Operator: Ladies and gentlemen, good day, and welcome to Ajanta Pharma Ltd. Q2 FY27 Earnings Conference Call. 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 then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Yogesh Agrawal, Managing Director of Ajanta Pharma Ltd. Thank you, and over to you, Mr. Agrawal.

Yogesh Agrawal – Managing Director: Thank you. Good afternoon, everyone, and welcome to Ajanta Pharma Ltd.'s Q2 earnings call.

With me today, I have Mr. Rajesh Agrawal, our Joint Managing Director; Mr. Arvind Agrawal, our CFO; and Mr. Rajeev Agrawal, our Vice President, Finance and Investor Relations.

I hope all of you have received the financial results by now.

Before we start, here is the order for today. I will cover the group and our international businesses. Our Joint Managing Director will take you through India, and our CFO will close with the financials and our guidance for the year.

Please note that during this call, we may make certain forward-looking statements that are subject to risks and uncertainties.

I will start with overall business performance, and I am happy to inform you that we have closed the second quarter on a healthy note. Revenue from operations for the quarter grew by 33% to Rs.1,794 crores. EBITDA grew by 47% to Rs.543 crores at a margin of 30%, and profit after tax grew by 49% to Rs.388 crores.

For the first half, revenue grew by 29% to Rs.3,420 crores and profit after tax grew by 40% to Rs.722 crores.

Our financial position continued to strengthen, with return on capital employed at 41% and return on net worth at 31% as of the end of September 2026. These robust returns reaffirm our position among the industry's leading performers.

Let me now take you through our key business verticals, starting with the branded generic business in Asia and Africa, which contributed 38% to total revenue in the second quarter of the current financial year. We continue investing in new markets and products, which will ensure consistent growth in this part of the business.

Starting with Asia branded generics, I am pleased to share that despite the ongoing geopolitical tensions in the Middle East, our proactive efforts to leverage alternative shipping routes have enabled us to ensure the safe and timely delivery of consignments to our respective markets. This has resulted in our Asia branded generic business bouncing back during the quarter, with growth of 18% and sales of Rs.366 crores compared with Rs.310 crores in the corresponding quarter last year.

In the first half, sales were at Rs.621 crores compared with Rs.614 crores in the corresponding period last year, representing growth of 1%.

Report is AI-generated and may contain inaccuracies.

During the first half, we launched four new products in the region and are confident that the growth momentum will continue in the coming quarters.

Moving to our Africa branded generic business, in Q2, it continued to deliver a strong performance, with sales increasing by 41% to Rs.312 crores compared with Rs.221 crores in the corresponding quarter last year.

In H1, sales were at Rs.607 crores compared with Rs.449 crores in the corresponding period last year, representing excellent growth of 35%.

This robust growth in the first half reflects gains in market share, new product launches, field force additions over the last 2-3 years, and favorable currency movement.

During the first half, we launched three new products, further supporting our continued expansion across the region.

As can be seen, our conscious decision to keep the business well diversified across markets enables us to continue performing and delivering growth despite the challenges.

Let us now turn to the other 2 verticals within our international business. Our US generic business continued to deliver a strong performance, contributing 27% to our revenue in the second quarter.

During Q2, revenue grew by 41% to Rs.484 crores compared with Rs.344 crores in the corresponding quarter last year.

For the first half of the year, revenue stood at Rs.971 crores, registering growth of 49% over Rs.653 crores in the same period last year.

The strong growth in Q2 and H1 was partly supported by a lower base in the corresponding periods of the previous year.

During the second half of FY26, we had a few limited-competition products that drove healthy sales growth. New players have now entered these products, which will moderate our growth momentum during the second half of the year. Taking these factors into consideration, we maintain our full-year revenue growth guidance of high single digits for the US generic business.

During the first half, we launched three products, received four final approvals, and filed one ANDA. We currently have 17 ANDAs pending approval.

Let me now discuss our Africa institution business, which delivered a stronger-than-expected performance during the quarter, contributing 7% to our total revenue.

Q2 sales grew by 259% to Rs.116 crores compared with Rs.32 crores in the corresponding quarter last year.

For the first half of the year, sales stood at Rs.187 crores, registering growth of 164% over Rs.71 crores in the same period last year.

Report is AI-generated and may contain inaccuracies.

As we have consistently highlighted in our earlier communications, procurements by institutional agencies remain unpredictable, both in terms of timing and value. While we witnessed strong procurement activity during the first half of the year, given the inherent uncertainty in this business, we do not expect the same level of sales to be sustained in the second half.

