Beta Drugs

Operator: Good day and welcome to Beta Drugs Ltd. Q2 and H1 FY27 conference call, hosted by PhillipCapital PCG. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand over the conference to Mr. Shri Surya K from PhillipCapital PCG. Over to you, sir.

Shri Surya K: Thank you. A very good afternoon, everyone. On behalf of PhillipCapital Private Client Group, I welcome you to the Q2 and H1 FY27 earnings conference call for Beta Drugs Ltd. Joining us today from management are Mr. Rahul Batra, Chairman and Managing Director; Mr. Ashutosh Shukla, Director of Sales and Marketing; Mr. Nipun Arora, CFO; Ms. Rajni Brar, CS and Compliance Officer; along with Mr. Natarajan, Head of Strategy. I will now hand over the call to Mr. Rahul Batra for his opening remarks. Following his address, we will open the floor for questions and answers. Over to you, sir.

Rahul Batra – Chairman & Managing Director: Thank you so much. Good afternoon, everyone. On behalf of the Beta Drugs family, we wish you all a very happy Diwali.

To start with, let me take you through the key financial highlights. Beta's revenue growth is at 39.2% compared to H1 FY26. The EBITDA margin grew by 0.10%, from 23.08% to 23.18%. PAT showed a significant increase from 24 crores to 34 crores, which is almost 45% growth compared to H1 of last year.

Before going ahead with the key highlights, we want to brief you on the impact of trade margin capping on the MRP. The trade margin capping is nothing new; it is the same one that was declared in 2019. To give you a brief detail, our total branded business in FY26 was 123 crores. The oral business comprised 60 crores of that business, which has no impact at all from these NPPA guidelines, as the majority is sold through distributors. The injectable business is 63 crores out of the total business. Of this, 50 crores come from scheduled drugs whose MRP is already defined by the government, so that will not have even a single impact. The 13 crore injectable business that comes under non-scheduled drugs will also have no impact on our margins, growth, or realization. The overall impact on the company appears to be zero or negligible.

Now let us take you through the key highlights of H1 FY27. The own-branded business grew by 17% in H1 FY27 compared to H1 FY26. In exports, we filed 76 new dossiers in different geographies, including four dossiers in Europe. We have started bioequivalence studies with EU RLDs to file five top-five products in regulated markets, of which one has already been concluded and the rest are in process. We successfully launched four new products in FY27 and plan to launch six more in the coming months. With the effort and dedication of the sales team, we have successfully made five brands exceed 5 crores, with one brand almost touching 10 crores in annual sales. Beta has finally got a breakthrough in Tata Hospital, and we have had some brands approved there in H1 FY27. The latest acquisition, Adven Life Sciences, delivered strong growth of 75% compared to H1 FY26. The API business also delivered 30% growth in H1 FY27.

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Now discussing the business vertical-wise, the first is own brands. The own-brand business showed growth of 17%, as discussed earlier. The OSG, or oral solid dosage forms, contribution to the business has increased to 50% of total business. We successfully launched four new products, and six more are to be launched this year. As discussed, we successfully received our first purchase order from Tata Hospitals. We are on track to achieve 150 crores in sales from our own brand in FY27.

Coming to exports, we achieved 43 crores of sales in the first half of FY27, and we are on track to achieve our target for FY27. Apart from one opportunity we had in 2026, where we achieved opportunity sales of 25 crores, the balance 16 crores came from the territory out of the total 41 crores in FY26. We have achieved more than {? 26 crores ?}, apart from the {? 15 crore ?} sales that we achieved in FY27. Recently, we received 35 new registrations and are on the verge of receiving 50 more registrations this year. We also successfully cleared the audit of Azerbaijan and filed 20 new dossiers, of which 12 registrations are expected in FY27. We have also filed four dossiers in the EU and expect to receive an audit in this financial year. A total of 872 new registrations are in the pipeline, which we will receive over the next 2 to 3 years. In exports, we are on track and will deliver significant growth over the next 2 to 3 years.

Coming to our latest acquisition, Adven, it delivered 75% growth, from 18 crores to 31 crores in sales in the first half of FY27. The acceptance of these products has been high in corporate hospitals, which is a major increase this year. There has also been a significant 50% increase in the prescriber base. The top five brands contribute around 63% of total sales. At Adven, we are evaluating the launch of our first recombinant product over the next 2 to 3 years. Adven will continue to deliver strong growth in this segment.

In Derma, we have seen a consistent increase in secondary sales. PCPM grew by 30% to reach an average PCPM of 2.5 lakh in this half of FY27. Recently, we registered our first consignment, which is on its way to be delivered for high-end cosmetics from Europe. We have successfully in-licensed some products that will be launched in December 2026. Derma will become a great brand over the next 2 to 3 years, which is what we are aiming for.

