August 14, 2025

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai-400051

Symbol: **ORCHPHARMA**

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai-400001

Scrip Code: **524372**

Ref: (i) Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
(ii) SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024

Sub: Transcript of Analysts/ Investors Earning Call held with Public at large on August 12, 2025- Orchid Pharma Limited ("the Company")

Dear Sir/Madam,

This is in continuation to our earlier intimation and submission dated August 07 & 12, 2025.

In reference to the captioned subject and pursuant to Regulation 30 and Sub- Para 15 of Para A, Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended read with SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, please find enclosed herewith transcript of Analysts/ Investors Earning Call held with Public at large on Tuesday, August 12, 2025 on the financial performance/ financial results of the Company for the Quarter-I of F.Y. 2025-26 ended on June 30, 2025 and the same be read in conjunction with the Audio Recording submitted via our letter dated August 12, 2025.

Further, pursuant to Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the aforesaid transcript is being made available on the Company's website at https://www.orchidpharma.com/invr_conferencecalls.html

Furthermore, it is confirmed that no Unpublished Price Sensitive Information was shared/ discussed during the aforesaid Analysts/ Investors Earning Call.

You are requested to take the above on your record.

Thanking You,
For **Orchid Pharma Limited**

KAPIL DAYYA
Digitally signed by KAPIL DAYYA
Date: 2025.08.14 16:18:25 +05'30'

Kapil Dayya
Company Secretary & Compliance Officer
Mem. No.: F10698

Encl.: as above

“Orchid Pharma Limited

Q1 FY '26 Earnings Conference Call”

August 12, 2025

MANAGEMENT: **MR. MANISH DHANUKA – MANAGING DIRECTOR – ORCHID PHARMA LIMITED**
MR. MRIDUL DHANUKA – WHOLE-TIME DIRECTOR – ORCHID PHARMA LIMITED
MR. SUNIL KUMAR GUPTA – CHIEF FINANCIAL OFFICER – ORCHID PHARMA LIMITED

MODERATOR: **MR. VISHAL MANCHANDA – SYSTEMATIX INSTITUTIONAL EQUITIES**

Moderator: Ladies and gentlemen, good day, and welcome to the Q1 FY '26 Earnings Conference Call of Orchid Pharma Limited, hosted by Systematix Institutional Equities. 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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vishal Manchanda from Systematix Institutional Equities. Thank you, and over to you, sir.

Vishal Manchanda: Thank you, Muskan, and good evening, everyone. On behalf of Systematix Institutional Equities, I welcome you to the Q1 FY '26 Earnings Call of Orchid Pharma. We thank the Orchid management for giving us an opportunity to host the call today. We have with us the senior management of the company represented by Mr. Manish Dhanuka, Managing Director; Mr. Mridul Dhanuka, Whole-Time Director; and Mr. Sunil Kumar Gupta, Chief Financial Officer.

I'll now hand over the call to the company management for their opening remarks. Over to you, sir.

Manish Dhanuka: Thank you, Vishal. Good evening, ladies and gentlemen. I'm Manish Dhanuka, Managing Director of Orchid Pharma Limited, and I welcome you all to our discussions for the results of first quarter financial year 2026. I will take you through our performance for the quarter, share updates on our key strategic initiatives and outline our priorities for the year ahead. First, the financial year performance for the Q1 '26.

For this quarter, our sales stood at INR173 crores compared with INR244 crores in the same period last year. This is a steep decline of around 29%. This performance must be seen in the context of an unprecedented global slowdown in the antibiotics market. The current environment is unlike anything we have seen in the last 5 years with both prices and volumes under pressure.

Despite this, we have tried to maintain our gross margins at around 42% and have consciously chosen not to participate in the ongoing price war. This has been achieved through disciplined pricing, a more resilient product mix and continued optimization of input costs. Operational EBITDA for the quarter was INR14 crores.

On the cost side, employee expenses and other operating costs remained broadly flat in absolute terms even as we continue to invest in our strategic growth initiatives. Market outlook. The antibiotics industry is currently facing one of its sharpest short-term --contractions in recent memory.

Our analysis of exports out of India show that for the quarter, overall quantity of oral antibiotics exports fell by about 30%, while average export prices dropped by about 15% to 20%. This double impact of lower volumes and lower prices has created a challenging environment for all the players.

In such a scenario, Orchid has focused on preserving value by moderating our product mix and maintaining margins. Rather than chasing volumes in a cutthroat market through aggressive price cuts, we believe this in disciplined approach will protect long-term positioning and profitability once the market stabilizes.

Now on the strategic initiatives. Coming to our strategic initiatives, I am pleased to announce that following our update last quarter on Allecra's insolvency and the resulting uncertainty around Orchid's royalty stream, Orchid has now acquired the global rights to Enmetazobactam and the trademark Exblifep from Allecra.