Now, I invite Mr. Rajesh Agrawal, our Joint Managing Director, to brief you on the India business. Thank you, and over to you.

Rajesh Agrawal – Joint Managing Director: Thank you. Good afternoon to all of you.

Our India business continued to deliver excellent performance in the second quarter of the current financial year. The strategic investments we have made in expanding our field force and entering new therapeutic areas have started yielding encouraging results. We remain committed to these investments to drive sustainable growth in the coming quarters and years ahead.

Reflecting this progress, I am pleased to share that our overall ranking in the Indian pharmaceutical market improved to 23rd in September 2026 from 24th in March 2026.

According to IQVIA MAT September 2026 data, Ajanta continued to outperform the Indian pharmaceutical market, registering growth of 17% compared with market growth of 13%. Our volume growth stood at 18%, ahead of the overall market, while our growth from new product launches exceeded the market by 70%.

Importantly, this performance was broad-based across most of our therapeutic segments, with our growth consistently exceeding the respective segment averages. We remain confident of sustaining this positive momentum in the years ahead.

Within our covered market, we continue to rank among the top 10 players across all our core therapeutic segments. Cardiology remained the largest contributor to our India branded sales at 37%, followed by ophthalmology at 28%, dermatology at 22%, and pain management at 10%. Our newer therapeutic areas contributed the remaining 3%, reflecting the gradual progress of our diversification efforts.

Coming to our financial performance, the India business contributed 28% to the company's total revenue during the second quarter. Q2 sales grew by 16% to Rs.504 crores compared with Rs.432 crores in the corresponding quarter last year.

For the first half of the year, sales grew by a healthy 20% to Rs.1,013 crores compared with Rs.841 crores in the same period last year.

Field force productivity, measured as PCPM, improved to Rs.4.5 lakhs in the first half as against Rs.3.7 lakhs in FY26. This performance was further supported by our continued focus on new product introductions.

Our India business also includes the trade generics segment, which contributed Rs.56 crores in Q2 and Rs.104 crores during the first half of the current financial year.

Report is AI-generated and may contain inaccuracies.

With this, I now invite Mr. Arvind Agrawal, our CFO, to take you through the financial performance. Thank you, and over to you, Arvind.

Arvind Agrawal – CFO: Thank you, and good afternoon to all.

I will take you through the consolidated financial performance for the second quarter and first half of the current year.

Revenue from operations for the second quarter grew by a healthy 33% to Rs.1,794 crores compared with Rs.1,354 crores in the corresponding quarter last year.

In the first half, revenue grew by 29% to Rs.3,420 crores compared with Rs.2,656 crores in the corresponding period last year.

Of this, India contributed 28%, branded generics across Asia and Africa contributed 38%, the US generic business contributed 27%, and the Africa institution business contributed 7% during the second quarter of the current year. This is an affirmation of our diversified business model, supporting consistent growth even in the face of challenges in some of our markets.

Our gross margin stood at 79% for the second quarter and first half of the year. The improvement over FY26 was primarily due to favorable currency. For the full year, we expect gross margins to remain around 78%, with a variation of plus or minus 100 basis points.

Personnel cost remained stable at the Q1 level and stood at Rs.384 crores in Q2 compared with Rs.317 crores in the corresponding quarter last year, representing an increase of 21%. In the first half, cost stood at Rs.765 crores compared with Rs.620 crores in the corresponding period last year, representing an increase of 23%. This increase was mainly attributable to annual increments, field force expansion, and additional manpower at the manufacturing facility.

R&D expenditure, which is included within personnel cost and other expenses, stood at Rs.72 crores in Q2 compared with Rs.63 crores in the corresponding quarter last year. In the first half, cost stood at Rs.138 crores compared with Rs.119 crores in the corresponding period last year. This represented approximately 4% of our total revenue. For the full year, we expect R&D expenditure to be around 5% of revenue, with spending stepping up in the second half.

Other expenses in Q2 stood at Rs.483 crores compared with Rs.392 crores in the corresponding quarter last year, representing an increase of 23%. In the first half of the year, expenses were at Rs.971 crores compared with Rs.765 crores in the corresponding period last year, representing an increase of 27%. First-half other expenses included a foreign exchange loss of Rs.26 crores. The increase in other expenses is in line with our business growth and mainly reflects higher selling expenses, international logistics, and manufacturing costs. The increase in expenses also reflects our continued strategic investments in products, brands, and people across the branded generic portfolio. We expect other expenses to remain broadly aligned with the current trend.