The CMO business grew by 21% in H1 FY27. The ADDS has played a big role in acquiring new partners. We have successfully partnered with two new Indian giants for the CMO business. The CMO business will maintain its pace in the future as well.

The API business grew by 29% compared to H1 last year. With the ongoing investment in the new intermediate facility, the API business will receive a significant boost in terms of margins and supply. The key focus of this investment is to strengthen our presence in the export market with intermediates manufactured in-house. The API business has a lot of room and opportunity to grow further. We have scaled up new product development and will be the first to launch many molecules as first generics in India, with the support of our API business.

To conclude, at Beta, we will continue to deliver 20-25% growth over the next 3 to 5 years, with sustained margins between 23% and 24%. We are constantly evaluating the biosimilar market. We are looking to tailor a capital-efficient strategy for both marketing and manufacturing. We are also evaluating the manufacture of oncology medicines outside India, where we already have an on-the-ground presence. Thank you. We are now looking forward to the questions.

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Operator: Thank you very much, sir. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking questions. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Disha from Sapphire Capital. Go ahead, ma'am.

Disha – Sapphire Capital: Hello? Am I audible, sir?

Management: Yes, you are audible, ma'am.

Disha – Sapphire Capital: Yes, thank you so much for this opportunity. My first question is a couple of questions. Firstly, congratulations on a good set of results, sir. With our EBITDA margins currently at around 22%, going ahead, I think we are guiding for around 23-24% margins. What do you think will be the key growth drivers? For the next year, what sort of margins should we look at, given the increasing contribution from the CMO business, the API business, and the Nivien business?

Management: I will let Prashant answer this.

Prashant: Thanks. The trend towards increasing margins is going to be aided by a few factors. One is, of course, the change in the mix. If you look at our businesses, our branded business has close to 75% gross margins, our CMO business is closer to 50%, and exports are closer to 55-60%. As the business mix changes, even without any cost optimization or factoring in other externalities, we believe the EBITDA margins will trend higher, purely because EBITDA margins also tend to be a function of gross margins, and our gross margins will trend higher.

Additionally, as you know, we have set up a backward-integrated plant for APIs, which will not just help us file dossiers for geographies such as Europe, but will also help us reduce costs and, therefore, aid in the expansion of gross margins. As the scale of this business increases, a tremendous amount of operating leverage will also kick in. Therefore, I think the guidance towards 25% EBITDA margins is very conservative, keeping in mind the factors that I have just listed.

Disha – Sapphire Capital: Fair enough. For this half, we have seen that growth in the oncology business has been somewhat impacted because of the debottlenecking that was taking place and also because of some supply constraints. What is the update on that? Are we seeing any improvements on the ground?

Management: Yes, I think the detailed explanation will be given by Mr. Nipun, but I can tell you that the debottlenecking exercise is over, and we are now seeing optimal production at both factories. In terms of growth in branded oncology, we are still adhering to our original guidance of 20-22% growth for the full year.

In terms of CMO, I think growth will be further propelled by the improved supply of platinum APIs, which was impacted. If you look at our platinum sales between H1 of this year and last year, we were more or less flat despite the increase in prices, primarily because of the API supply constraint. Overall, we maintain our guidance for all the businesses, despite the branded business delivering 17% growth. At an overall level, I think we are comfortably in the range of touching 535 plus.

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Disha – Sapphire Capital: That is fair enough, sir. On the Nivien side, what is the current margin profile for this business? For this year, it was obviously guided for 50% growth, but will we be able to continue such high growth going ahead as well? What sort of growth are we looking at for FY28 from this business?

Prashant: On the margin front, gross margins are closer to 50% for Nivien, and we are yet to see the synergy benefits from Beta flowing into Nivien. Therefore, there will obviously be an upswing on the gross-margin side.

On the growth prospects for Nivien, it is a very large market and is very scattered outside the top two players. Therefore, there is plenty of headroom for future growth. As Mr. Rahul mentioned, we also intend to enter recombinant hormones, which will expand our addressable market to almost twice its current size. Therefore, 30-35% growth over the next 2-3 years is not outside the realm of possibility.

Disha – Sapphire Capital: What would be the EBITDA margins for this business, and once the synergy benefits come in, where do we expect that number to be?

Nipun: I think today we are closer to 18%, or 18-18.5%, and with the synergy benefits coming in, we should be able to touch 23-25%, similar to what we are doing in Beta.