This is a transformative development for Orchid, giving us complete control over the regulatory and commercial strategy for this novel antibiotic worldwide once the acquisition is formally completed. Orchid now becomes the only Indian pharmaceutical company that can call itself innovator of a new chemical entity that is internationally approved.

While the commercial terms for this deal are confidential, I can assure you that the transaction is economically significant. All future economic benefits from the product will now accrue to Orchid Pharma. The double-digit royalties previously receivable by Allecra from Advanz in Europe will now come directly to us.

Globally, the product has already been licensed in Europe and Middle East and North African markets, and we are in advanced stage discussions for several other geographies. The U.S. market remains elusive for now. Our immediate focus will be to identify and resolve the challenges that Allecra faced in the past and put in place a robust plan for a U.S. entry.

Orblicef, our brand in India. Our domestic brand, Orblicef continues to perform steadily. The combination of Cipla's extensive hospital coverage and our AMS division's targeted engagement ensures we are building sustained prescriber awareness. Demand patterns remain consistent with our expectations.

Antimicrobial stewardship, the AMS division continues to expand its engagement with hospitals and clinicians, focusing on responsible antibiotic use and AMR awareness. While still in the investment phase, it is helping position Orchid as a trusted partner in critical care antibiotics. This platform will also be a key success factor in driving the adoption of Cefiderocol in India, given its position in the hospital segment and the specialized prescriber base it serves.

An update on the 7ACA project in Jammu. The 7ACA project is progressing in line with our revised time lines. Construction continued during the quarter and the procurement of major engineering equipment is completed. Once operational, the facility will strengthen our API capabilities, reduce import dependencies and deliver the cost synergies as expected. The Cefiderocol project is going on track as per the expected time lines.

Even as we invest in new projects and differentiated products, operational discipline remains central to our approach. Maintaining cost competitiveness in an inflationary environment while safeguarding margins in a declining market speaks about the resilience of our operating model.

I'm now going to discuss some of the risks and challenges that we face in the current environment.

Persistent volume and price pressure in antibiotics could weigh on the near-term revenues. At this stage, we see no revival in the near future, at least not in the current year. There may be some risks related to the insolvency acquisition of Enmetazobactam from Allecra. As you are aware, insolvency acquisitions are conducted on as is various basis in a court-driven process, there is limited time to perform detailed due diligence.

Although this acquisition involves intangibles, and we have a good visibility on what we have acquired. Once the acquisition is formally completed, we will need to obtain more details and assess any implications.

Our priorities remain, as on today, our main priorities would be to take control of and then expand the licensing of Exblifep across the globe, deepen penetration of Orblicef in India, progress the construction of 7ACA project in Jammu, maintain margin discipline while selectively investing in high-impact growth areas.

With the regained control of Enmetazobactam, a stable domestic hospital presence and strategic backward integration underway, Orchid is positioned to navigate near-term pressures while laying the groundwork for future growth.

In closing, I want to thank our employees, partners and investors for their support. Financial year '26 will be about bracing for a muted year, disciplined execution, protecting profitability and positioning for growth as the market recovers. Thank you for your attention. I now welcome our questions.

Moderator: The first question is from the line of Rupesh from Shree Rama Managers PMS.

Rupesh: I must congratulate you both Mridul and Manish for resolving this matter fairly quickly of Allecra insolvency, but the speed was commendable. So my question is I mean, Allecra, I think, is out-licensed to Advanz Pharma. So now the -- whatever royalty Advanz Pharma was going to pay to Allecra, that will now accrue to us. Or is there some change in that part?

Mridul Dhanuka: There is expected to be no change in that part. Once the transaction is completed, it's subject to certain CPs right now, we will take over the role of Allecra in the existing agreement. So whatever was the commercial interest, which was due to them will now become due to Orchid.

Rupesh: Okay. And so our share initially, I thought was high single digit, which now goes to double digit, mid-double digit. Is that a fair?

Mridul Dhanuka: That is correct.

Rupesh: Okay. And any cash flow or cash outflow indication you can give for this transaction you have done. Maybe you have given in press release and I missed it, but.

Mridul Dhanuka: As per the terms of the agreement, it's confidential, especially right now because the CPs are also not completed. So we will only make the mandatory disclosures regarding the price in the reports as needed.

Rupesh: Maybe let me ask you another way Mridul, is it significant to our equity base? Or do we have to take significant debt to fund this acquisition? Let me ask you this way. I don't need an exact number?

Mridul Dhanuka: So no debt will be taken to fund this acquisition.

Rupesh: Okay. And I also heard you said that this is now also out-licensed in Middle East?