EBITDA for the second quarter was Rs.543 crores, up 47% from Rs.369 crores in the corresponding quarter last year, at a margin of 30% against 27% last year.

Report is AI-generated and may contain inaccuracies.

Management: There was no foreign exchange loss in the quarter, so reported and adjusted EBITDA are the same.

For the first half, reported EBITDA was Rs.971 crores at a margin of 28%. Excluding the foreign exchange loss of Rs.26 crores booked under other expenses, adjusted EBITDA was Rs.997 crores, up 34% from Rs.745 crores last year at a margin of 29%.

We remain confident of maintaining an EBITDA margin of around 27%, with a variation of plus or minus 100 basis points, while continuing to invest in the development of our markets. This implies a lower margin in the second half than in the first half as competition in the US builds, institutional sales normalize, and we step up investment in R&D and our field force.

During the second quarter, other income stood at Rs.42 crores, and in the first half it was Rs.108 crores. Other income includes a gain from foreign exchange of Rs.24 crores in the second quarter and Rs.69 crores in the first half of the current year. Taken together with a Rs.26 crore loss under other expenses, the net foreign exchange effect for the first half was a gain of Rs.43 crores.

Profit after tax for the second quarter grew by 49% to Rs.388 crores compared with Rs.260 crores in the corresponding quarter last year, at a margin of about 22% of revenue. For the first half, profit after tax grew by 40% to Rs.722 crores compared with Rs.516 crores in the corresponding period last year.

The effective tax rate for the first half stood at 26.5% and is expected to be around this level for the full year.

Capital expenditure during the first half stood at Rs.210 crores. For FY27, we expect capital expenditure to be around Rs.400 crores, including around Rs.150 crores of maintenance capex and the balance for capacity expansion.

Coming to the working capital and return ratios, our financial position strengthened between March 2026 and September 2026, with return on capital employed improving from 33% to 41% and return on net worth improving from 25% to 31%. This was supported by better working capital management, with trade receivable days reducing from 125 to 100 days due to better collection in the US business. Inventory days also improved from 63 to 52 days as we continue to focus on enhancing working capital efficiency. We closed September 2026 with net cash and investments of Rs.574 crores after paying the interim dividend of about Rs.400 crores during the quarter.

To sum up, there are 3 things to take away from today. First, a strong first half: revenue from operations was up 29% to Rs.3,420 crores and profit after tax was up 40% to Rs.722 crores, with every business growing in the second quarter. Second, our FY27 guidance is unchanged: revenue growth in the high teens, which factors in a moderation in the second half as new competition in the US takes effect and institutional sales normalize; gross margins of about 78% and EBITDA margin of around 27%, each with a variation of plus or minus 100 basis points; R&D at around 5% of revenue; an effective tax rate of about 26.5%; and capital expenditure of around Rs.400 crores. Third, our balance sheet continues to strengthen, with return on capital employed at 41% and return on net worth at 31%. Our core branded generic businesses in India, Asia, and Africa remain the foundation for consistent growth in the years ahead. With this, we now open the floor for the

Report is AI-generated and may contain inaccuracies.

question-and-answer session. Thank you.

Operator: Thank you. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on your 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 a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question comes from the line of Niharika Agarwal with Nirmal Bang. Please go ahead.

Niharika Agarwal – Nirmal Bang: Thank you for the opportunity. My question was more towards the US generics. We saw approximately 49% growth in H1. I wanted to understand what is really driving this growth. Is it the new launches, market share gains in existing products, or improving pricing?

Management: From the second half of last year onwards, we had a product with a limited-competition situation. We continued that through the second half of last year and the first 2 quarters of the current year, the first quarter and the second quarter. Because of that, sales in the US were at elevated levels, and that is what drove the 49% growth for the quarter. As we shared in our opening remarks, new competition has entered this product. We therefore expect our market share for this product to reduce. Because of that, sales will normalize for the US going forward in the next few quarters.

Niharika Agarwal – Nirmal Bang: Thank you. With 5 to 6 ANDA filings targeted annually, how should we view the US business trajectory for the next 2-3 years, more from a long-term perspective?

Management: I can only give a strategic direction. We continue to file these products. In the first half, we also launched 3 products. We expect a few more approvals during the next 2 quarters, and we will probably bring them to the market as well. We have some good products in the pipeline, subject to approval from the FDA, which should keep bringing them to the market and enabling us to launch them.