Disha – Sapphire Capital: For exports also, you have guided for very high growth. What sort of margin differential do we see for exports compared to domestic sales, and what sort of contribution from exports are we looking at for next year and for this year?

Prashant: This year, I think we have guided for sales from exports of between 90 and 100 crores. For FY28 and FY29, rather than giving a year-wise growth projection, what we are looking at is an export business that can deliver approximately 300 crores of business over the next 3-4 years.

The reason I do not want to give an exact guidance is that the export market is purely a tender-driven business. Over a period of 3 to 4 years, I can easily deliver 30-35% growth, but sometimes tenders slip from one financial year into another. On average, you can easily expect a CAGR of around 30% in this business. Given our current base, I think that is an easily achievable target.

Operator: Thank you. Disha, may I request you to please join the queue for the follow-up questions? Ladies and gentlemen, in order to ensure that management is able to address questions from all participants in the conference, please limit your questions to two per participant. The next question is from the line of Avnish Burman from Vakarya Investment. Please go ahead, sir.

Avnish Burman – Vakarya Investment: Hi, good evening. Congratulations on a great set of numbers. I have a couple of questions. Rahul mentioned that the CMO side has obviously seen a step-up in the quarterly revenue run rate. One contributor is the NDDS product that you launched. Is it fair to assume that the margins you earn on this NDDS product in the CMO segment will be higher than your average CMO margin?

Nipun: Absolutely. For NDDS, we do not share the cost sheet. It relates to the new development that we have undertaken. The EBITDA margin, or rather the gross margin, is significantly higher than

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what we are currently achieving on the other products, especially for this product.

Avnish Burman – Vakarya Investment: Is it also safe to assume that for the future NDDS pipeline, when those products contribute to the branded business, you are also planning to offer CMO services for the pipeline NDDS products?

Nipun: Yes, we will offer our own brands to the CMO business as well. CMO has been an integral part of our growth journey. We will provide these products to other partners so that product quality is maintained in the market.

Avnish Burman – Vakarya Investment: Very interestingly, you mentioned the recombinant products in Nivien. Are there any timelines or any further details you can provide? As you said, this could be quite significant.

Nipun: There is one product called FSH. We are in discussions with one company to develop this product along with the Phase 3 trials. It is almost at the final stage before starting development, and the total timeline to officially launch this product in the Indian market will be between 2 and 3 years.

Avnish Burman – Vakarya Investment: Great. My last question is regarding Nivien's revenue for FY26. Could you give me that number?

Prashant: It was in the range of around 43 crores.

Avnish Burman – Vakarya Investment: 43 crores for FY26. Thank you, team, and congratulations once again.

Management: Thank you.

Operator: Thank you. The next question is from the line of Vinay Lakhera from Ratna Traya Capital. Please go ahead.

Vinay Lakhera – Ratna Traya Capital: Hi. I had a question on the CMO business. What is the new guidance for the year, and what is the status of the platinum business that affected last year's revenue? Hello?

Management: Yes, Mr. Prashant, please.

Vinay Lakhera – Ratna Traya Capital: Sorry?

Prashant: We are guiding for the CMO business in FY27 in the range of around 180 to 190 crores.

Vinay Lakhera – Ratna Traya Capital: 180 to 190 crores. What about the issues we discussed in the platinum business last year? Have those issues subsequently been resolved?

Management: Sorry, the audio was not clear. Could you please repeat the question?

Nipun: I will take that up. The supply of platinum is still constrained, but even without platinum, we will be able to achieve the guidance.

Vinay Lakhera – Ratna Traya Capital: Okay. So just... [inaudible]

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Operator: We have lost the line for the participant. The next question is from the line of Rishi Maheshwari from Aksha Capital. Please go ahead.

Rishi Maheshwari – Aksha Capital: Hi, thank you for taking the question, and congratulations to management. I have two questions. First, what is the organic growth rate in branded oncology if I exclude the portfolio changes? I am trying to understand the market-share gain here.

Management: Sorry, let me clarify.

Nipun: The organic growth rate for the branded oncology business is closer to 20–22%, as I mentioned. The market is always in a state of flux: new products come in, and old products go out of favor. Therefore, you cannot really evaluate the market by asking what the growth rate of the existing products will be going forward. The market itself is growing at perhaps 10–15%, and when we are growing at 20–22%, we are taking market share from other incumbents.

However, it would not be correct to say that each and every product will grow at the same pace. It is a mix of newer products entering the market, product innovation, novel formulations, and, obviously, volume growth. It would not be fair to put a number on a brand that was introduced in, say, 2010 and expect it to grow at the same pace today.

Rishi Maheshwari – Aksha Capital: My intention was also to understand the concentration of revenue within the domestic branded oncology business. Is there any specific drug that is significantly more influential than the others?