Mridul Dhanuka: That's correct…

Rupesh: So that is like which company, how many markets in Middle East? Some color around that would be very helpful?

Mridul Dhanuka: So it is out-licensed for Saudi Arabia, entire UAE and South Africa to a Swiss pharma company called Acino pharma.

Rupesh: Okay. So this was done by Allecra, but now we are taking over. Or this is new development?

Mridul Dhanuka: Correct. No, this is done by Allecra only. Right now, we don't have control. We have signed the agreement. Like I said, it's subject to certain approvals from the government. So we are just waiting for that till the time it has been done by Allecra only.

Rupesh: The other question Mridul is for the important markets, can you give idea about the patent expiry of Enmetazobactam? I think some markets are 2034, some markets are 2031, but it will be good to hear it from you. Maybe, let's say, U.S., Europe, UK, Japan, India, these five markets. Maybe rough idea about patent expiry, if you can give?

Mridul Dhanuka: Yes. It's country to country, like you said, it's a bit complex. U.S., I can confirm its '24 -- early '24 -- '34, sorry. Yes. So other countries, Europe also is similar 2024 because the patents are filed similar time and exclusivity periods are also similar.

There is a ongoing pediatric study for this, which might extend the exclusivity by some time, but that's all to be understood sometime in the future. But right now, only early '24 is what we can say.

Rupesh: '34, right? Sorry, just -- I mean.

Mridul Dhanuka: Sorry. Sorry, I'm really sorry, early '34.

Rupesh: Okay. It makes a big difference, sorry. Okay. And how is the response to Enmetazobactam in India? If you can give a number maybe for FY '25 between Cipla and us? And where is it? I

mean we have always said that it is a Penem resisting, Penem sparing antibiotic. But maybe if you can give some order -- in some SOP where it is used.

Mridul Dhanuka: So yes, with respect to number of patients, we have shared last time 10,000 patients roughly. So that's the volume till last year. And we'll be reporting this maybe once in a year or maybe twice in a year. Quarterly numbers can change due to our supply to Cipla and their supply to market, all of those -- some of those would be confidential also. But we will keep you broadly informed of the overall patient number that we are treating.

Rupesh: But revenue, you're not ready to divulge?

Mridul Dhanuka: No, as per our agreement with Cipla, we cannot.

Rupesh: Okay. And maybe -- I mean, where is the Avibactam sales overall, if you can give some idea because I think that probably should be the benchmark for us. So where -- I mean, not our Avibactam sales. I mean, if you can give our Avibactam sales, that will be good. But overall, what is the Avibactam brand sales in India, if you know?

Manish Dhanuka: See, first of all, this molecule should not be compared with Avibactam because that is a Pfizer molecule, and that is the last line, you can say, the reserve category of antibiotic, and that is used in extreme cases. Whereas this, we are trying to create a position where this can be used as a first line of antibiotic. And this is used because the first line of piperacillin-tazobactam and ceftriaxone has developed significant resistance.

So our experience has been that the hospitals are very well accepting the fact that these first-line antibiotics are not working and the doctors are compelled to prescribe Meropenem, which as per the standard protocols should not be done. So our target is to replace these first-line antibiotics and prevent Meropenem from being prescribed.

So comparison would not be right. But since you asked the question -- if I know correctly, Pfizer had made a very big brand of Avibactam. And despite being generic for now 1.5 years, it has still continued to grow significantly. But of course, that is being promoted by multiple companies now. So -- but I mean, if you consider that this -- if we succeed in making it a first-line molecule, then it has a significant potential.

Rupesh: So in 10,000 patients so far, I don't know maybe some sort of Phase IV tracking you're doing, in some -- these 10,000 patients, do you have some idea where it was used as a first line and where it was not used as a first line?

Manish Dhanuka: So mostly for the cUTI, it is the preferred choice now, whichever hospitals we have promoted. It is very well accepted. The other indication that it is approved is for HFpEF. Our team is working with pulmonologists also to promote in that indication. These are the 2 indications.

Rupesh: Okay. Okay. And then my final question on the Enmetazobactam is, I mean, have you started any preliminary discussions for out-licensing in U.S.? I think that part was a little bit slow and

always a source of irritation, I think, for you and for all the investors. So have you -- I mean, had some preliminary discussions?

I mean, I know that you have to go through the process to take control of the asset.

Manish Dhanuka: Yes. So Allecra hired some consultants. We are discussing with the consultant and trying to understand what were the challenges. And once we understand where was the gap between expectation of Allecra and of the prospective licensees, then we'll try and find via media to solve -- to find a middle path where some agreement can be achieved with the prospective licensees. Maybe we will restart the discussion with the past companies with whom discussion was happening.