We do not share guidance for the next year, but for the current year, we had a very good last year and a very good current first half. In the next 2 quarters, with sales normalizing, we are still at the beginning of the year. At the beginning of the year, we had given guidance of mid-single-digit growth, which we are now revising to high single-digit growth for the US market. This is the outlook for the current year. Let us see how the situation evolves, how many approvals we receive, and how many products we launch in the first quarter this year. According to that, I think we will probably share next year's guidance at the appropriate time, perhaps in Q4 or Q1 of next year.

Niharika Agarwal – Nirmal Bang: Thank you. On the Asia business, we saw 18% growth in Q2. What is really leading to this growth? Are we seeing improvement in underlying demand, or is it because of product launches, or is it simply because of a favorable base?

Management: It is a combination of multiple things. The base for the earlier Q1 and Q2 was around Rs.300 crores. Last quarter, sales were slightly depressed at Rs.255 crores, but we have bounced back to Rs.366 crores. There were supply chain issues and logistical challenges in getting the stocks into the market. Those issues have now been resolved.

Report is AI-generated and may contain inaccuracies.

In the last quarter, we also said that some sales that were expected in the last quarter were pushed out at the last minute. We should see those sales reflected in Q2 and Q3 and Q4 as well. So, it is a combination of everything, with a lot of things being streamlined. Logistics and the geopolitical tensions that created logistical challenges are being streamlined. We are doing well and are able to increase our market share.

We had given guidance for Asia of mid-teens growth, and we continue to stand by that. Although our sales were lower in the first quarter, we will catch up in Q3 and Q4. For the full year, we are looking to post mid-teens growth in Asia.

Niharika Agarwal – Nirmal Bang: Okay, that was all for me. Thank you for the opportunity.

Management: Sure.

Operator: Thank you. The next question comes from the line of Tushar Manudhane with Motilal Oswal Financial Services Limited. Please go ahead.

Tushar Manudhane – Motilal Oswal Financial Services Limited: Thanks for the opportunity. Sir, first, on the step-up in R&D spend, could you elaborate further? Which geography is this for? Is it just the US or the other geographies as well?

Management: The US accounts for almost 50%, and India and emerging markets account for 50%. That is our approximate R&D spend bifurcation.

Tushar Manudhane – Motilal Oswal Financial Services Limited: For the US, is this related to any specific product where we see an opportunity, or is it for multiple products?

Management: No, our program runs across multiple products at a time because our team is developing them. In R&D, we are not developing simple IR products. More than 50% of our products are delayed-release and extended-release products. We primarily focus on complex products. That is why it takes time, and sometimes we have a good year when we have successful bioequivalence studies, while in some years we do not have as much success.

We are working on multiple products at a time. I think it would be more than 15-20 products at a time, and our outlook is that we should file 8 to 10 ANDAs every year. So, there are multiple products for every geography, not only for the US. For every geography, there are products being developed at a time.

Tushar Manudhane – Motilal Oswal Financial Services Limited: Got it, sir. On the EBITDA margin guidance of 27% plus or minus 1%, when we have achieved almost 29% in the first half, by a back-of-the-envelope calculation, it seems that the second-half margin will be almost 26%. Is that the way the margin trajectory would be for the second half?

Management: Yes. As we mentioned, the US business is going to be a little lower. The institutional business is also going to be a little lower. With both of them normalizing, I think EBITDA margins will be a little lower than in the first half.

Report is AI-generated and may contain inaccuracies.

Tushar Manudhane – Motilal Oswal Financial Services Limited: Got it, sir. Lastly, for the India business, cardiac therapy growth has been lower than the IPM. Could you highlight the steps we are taking to bring it in line with or above IPM growth?

Management: Actually, our growth is in line with IPM growth. As I mentioned in the presentation, there is some anomaly in the IQVIA numbers that we are trying to resolve, but it is taking some time. Otherwise, our growth in cardiac is in line with IPM growth.

Management: As a matter of fact, it is slightly better than the covered markets. So, internally, we are not worried about that.

Tushar Manudhane – Motilal Oswal Financial Services Limited: Got it, sir. That is it from me. Thank you.

Management: Yes.

Operator: Thank you. A reminder to all participants that you may press star and one to ask a question. The next question comes from the line of Rashmi Shetty with Dolat Capital. Please go ahead.

Rashmi Shetty – Dolat Capital: Thanks for the opportunity, and congratulations on a good set of numbers. On the India business, in the first half, we have seen growth of around 20%. IPM growth is also quite strong, at around 12% to 13% in the first half. What we want to understand is that growth is generally broad-based. What has really changed from earlier, when growth was only 7% to 8%, and now it is more than 11%? What has really changed in the IPM itself and for our company? Is this kind of growth sustainable next year as well? If you can comment on this.