Nipun: As Rahul said, we have one brand that contributes more than 10 crores out of the total annualized revenue run rate of 150 crores. Therefore, the concentration is clearly low. That is also the nature of the market. Typically, brands tend to plateau at 15–20 crores at best. Therefore, it is a basket of products that determines how successful you are in the branded oncology segment.

Management: Fair enough, sir. I will just add to this. There are different types of cancers prevalent in the market that a person may develop. Every cancer disease has a different medicine. There are many medicines depending on the stage of the cancer and the type of cancer. Therefore, a single product cannot become that large in a particular segment.

Rishi Maheshwari – Aksha Capital: Sure, I understand that. I appreciate it. On the CMO business, what proportion of third-party manufacturing revenue is repeat business? I understand that you have already given growth guidance, but could you elaborate on how visible customer orders are for, say, the next year as well?

Nipun: We have been doing the CDMO business for the past 15 years. Whenever a partner has been associated with us, we have never lost that partner. At Beta, we are a low-cost manufacturer of anti-cancer medicines, and we are one of the largest players, with two plants dedicated to manufacturing. Along with the support of our API business, this makes us unique in the market and the preferred choice for anyone entering oncology or anyone wanting to shift production to a plant.

Therefore, we do not see any issues in the CDMO business. Rather, this business is maintaining its pace, and this year we have shown very positive growth on the CDMO side.

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Operator: Thank you. Rishi, please come back to the queue for the follow-up question. Participants, please limit yourselves to two questions per participant. The next question is from the line of Darshal Zaveri from Crown Capital. Please go ahead.

Darshal Zaveri – Crown Capital: Hello. Thank you so much for taking my question, sir. Firstly, congratulations on a really great set of results. A few of my questions will be more bookkeeping-related. I wanted to understand our current cost of debt. I think we have very low debt of around 50 crores, but we are paying quarterly interest of more than 2 crores.

Darshal Zaveri – Crown Capital: Could you help me with the cost of debt that we have for... {? [unclear] ?}

Management: Hi, hi {? [unclear] ?}. Our cost of debt generally varies between 8% and 9%. If you compare it with last year's cost of debt, last year there were convertible debentures on which we used to pay interest of close to 7% to 7.5%. That has now gone because those convertible debentures were converted into equity earlier this year.

Darshal Zaveri – Crown Capital: So, on a sustainable basis, I think we would have a much lower cost of debt, right? That would have a lesser impact on the books, because even in September...

Management: Yes, we have a lower cost of debt as of now. You must have seen that the PAT margin has increased mainly because of the reduction in the cost of debt. This relates to the debt that was in the form of debentures.

Darshal Zaveri – Crown Capital: Correct. I will ask another question from my end. Most of our segments are being guided for more than 25% growth, so overall, can we say that your guidance of 20-25% growth is slightly on the conservative side? Given the way we are growing, I think we can easily beat that year-on-year as well. Also, are the EBITDA margins that we are guiding for inclusive or exclusive of other income?

Management: Let me take the growth part. Yes, the guidance is on the conservative side. We prefer to keep it that way. The idea is to under-promise and over-deliver.

On the margin front, the reported margins that we have disclosed include other income. EBITDA includes other income. If we exclude other income, the margin is 22%, and if we include other income, the margin is 23.18%.

Operator: Thank you. The next question is from the line of Anubhav Mukherjee from Precedent Capital. Please go ahead.

Anubhav Mukherjee – Precedent Capital: Congratulations on a very good set of numbers. I have some basic questions, as I have been tracking the company only for some time. How do receivable days differ across the different business segments in which we operate?

Management: Basically, our total receivable days are 116 days as of now, compared with 113 days as of March 31, 2026. In the CDMO business, we generally have a credit period of 75 to 90 days. In the branded business, we have a credit period of 60 to 70 days. In exports, we generally go for either advance payment or LC payment. In Medigen also, it is similar to the branded business, so it would

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be 70 days for Medigen.

However, there are some institutional debtors, which are public institutions, and those sometimes take a considerable amount of time, close to 100-120 days.

Anubhav Mukherjee – Precedent Capital: These institutional debtors are mostly for the branded business?

Management: Yes, for the branded business, specifically the tender-branded business.

Anubhav Mukherjee – Precedent Capital: Over the last 3-4 years, even with the increase in exports and branded business, our receivable days have increased. Is it because of more tender business, or what is driving this?

Management: Our volume has also increased. If you look at it, receivable days have increased by only 3 days, from 113 days to 116 days. This is a very negligible increase.

