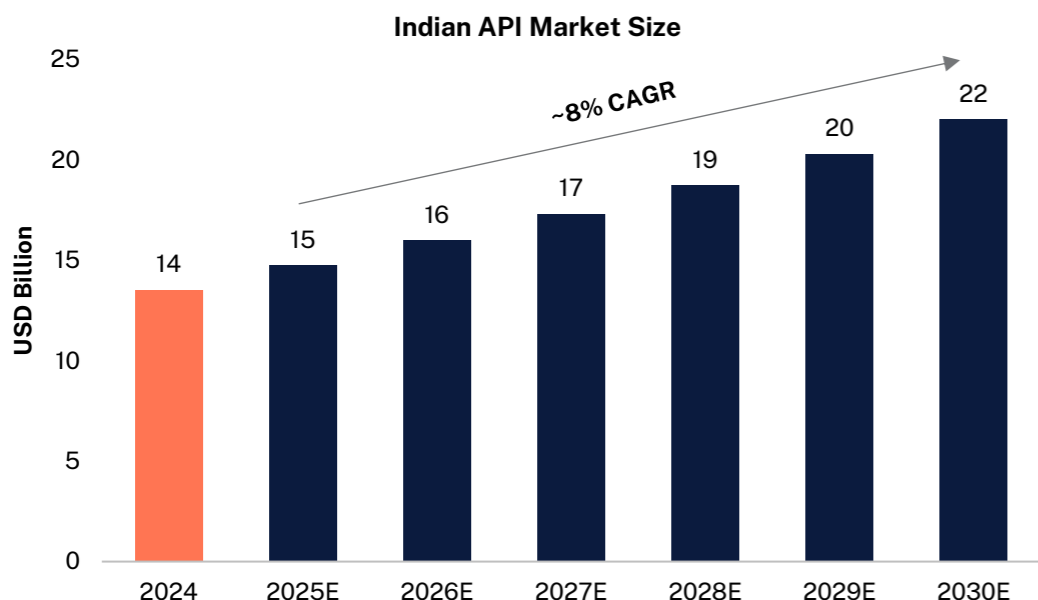
# Annexure



# Industry Overview

Strong API market growth driven by niche APIs and CDMO outsourcing

India API market on a steady rise — US\$22 Bn by 2030, driven by PLI, China-exit, and CDMO demand



## India API market trends and insights

Driver	~% Impact on CAGR forecast	Geographic relevance	Impact timeline
Government PLI & Bulk-Drug-Park push for self-reliance	2.10%	National, with concentration in Gujarat, Himachal Pradesh, Andhra Pradesh	Medium term (2–4 years)
Accelerated shift of US/EU orders to India post-Biosecure Act	1.80%	Global, with primary impact on North America & EU sourcing	Short term (≤ 2 years)
Scale-up in oncology HPAPI blocks (Visakhapatnam, Hyderabad clusters)	1.20%	Regional, concentrated in Andhra Pradesh and Telangana	Medium term (2–4 years)
Growth of CRDMO exports serving Phase-I/II innovators	1.50%	Global, with focus on North America & EU clinical markets	Long term (≥ 4 years)
Green-chemistry route adoption to lower solvent import bill	0.90%	National, with emphasis on West-coast manufacturing hubs	Long term (≥ 4 years)
AI-driven process optimization cutting cycle-times ≤20%	0.80%	National, with early adoption in major pharmaceutical clusters	Medium term (2–4 years)

- India’s Active Pharmaceutical Ingredients (API) market is experiencing steady structural growth, supported by rising global pharmaceutical demand and India’s expanding role in the global generics supply chain. The market is expected to grow from US\$15 bn in 2025 to ~US\$22 bn by 2030E, implying a ~7.7% CAGR.
- Growth is driven by strong global demand for generic medicines, where India remains a leading supplier of cost-efficient pharmaceutical ingredients. Additionally, government initiatives such as the PLI scheme and bulk drug parks are encouraging domestic manufacturing and reducing reliance on imported intermediates.
- Within the API industry, niche and specialty APIs are expected to grow faster at ~9–10% CAGR over FY25-30E, aided by rising demand for complex molecules and specialty therapies. Meanwhile, merchant manufacturing and CDMO services account for ~39% of the API market and are projected to grow at ~9–10% CAGR over the same period, driven by increasing outsourcing from global pharmaceutical companies.
- Against this backdrop, Supriya is well positioned to benefit, supported by its niche API portfolio, backward integration, and expanding CDMO presence in regulated markets.

Source: Midas Research, Mordor Intelligence — India API Market Report



# Disclaimer (1/2)

## Absolute Rating Interpretation

<b>BUY</b>	Stock expected to provide positive returns of >15% over a 1-year horizon	<b>REDUCE</b>	Stock expected to provide returns of <5% – -10% over a 1-year horizon
<b>ACCUMULATE</b>	Stock expected to provide positive returns of >5% – <15% over a 1-year horizon	<b>SELL</b>	Stock expected to fall >10% over a 1-year horizon

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# Our Offices



## Chennai

No. 1, 3<sup>rd</sup> Floor,  
First Crescent Park Road,  
Gandhi Nagar,  
Adyar,  
Chennai – 600 020



## Mumbai

Unit – 301, 302, Windsor House, 11<sup>th</sup> floor, C Wing, ONE BKC,  
2, Kolivery Village,  
MMRDA Area, Kalina,  
Santacruz East,  
Mumbai – 400 098

Unit Nos. 1116,  
Bandra Kurla Complex,  
Bandra East,  
Mumbai – 400 051



## Delhi

No. 23, 1<sup>st</sup> Floor,  
Community Centre,  
Basant Lok,  
Vasant Vihar,  
New Delhi – 110 057



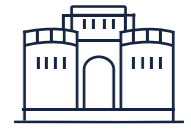
## Bengaluru

No. 2, 3<sup>rd</sup> Floor,  
Prestige  
Emerald,  
Lavelle Road,  
Bengaluru – 560 001



## Hyderabad

No. 25 & 42, 3<sup>rd</sup> Floor,  
Lumbini Avenue,  
Near Preston Prime Mall  
Main Road, Gachibowli,  
Hyderabad – 500 032



## Pune

No. 7/352 1<sup>st</sup> Floor,  
Elbee House,  
Boat Club Road,  
Sangamvadi,  
Pune – 411 001



## Ahmedabad

No. 409, 4<sup>th</sup> Floor,  
Venus Amadeus,  
Near Jodhpur Cross Road,  
Satellite,  
Ahmedabad – 380 015



## Kolkata

No. 9A-1 & 9B-1,  
9<sup>th</sup> Floor,  
No. 95A,  
Park Street,  
Kolkata – 700 016



## Kochi

No.1285 F1, Ground floor,  
The Quadrant, MP Pylee Road,  
Jawahar Nagar Avenue,  
Kadavanthra P O,  
Ernakulam – 682 020



## Thiruvananthapuram

2<sup>nd</sup> Floor,  
Mankulangara Tower,  
Kuravankonam,  
Pattom P.O.,  
Trivandrum – 695 004



## Lucknow

Unit No.6, 3<sup>rd</sup> Floor  
Marigold Building,  
Sapru Marg Shahnajaf Road,  
Hazratfang,  
Lucknow – 226 001



## Kanpur

Unit No 205, 2<sup>nd</sup> Floor,  
Imperial Square,  
16/105,  
MG Road,  
Kanpur – 208 001



## Spark Global PWM Private Limited

Unit number- GV-00-04-03-BC-24, Gate Village Building  
04, Dubai International Financial Centre (DIFC), Dubai, UAE