Management: There are multiple factors. I think one of them is the penetration of hospitals that is taking place. The bed-to-patient ratio is naturally improving. Also, multiple government schemes are helping to drive prescriptions and offtake. That is definitely helping.

Insurance coverage is also improving, through large government schemes as well as private insurance coverage. These are broader factors aiding growth.

Of course, this kind of growth was not forecast until last year. Another factor that is perhaps happening is a slight slowdown in the growth of the generic, unbranded generic segment. We saw that segment take off over the last 2-3 years, but it has slowed down a little. That is adding back to prescription growth. These are the broad factors aiding growth. We hope that this trend continues. New product launches are also helping.

Rashmi Shetty – Dolat Capital: Okay. For the India business and Ajanta Pharma Ltd., how should we view growth for the entire year? Should we still maintain the 15% guidance, or do you feel that we will be able to perform better in the second half as well?

Management: Our guidance is mid-teens, and we have always maintained that we should be able to grow 20% to 25% faster than IPM growth and covered-market growth, which is what we are doing. It would be marginally better, but again, it is a bit early. Perhaps after Q3, we will have a better understanding of where we expect to land.

Report is AI-generated and may contain inaccuracies.

Rashmi Shetty – Dolat Capital: On the Africa branded generic business, we are seeing growth of more than 30%. For the second half, our base is also quite high. What kind of normalized growth can we expect for the full year?

Management: We have very good momentum in our favor in Africa. The growth is the composite result of many things. As you know, we have been expanding our field force size in Africa significantly over the last 2-3 years. We are now seeing that field force blossom and become more productive.

We have also launched some good products, which is helping growth. Of course, we are also gaining market share in our existing products. There has also been some support from currency translation.

On a like-for-like comparable basis, we have good momentum. We had given guidance of high double-digit growth for the Africa business, and we are hopeful of continuing the momentum going forward in the second half as well.

Rashmi Shetty – Dolat Capital: So, do you mean to say that we should see a similar kind of momentum in the second half as well, despite the high base in H2 FY26?

Management: More or less. It could be slightly lower, but it will be robust growth.

Rashmi Shetty – Dolat Capital: Understood. On the working capital cycle, you mentioned that trade receivable days and inventory days have come down. At the end of March 2027, what should we expect? Will these days be lower compared with March 2026, or will they more or less return to earlier levels?

Management: I think they will return to a similar level. In receivables, you may see some improvement, but in inventory, we will go back to the March levels. Currently, for the half-year or quarter-end, there was some reduction, but by year-end, we expect it to be the same as where we closed last year.

Rashmi Shetty – Dolat Capital: Understood. One clarification is required on the foreign exchange loss. In the consolidated P&L, how much was the foreign exchange loss sitting in other expenses for this quarter?

Management: For the quarter, there was no loss.

Rashmi Shetty – Dolat Capital: Okay, so nothing that—

Management: For the quarter, there was no loss; there was only a gain. In H1, there was a loss of Rs.26 crores.

Rashmi Shetty – Dolat Capital: Okay, got it, sir. Thank you. That is it from my side.

Management: There is also a gain sitting in other income.

Rashmi Shetty – Dolat Capital: Other income, yes, I am aware of that. Thank you, sir.

Report is AI-generated and may contain inaccuracies.

Management: Net-net, we received a profit of Rs.43 crores in the first half.

Rashmi Shetty – Dolat Capital: Okay, sir.

Management: Thank you.

Rashmi Shetty – Dolat Capital: Thank you.

Operator: Thank you. A reminder to all participants that you may press star and one to ask a question. The next question comes from the line of Aman Kumar Singh, an individual investor. Please go ahead.

Aman Kumar Singh – Individual Investor: Good afternoon, and congratulations on a very good result. I would like to know a little more about what we are doing to expand our Asia business. We have seen a tremendous amount of growth in the India business, the US business, and the Africa business, especially the Africa institution business this time. What is our role, and how are we going to expand the Asia business? If the other businesses moderate, some areas need to accelerate so that we can have better growth in the coming quarters.

Management: Your question is very broad-based, so it is difficult to give a very specific answer. There are 2 aspects. I will split it in 2 ways: the existing geographies where we are present, and the new geographies.

In the existing geographies where we are present, we have a very good product pipeline under registration in various countries. We have a number of good products under development in R&D. As both come to the market, a certain percentage of growth is driven by new product introductions. We have a good product pipeline, and that will continue to drive growth.