Nipun: I will provide some insight on this. Let me take it up. The total branded business that we are targeting this year is around 150 crores. Of this, the total institutional business we are targeting is around 20-25 crores.

For government business, they commit that payments will come in 90 or 120 days, but most of the time it takes 6 months. That is why these receivables are somewhat higher. Otherwise, government payments will never disappear; government payments do come, but sometimes they do not have the budget allocated for the payment.

That part of the business is not large within branded business. It is only around 20-25 crores out of the total 150 crores that we are doing in the trade market.

Operator: Thank you. The next question is from the line of Bhavika Singhvi from Niveshay. Please go ahead.

Bhavika Singhvi – Niveshay: Hello, am I audible?

Operator: Yes, ma'am.

Bhavika Singhvi – Niveshay: Thank you so much for the opportunity. My first question is on the Platin side. In the Q4 call last year, you mentioned that you had muted the domestic Platin business but expected to continue on the export side. In Q1, you indicated that realization and the net price increase would improve. I wanted to understand how we see the Platin business going forward. Do we expect it to grow in FY27 and over the next 1-2 years? I think H1 has been flat despite the price hike because of API availability.

My second question is on own-brand growth. In Q2, there has been flat growth, and in the last call it was mentioned that there had been a temporary shutdown. I wanted to understand how much that impacted the business and what the other reasons for the flat growth were. What can we expect the run rate to be going forward in H2 in order to achieve the target of 150 crores? Could you please explain this?

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Management: I will explain the Platin business, and Mr. Achyut will address the question regarding branded sales growth.

Regarding Platins, we are generally not concentrating on the Platin business. The reason is the availability of API. We do have orders in hand and an order book for these Platins, but since there are very few manufacturers in India—only one or two manufacturers producing Platins—we are not basing our growth on Platins.

Sometimes the requirement is for 5,000 vials, but we are supplying only 1,000 or 1,500 vials to the market for that particular product. This is how we are managing the Platin business.

For exports, we do have an opportunity in Platins where we do not have to rely on Indian manufacturers. We can import for export purposes under an advance-license basis. That will be taken care of.

The Platin business was flat overall this half, but you will see some growth in the next half of this year.

Bhavika Singhvi – Niveshay: I have a follow-up on this. We are not planning to discontinue the Platin business, correct? I think the cap that has been increased is going to normalize in December this year. I wanted to understand how we see this, because in the quarter before last we were somewhat skeptical because of pricing, costs, and related factors. We also had Platin as part of our CDMO business. Are we currently focusing only on exports, or is it also part of our CDMO business?

Management: No, it will be part of all business verticals involving Platins. However, if the requirement is for 10,000 units, we will deliver 3,000-4,000 so that the market does not become dry and we remain available in the market with these Platins as well.

You will see some growth in the Platin business in the next half. The only reason we are producing Platins is that the government has supported them by increasing the MRPs. Since the MRPs have been increased, realization is much better than it was earlier in the previous year.

The only issue remaining is the availability of these Platins. From our side, we are trying our best to source Platins at the best price and obtain delivery at the right time so that we can fulfill our current order book in both the CDMO and branded businesses.

Coming to the question of flat growth in Q2 for our own-branded business, Mr. Achyut, can you please take this up?

Achyut: Yes, sir. Good evening. As was mentioned by Mr. Natrajan, there was a temporary shutdown of the plant because of the debottlenecking exercise. Sales of around 6-7 crores were impacted and shifted to H2.

If you see the H2 sales of last financial year, we achieved business of around 62 crores, and in this H2 we are expecting business of 80 crores. Taken together, H1 plus H2 in this financial year, we will close sales at close to 150 crores, which is roughly more than 20% growth.

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Operator: Thank you. Ladies and gentlemen, you may press star and one to ask questions. The next question is from the line of Akshaye Shah from VVD Asset Managers. Please go ahead.

Akshaye Shah – VVD Asset Managers: Thank you for the opportunity, and congratulations on the good set of numbers. We acquired land for R&D purposes, and in the last conference call we said that we were going to dispose of it. However, it is not showing under assets held for sale. Are we going to use it for any other purpose? If it is disposed of, for what amount?

Management: We are not using it for any other purpose; rather, we will dispose of it. We are just looking for the right price at which to dispose of it. It may take another 6 months or 1 year. Since we have already paid for it and it is included in the assets, we do not want to sell it at a lower margin. We are waiting to dispose of it at a good price.

Akshaye Shah – VVD Asset Managers: I joined a little late, so this may be a repetitive question. H1 export growth has not been very encouraging, and you have reduced your export growth guidance to 30% from 50%. What are the challenges, and how are you overcoming them?