We are also continuously adding manpower because we see a gap or a void. As we launch more products, we need more people on the ground. With that, we are also able to increase growth momentum.

To share an update with you, in the first half of the current year itself, we added more than 100 people in the emerging markets in the field. We increased our field force size by about 5% in the first half, and we have given guidance that we will increase field force size by around 7% to 8% for the full year in the emerging markets.

That is the position for the existing geographies, and we are on track. The challenges we faced last year and in the first quarter were primarily logistical and supply chain issues, not related to demand or our ability to increase the business or gain market share. As those 2 challenges are behind us, we are confident that we should be able to post good results in this area.

We are also actively looking at new markets where we are not present in the Middle East. There are certain markets where we are at a mid-stage and are not yet at a very evolved stage. As those markets continue to develop, they will also continue to deliver growth.

All in all, there are good engines or growth drivers in Asia that have been put in place to sustain growth in the coming years as well.

Report is AI-generated and may contain inaccuracies.

Aman Kumar Singh – Individual Investor: Thank you, that was a good answer. Another question I have is regarding the India business. You said that one of the growth drivers we are seeing is a large increase in prescriptions from the Indian market, especially through government-aided schemes, government hospitals, and the new beds being added in our country. There is also an issue related to many drugs recently coming under the NPPA radar. How is that going to affect our growth or profit margin while doing business in India?

Management: Some of these products that are [inaudible] only in the oncology segment, and since we do not operate in that segment, it has zero impact on us whatsoever. We continue to operate under normal circumstances.

Aman Kumar Singh – Individual Investor: Thank you. I think I got my [inaudible]. Thank you so much.

Operator: Thank you. The next question comes from the line of Harshil Patil with Ask Wealth Advisors. Please go ahead.

Harshil Patil – Ask Wealth Advisors: Thank you for the opportunity. I have just 2 questions, more from an understanding perspective. Continuing on the earlier participant's point, while the government is addressing oncology, we do have cardiology as well, which is something that hospitals would administer. Let us build a case where something like this comes in. Is there a case where we could also be impacted, perhaps having to share something with the channel or revise some prices? Any thoughts or color you can provide on this would be helpful.

Management: Until we have a specific product list from the government and specific pricing, it is not possible to do any analysis on this. I would greatly appreciate your understanding. Otherwise, it becomes too theoretical, with multiple scenarios. Broadly speaking, there is no immediate threat, in my view. This is where we are.

Harshil Patil – Ask Wealth Advisors: Right.

Management: It is not a very big [cut off]

Harshil Patil – Ask Wealth Advisors: Okay. That is helpful. You are not very worried, and that helps. The second thing is regarding the in-licensing of semaglutide that we have done. I wanted your thoughts on when you think we will start seeing the numbers in revenue. Since we are more focused on the Africa and MENA regions, what kind of potential should we see? Any qualitative comments would also be helpful. I know this is more of a long-term story, but I wanted to understand it.

Management: I think sales should start coming in the next year, that is, 2027-2028. As you know, product registration in various countries takes a lot of time. On average, the approval lead time is around 2 years, and we have just started filing the dossier.

It will trickle in, and since the arrangement covers a large number of countries, including small, medium, and large-sized countries, it will start to trickle in. It will not be like a single product launch of a sizeable product in one country where you see the full benefit in one go. It will have a trickle-in kind of impact.

Report is AI-generated and may contain inaccuracies.

We should not factor in too much. Whatever growth guidance we provide each year will be built around all of this, including these tie-ups and in-licensing tie-ups. This will also be folded into the guidance we provide.

Harshil Patil – Ask Wealth Advisors: So, you are saying that whatever the potential may be, it will be included as part of the guidance when it is shared?

Management: Yes. We will keep sharing. Every year, we share guidance at the beginning of the year. Whenever we share the guidance, it will also encompass this in-licensing arrangement.

Harshil Patil – Ask Wealth Advisors: Sure. The point I will take away is that the approval lead time is around 2 years and we have just started filing. As a ballpark understanding, I can keep these points in mind, correct?

Management: Absolutely. You are absolutely correct.

Harshil Patil – Ask Wealth Advisors: Perfect. Thank you, sir. That is it from my side, and all the best.

Management: Thank you.

Operator: Thank you. The next question comes from the line of Yasir Lakhdawala with Antique. Please go ahead.

Yasir Lakhdawala – Antique: I would appreciate it if you could share some commentary on our MR productivity in the India business. To build on that India business question, when you talk about new launches, what are the portfolio gaps in our existing therapy areas that you feel need to be filled through these launches? Secondly, over the next 3-5 years, do you believe we will have to diversify the therapy mix? Any comments on that would be helpful.