Management: In H1 FY26, we achieved 41 crores in exports. Last year, we received an opportunity to execute a single order of 25 crores from one country. We did not receive that order this year. If we exclude that opportunity sale, the regular sales we were doing across all countries globally amounted to only 16 crores.

This year, without the opportunity sale that we did not receive, we increased sales from 16 crores to 43 crores. Therefore, there is consistent growth in the export business.

Moreover, we have not guided for only 30%. As Mr. Natrajan also said, we want to guide conservatively but deliver better. As I mentioned earlier, 872 new registrations are in the pipeline and are yet to be received over the coming 2–3 years. Of these, we will receive approximately 50 registrations this year alone. Therefore, although we have given lower export guidance, exports will definitely deliver higher growth in the coming years.

Operator: Thank you. The next question is from the line of Smith Joshi from Oaklane Capital. Please go ahead.

Smith Joshi – Oaklane Capital: In your opening remarks, you mentioned two things. The first relates to evaluating the biosimilar market, and the second relates to oncology manufacturing outside India. Could you provide more details for a better understanding?

Management: Mr. Natrajan, could you please address this?

Natrajan: On the biosimilar front, the idea is to evaluate opportunities for manufacturing and marketing where our capital outlay is not high. As you understand, biosimilars require very high upfront capital commitment, and the gestation periods are very long.

Our view is that we would like to adopt a business model that does not require capital commitment or, rather, limits our upfront capital commitment. Over a period of time, as the business becomes established, we can double down on that business. That is what Mr. Rahul mentioned: we are looking for a capital-efficient model to enter biosimilars, and we are obviously evaluating multiple

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opportunities on that front.

On your second question, there are certain countries that are our focus geographies, which we have consistently mentioned in our investor communications, including LatAm, North Africa, the Middle East, and APAC. Some of these countries are very large addressable markets where we have strong distributor relationships. We may want to establish some manufacturing footprint in these geographies because, as the world moves towards localization, we believe that addressing these opportunities will require some form of local presence.

Smith Joshi – Oaklane Capital: Would it be a greenfield project, an acquisition, or something similar?

Management: It is going to be customized based on the country and the opportunity. It could be difficult to give a blanket response to that.

Operator: Thank you. The next question is from the line of Mansi Krishna, a retail investor. Please go ahead.

Mansi Krishna – Retail Investor: I hope I am audible.

Operator: Yes, sir, you are audible.

Mansi Krishna – Retail Investor: Beyond the company's existing growth plans, what is the next major strategic bet for Beta Drugs that could transform the business beyond FY30, whether in therapeutics or complex oncology product capabilities?

Management: That is what we outlined. We are evaluating opportunities to enter biosimilars and other complex oncology businesses. Obviously, those will take time, so they represent a strategic roadmap even beyond 2030.

Mansi Krishna – Retail Investor: Thank you.

Operator: Thank you. Participants, you may press star and one to ask a question. The next question is from the line of Bhavika Singhvi from Nivashay. Please go ahead.

Bhavika Singhvi – Nivashay: Hello, am I audible?

Operator: Yes, ma'am, you are audible.

Bhavika Singhvi – Nivashay: On the export side, I wanted to understand the forex impact we have seen this quarter. I also wanted to understand how much of the growth has been driven by value, volume, and realization.

Management: Basically, we import as well as export. We import raw materials from China for Adley Lab, and we export through Beta Drugs and Adley Formulation.

We have a positive advantage here because when the dollar rises, we receive remittances in a higher amount. Our foreign-exchange fluctuation is on the positive side, at close to 3 or 4 lakhs. To be precise, it is 2.5 lakhs.

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Bhavika Singhvi – Nivashay: I also want to know the update on the EU GMP audit that we expect to take place this month. What is the status, given that in the last call you mentioned it would happen once the dossier was filed, and I believe we have completed the dossier filing?

Management: We have been informing the market that we expect the EU audit perhaps this quarter. To be very honest, we have been following up very aggressively with the EU auditors.

Earlier, a line extension used to take place in India. The auditors would come and inspect the plant without a dossier. Now there have been changes, and they want a product dossier to be filed in Europe before they come and inspect the plant.

To do that, we had to undertake some product development in accordance with EU requirements. We have completed that and have already filed four dossiers for different clients. We are now expecting the letter very soon. It may happen in the next 2, 3, or 4 months. Therefore, we expect an audit from the EU very soon.

Bhavika Singhvi – Nivashay: I can also see a mention in the presentation of additional API capex. Could you provide some details on what we are doing with that capex?

Management: At present, we manufacture APIs and produce them through different stages. To strengthen this further, we are setting up a new plant for intermediates. We used to procure the intermediates from China, but we now want to become self-reliant and produce those intermediates in India itself.

This is how the API business is taking shape. From intermediates to APIs to semi-formulations, we want to do everything comprehensively in-house. The major investment has gone into the new intermediate plant. What we used to procure from China, we now want to manufacture in India.

Before the plant begins operations, we have already completed some of the research and development work and have developed approximately 20 intermediates for different APIs, which we will manufacture in that plant over the next 2-3 months.

Operator: Thank you. The next question is from the line of Avnish Tiwari from Vakaria Investments. Please go ahead.

Avnish Tiwari – Vakaria Investments: Hi, Rahul. Could you comment on what happened in 2019 when prices for end consumers came down for oncology drugs? How did your margins remain stable, and how did your volumes respond? Was there any elasticity, with lower pricing at the end increasing affordability in Tier 2 and Tier 3 town hospitals? Could you protect your pricing, and overall, do you expect volumes to increase significantly because of this?

Management: You are absolutely correct. There are two types of MRPs prevailing under NPPA. One is price fixation by the government, which relates to scheduled drugs. The other is the requirement that the price be fixed by the manufacturer from the first point of sale.

This is the same thing that happened in 2019, when we revised our MRPs. Since then, we have maintained the same level of gap in our products. That is why we did not see any impact on our margins or realization at that time.

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The same thing has come in 2026, and we expect no impact on our realization or margins. At the same time, 50% of our total business is oral business. Even if the MRP for oral products decreases, these products are not sold through corporate hospitals; they are sold directly through distributors. Therefore, even if the MRP decreases, realization will remain the same, while patients will receive the benefit.

Avnish Tiwari – Vakaria Investments: More patients can afford these products. Overall, that should help oncology volumes grow at Beta's rate, which will eventually benefit you because your pricing and margins remain the same.

Management: Absolutely. As one of the largest manufacturers, we see a positive possibility that we may benefit from this new law, or rather, this new measure introduced by the government.

Avnish Tiwari – Vakaria Investments: Great. Thank you, and best of luck for the future.

Management: Thank you.

Operator: Thank you. The next question is from the line of Ajay Surya from Nivashay. Please go ahead.

Ajay Surya – Nivashay: Thank you for the opportunity. I am relatively new to the company, so I wanted to understand the growth strategy. We have grown almost 30% in this half year, but if I remove the Nivion acquisition, on a like-for-like basis the growth is fairly subdued, at around 15%.

For this year and our FY30 vision of potentially reaching 1,000 crores, can you give us some quantitative growth indicators by splitting how much will come from organic branded oncology, exports, CMO, API, pharma, and Nivion?

Also, in the last couple of years, there have been a few external risks that have affected the business. Cisplatin availability and API availability have remained concerns or have been constrained. The capping has also affected the business, and institutional revenues are now becoming a larger portion. How can that affect working capital?

As far as I understand from the call, exports are mostly tender-driven, and many registrations are still pending. What portion of export growth is supported by confirmed orders versus expected registrations and pending tenders, where export growth can come only after approval? I wanted to get more clarity from you on the growth front.

Management: In the interest of everyone's time, we released a document after our FY26 results in which we laid out our Vision 2030. I think that document explains how each of these businesses will drive growth. I would sincerely request that you go through it. I would be happy to address any questions once you have reviewed that material.

Overall, we believe the key growth engines for Beta will continue to be our branded business and our exports. When I say branded, I also include Nivion in that. Nivion will, of course, deliver much faster growth, while our branded oncology business, as I said, is guided to grow at 20–25% over the medium term.

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Our exports business will have exponential growth, primarily driven, as you rightly mentioned, by the commercialization of products as and when they are approved. That is the basic framework through which we see ourselves achieving 1,000 crores. Regarding the specifics, I am happy to address your questions once you have gone through that document.

Operator: Thank you. The next question is from the line of Kumar Saurab from Scientific Investing. Please go ahead.

Kumar Saurab – Scientific Investing: Hello, sir. My question is on Nivion. I think we completed a 66% acquisition. Do we have any plans to acquire the remaining stake? Could you also highlight how this growth has been achieved? I think we have tried to penetrate corporate hospitals and have entered that segment. You also mentioned that 60% of the subscriber base has been covered so far. Could you discuss Nivion's growth, how it has come about, what we are planning, and whether we plan to buy the remaining stake, given that this is a business performing very well for us?

Management: Addressing your second point first, regarding growth, it has primarily come through deeper penetration, increased prescriptions of our products, and, as you rightly mentioned, empanelment in multiple corporate IVF chains.