Management: On productivity, as I mentioned in the opening remarks, first-half productivity stands at Rs.4.5 lakhs as against Rs.3.7 lakhs for the entire financial year last year. We have gained substantially in per-man-per-month productivity. That is where we stand. What else would you like to know?

Yasir Lakhdawala – Antique: On the existing branded generic portfolio, where do you feel you need to fill portfolio gaps in the existing therapies through these new launches? Secondly, are there any therapies you would like to enter over the next 3-5 years that we are not currently in?

Management: It is a continuous process within our company to stay on top of and ahead of the competition by identifying new product opportunities and continuing to launch them. Whenever we feel that there is a sizeable market and a gap area, that is how we proceed.

We have a rich product pipeline for the remainder of the year as well as next year. Going forward, to answer the last part of your question on new therapeutic areas, we continue to evaluate opportunities. Last year, for example, we entered gynecology, which is gaining significant momentum for us internally.

In that sense, we continue identifying and looking for newer therapeutic areas. Whenever we have a strong go-to-market strategy, we will enter those specialties.

Report is AI-generated and may contain inaccuracies.

Yasir Lakhdawala – Antique: Thanks for that. Lastly, in our emerging markets branded generic business, what would be our acute-chronic mix, and do you track that? It would be interesting to hear that.

Management: Yes, I think [trails off]

Management: Yes, we track that, and I think it is quite healthy. We have a good acute [trails off]

Yogesh Agrawal: ...organic ratio. I think I do not have the figures right now, but perhaps our Investor Relations team can get in touch.

Yasir Lakhdawala – Antique: Sure. Thanks a lot, and I wish your team a happy Diwali. Thank you, sir.

Yogesh Agrawal: Thank you.

Operator: Thank you. A reminder to all participants that you may press star and one to ask a question. The next question comes from the line of Forum Parekh with BOB Capital. Please go ahead.

Forum Parekh – BOB Capital: Thank you for the opportunity. My first question is on the emerging markets of Africa and Asia. Could you give us some specifics? You mentioned that we have added 100 people in the emerging markets. Could you give us the MR count separately for Asia and Africa, as well as the productivity?

Yogesh Agrawal: We do not share that level of detail, so we provide only the overall number. In the emerging markets, we had an MR strength of 2,400 last year, and then we added around 100 people. We are now at around 2,500.

Forum Parekh – BOB Capital: How should we think about this? Is it equally distributed between Asia and Africa, or is a larger portion allocated to one geography?

Yogesh Agrawal: As I said, we do not provide those details, so it would be difficult for me to comment on that.

Forum Parekh – BOB Capital: Could you give us the productivity number?

Yogesh Agrawal: Productivity in emerging markets stands at around Rs.8 lakhs and above. I think it is about Rs.8 lakhs plus.

Forum Parekh – BOB Capital: My second question is on the India business. We ventured into newer therapies such as nephrology and gynecology. You mentioned that gynecology is picking up well. Could you give us some specifics, such as how many doctors we have reached and how many MRs are allocated to the newer therapies?

Yogesh Agrawal: [pause] Again, we are not providing a division-wise or specialty-wise MR split. However, if you would like to reach out to the Investor Relations team, we will be happy to share whatever we can.

Report is AI-generated and may contain inaccuracies.

Broadly speaking, both specialties are progressing well for us, which is what matters most. This is a 3-5-year progression that we are looking at, so it will have to continue building for us.

Forum Parekh – BOB Capital: My last question is on the US market. We mentioned that 5 to 7 filings are to be made in the US. Could you help us understand whether there are any Para IV filings within this count?

Yogesh Agrawal: I believe not. I think there are no Para IV filings.

Forum Parekh – BOB Capital: That is all from my side. Thank you.

Operator: Thank you. A reminder to all participants that you may press star and one to ask a question. The next question comes from the line of Yogesh Soni with Haitong Securities. Please go ahead.

Yogesh Soni – Haitong Securities: Thanks for the opportunity, sir. My first question is on the US business. Given that you said we might see some competition coming in for the products and that the run rate for the US would likely be lower in the second half, which would impact margins, does that imply that our US business profitability is now in line with the corporate level? Could you clarify?

Yogesh Agrawal: We do not provide geography-wise or business-vertical-wise margins. However, the US remains healthy in the first half, considering that we had some products with limited competition. We are constrained in terms of how much detail we can share. As a policy, we do not share territory-wise gross margins or margin data.

Yogesh Soni – Haitong Securities: But could we have witnessed a significant improvement in profitability with regard to the US market?

Yogesh Agrawal: Yes, absolutely. We have seen that in the P&L as well. With the 49% growth we posted in the US, that has also flowed through to EBITDA and PAT. We posted a very healthy 49% growth in PAT.

Yogesh Soni – Haitong Securities: One more question on the emerging markets. Given the investments we have made over the last 2 years, whether in adding field force, entering new geographies, launching new products, or entering new therapy areas, do we expect that over the next 2-3 years the performance we deliver in the emerging markets will be better than what we have achieved previously, at least over the last 5 years?

Yogesh Agrawal: If you look at our previous performance, leaving aside year-to-year variations, there are many factors that come into play. Last year, for example, it was purely a geopolitical issue. It had nothing to do with Ajanta or pharmaceutical companies, and it impacted everyone.

Our performance has largely been driven by external factors most of the time, rather than by internal factors. In most geographies, if you look at Asia and Africa, over the last 3 years, our average CAGR has been around 13% to 15%.

Report is AI-generated and may contain inaccuracies.

We are optimistic because the Ajanta story is not a quarterly story. The Ajanta story is not a 2-quarter story. It is not a 1-year story. It has to be viewed over a 3-year horizon and beyond.

There could be a quarter where sales are slightly depressed and the next quarter could be elevated. But if you look at our average year-over-year trajectory over 3 years, we have been able to post good growth. We remain optimistic. We believe that all the growth drivers are in place in the emerging markets, so we should continue to post good growth.

Yogesh Soni – Haitong Securities: Thank you, sir. That is it from my side.

Yogesh Agrawal: Yes.

Operator: Thank you. The next question comes from the line of Harshal Patil with ASK Wealth Advisors. Please go ahead.

Harshal Patil – ASK Wealth Advisors: Thanks for the follow-up, sir. I wanted to understand one thing regarding the India business. We have 4 therapy lines that account for a major portion of growth in India, and recently 2 newer therapies have been added. We have guided for mid-teens growth in FY27. Is there any comment you could give regarding any specific therapy that would sustain stronger growth or perhaps be susceptible to some weakness in FY27?

Going forward, over a longer period such as FY28, should we assume that, on a covered-market basis, we will remain ahead of IPM growth?

Yogesh Agrawal: I will restrict my comments to the current year. If you have already seen the first half or the MAT basis, we are growing much faster than IPM growth rates in each specialty.

Whether it is ophthalmology, where Ajanta is the number-one-ranked company, dermatology, or pain management, we are doing well. In cardiovascular, we are almost at par with or just marginally better than the market.

We are also doing well in gynecology and nephrology. However, the base remains very small, so the growth is not worth discussing.

Next year, I think we will address that perhaps in Q4, when we look at the guidance for FY28. So far, for the current year, we are comfortable and should hopefully be able to maintain these growth rates.

Harshal Patil – ASK Wealth Advisors: Okay, that is helpful, sir. Thank you.

Operator: Thank you. A reminder to all participants that you may press star and one to ask a question. The next question comes from the line of Forum Parekh with BOB Capital. Please go ahead.

Forum Parekh – BOB Capital: Thank you for the follow-up. Could you help us with the constant-currency growth for the US market?

Yogesh Agrawal: Constant-currency growth is about 30% and higher. I think it is in the range of about 30% to 35%. For the first half, it is about 35%, and for the second quarter, I think it is between

Report is AI-generated and may contain inaccuracies.

30% and 35%.

Forum Parekh – BOB Capital: Could you also help us with the constant-currency growth for Asia and Africa?

Yogesh Agrawal: I do not have those figures with me right now, but you can consider that there was a currency exchange gain of about 4% to 5% across the entire export business, whether it was Asia, Africa, or the US. It could be slightly higher as well, around that range.

Forum Parekh – BOB Capital: That is helpful. That is it from my side.

Operator: Thank you. Ladies and gentlemen, that was the last question for today. We have reached the end of the question-and-answer session. I now hand the conference over to Mr. Yogesh Agrawal for closing comments.

Yogesh Agrawal: Thank you, everyone, for joining us today. In case you have any further questions that remain unanswered, please feel free to reach out to our Investor Relations team. Thank you.

Operator: Thank you. On behalf of Ajanta Pharma Ltd., that concludes this conference. Thank you for joining us. You may now disconnect your lines.

Yogesh Agrawal: [off-mic discussion] We will put cotton in this. Yes.

Report is AI-generated and may contain inaccuracies.