Just as oncology is moving more and more into organized chains, IVF is also moving increasingly into organized IVF chains. Therefore, getting empanelled in those chains becomes a critical driver. Most of our brands have delivered very strong growth, so the growth is completely organic and comes from brands that are now being recognized by prescribers.

We also plan to launch a few products in the next half of the fiscal, which will add to growth. The addressable market that Nivion caters to today is in the range of about 200–300 crores. Given our size, there is plenty of headroom for future growth, both through higher prescriptions and increased coverage.

Regarding the plan to acquire the remaining 30-odd percentage, that is open-ended. One of the reasons we acquired Nivion was that we were getting a phenomenal team that had worked in the IVF industry for close to 2 decades. The idea was to retain them, and the best way to retain them was to give them equity in the business they were building.

Kumar Saurab – Scientific Investing: Great, sir. Thank you for a great quarter. The last 2–3 quarters were turbulent, and as you said last time, we were expecting good results. I have one last question on the overall margin issue related to the oncology capping.

I was on the call, and my understanding is that it will not have any major impact. I hope you are accounting for all scenarios in which there could be back-and-forth discussions with hospitals or distributors. Despite that, given the way our portfolio is distributed, we should not see a major impact on margins. I hope that is a fair assumption.

Management: We are taking care of all compliance requirements on the NPPA front and will ensure that our realizations are not disturbed.

Kumar Saurab – Scientific Investing: Great. I wish you all the best, sir. Thank you very much.

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Management: Thank you.

Operator: Thank you. The next question is from the line of Bhavika Singhvi from Nivashay. Please go ahead.

Bhavika Singhvi – Nivashay: Hello, am I audible? Hello? Hello, am I audible?

Operator: Yes, ma'am, yes, ma'am.

Bhavika Singhvi – Nivashay: I have a follow-up on the previous question. The reason I asked about the capex on the intermediate side is that, in the last few calls, you mentioned the KSM capex that you were planning to undertake. We also bought an existing plant for about 9 crores and invested 15-17 crores. Now we are mentioning intermediates. I wanted to understand whether these are two different projects or whether this is the same plant that we were discussing. I also wanted to understand...

Bhavika Singhvi – Nivashay: What total capex is expected? Are we also planning to undertake further capex for the same facility? I also wanted to understand the API revenue side. From the current levels, do we expect a spike or growth, or do we assume that it will sustain at the current level? That is one question.

My second question is on the CMO business. You mentioned the NDDS product that we are developing and said that it has been helping our CMO business. As we are now focusing more on our own brand, how much do we expect the NDDS product to contribute to the own-brand business? What current revenue are we generating from NDDS? How much did we achieve from the NDDS product this quarter, if you can share that information? That is all.

Management: So, {? because ?} of all the questions, it will be very difficult to answer everything now, and we have already discussed the NDDS matter.

On the API front, we can tell you that, yes, it is the same plant that we have been discussing. KSM and intermediates are the same thing. It is the same plant in which we have invested, and this plant will begin operations by December or January. Almost all the machinery is in place; we are just carrying out some qualifications, and some approvals are still awaited from the department. This plant will be operational by January {? 27 ?}.

Coming to the growth of the API business, until now we have been selling APIs in the Indian market. There has been a significant opportunity since we had the plant audited by {? COFEPRIS ?} for API as well. We expect the approval to come in the next 1-2 months. Once we receive it, our {? [unclear] ?} plant, which is also the API plant, will be {? COFEPRIS ?} approved.

This will open up many opportunities to supply APIs to different countries overseas as well. The opportunity in this business has not yet been tapped or covered by us. Therefore, the opportunity is significant.

To further enhance this opportunity, we are setting up the intermediate facility so that we have proper DMF and ASMF documentation available with us. If an audit takes place in the future, we can have both plants audited for the intermediate, the KSM, and the API. The opportunity is substantial.

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Management: Thank you. I have a small suggestion for everyone who is newly tracking the company. You can reach out to Valorem Advisors, which is our IR firm, and they will help you connect with us to address your questions.

Operator: Thank you, sir. Ladies and gentlemen, we will take this as the last question for today. I now hand over to Mr. Rahul Batra for his closing comments. Over to you, sir.

Rahul Batra: Thank you all for attending our conference call. At Beta, we will continue to deliver 20-25% growth. Along with this, we will continue evaluating different opportunities that arise in oncology, whether in biosimilars or production in different countries. We want to be at the forefront of manufacturing and marketing oncology medicines in India and overseas. Thank you.

Operator: Thank you. On behalf of Beta Drugs Ltd. and Select Capital {? PCG ?}, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you. Thank you.

Management: Thank you.

Analyst1: Thank you.

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

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