Rupesh: But I mean, you have some aspiration that the deal in U.S. should be done in, let's say, 6 months after you take ownership of asset, 12 months after you take ownership of asset, at least aspiration of the management. I mean there will be nitty-gritty that you have to deal with.

Manish Dhanuka: The most prudent thing would be to close the deal within a year definitely because the NDA, the registration whole process has been completed. But of course, I mean, you would like to optimize what you get out of the deal.

Rupesh: Okay. Okay. Now moving to Cefiderocol one -- so Cefiderocol, just to be clear, is, again, a last-line treatment today, right? Is that a correct statement?

Manish Dhanuka: Yes, yes.

Rupesh: Okay. So now what has happened is Wockhardt has come up with Zidebactam. And I think Zidebactam will probably get an approval in India this year, sometime before March 2026 as per public information. And Zidebactam, I think, is a significantly superior molecule to Cefiderocol. And I think in our planning, at least the Cefiderocol is, I think, significantly dependent on India and the emerging markets, right? So now how are you seeing things in this aspect? Maybe you can give some strategies or ideas or how you're approaching this?

Manish Dhanuka: In our understanding, I have not seen any comparison between Cefiderocol and Zidebactam. And to the best of my knowledge, as on today, I mean, it would be difficult to comment on a molecule which is still under trial. But as on today, Cefiderocol is the most potent antibiotic available.

And whenever we go to the hospitals and some people have read in the news that we have got the license for Cefiderocol, a lot of doctors are very curious to ask when this product is coming in the market. So I really don't know where you got the…

Rupesh: Okay. Zidebactam Phase III trials are completed, maybe just to keep the record correct. Okay. And how is Avibactam generic sales doing in India? Any color around that? How big a brand has that become?

Manish Dhanuka: The molecule has really done well, I think. It's one of our good products as well.

Rupesh: And we remain -- I mean, in API, what would be our market share in API supply and then how many brand players are there, some…

Manish Dhanuka: We supply 60% of the market.

Rupesh: Okay. We supply the 60% of the market. And this is no -- we don't make the -- I'll come back in the queue.

Moderator: The next question is from the line of Pranav from Lotus Wealth. Sir, can you speak a little loud, please?

Pranav: Congratulations for a multibillion-dollar acquisition for just EUR 28,500. My first question is as to how Orchid Pharma will commercialize Enmetazobactam globally? Would it like partner with Indian multinational companies like Cipla or a global pharma company since -- as you mentioned, the patent will expire in 2034 in U.S.

Mridul Dhanuka: Yes. The selling model would be exactly the same as it is now maintained by Allecra. Orchid would license it out to companies across the world. And as we were discussing on the previous question, for Europe, UAE markets and South Africa, the licensing is already done and Allecra was in advanced stages of discussion of several other markets. So by the time the transaction is closed, hopefully, we may be able to announce a few more.

Pranav: Okay. Also a following question. Going forward, how much royalty are we expecting from China?

Mridul Dhanuka: So in China, there is currently no agreement with anyone. So there is no forecast number or which I can share that this much royalty can come from China. So the agreement that Allecra had signed in the past no longer exists.

Pranav: Okay. So it's no longer in agreement. There's no agreement as of now from China. Also one last question. Going forward, will we use the brand that is Exblifep or Orblicef globally for the commercialization?

Mridul Dhanuka: Yes. Because it's already developed and included in guidelines worldwide as Exblifep, we don't want to change the global brand name.

Moderator: The next question is from the line of Burramsettysuresh from Burrams Financials. As there is no response from the participant, we'll move to the next.

The next question is from the line of Viraj Parekh from Carnelian Asset Management.

Viraj Parekh: I just had one follow-up question on the first participant's question wasn't clear on my end. For this acquisition, have we -- will it be enough from internal accruals? Or will we have to take some external debt to fund the Allecra acquisition?

Mridul Dhanuka: Yes. It will be enough from internal accrual. No debt will be taken.

Viraj Parekh: Right. Second question, sir, we have seen the numbers for Orchid Pharma. I think the resolution for the merger of Dhanuka Labs also has gone through. So, if we can have some indication of the annual performance we are forecasting for Dhanuka Labs as well since it will be soon merged. And if you can give us an idea on that front as well, it would be helpful.

Manish Dhanuka: Gupta ji, can you explain the 31st March numbers?

Sunil Gupta: Yes, yes. Actually, March '25, we have closed our sale at INR503 crores and EBITDA was INR44 crores.

Viraj Parekh: Sir, my question was more in relation to FY '26 outlook for Dhanuka Labs. We are seeing a 30% decline in Orchid Pharma for the current quarter. I'm not asking for a short-term estimate of a quarterly number for Dhanuka Labs, but if we can get an annual forecast of how this INR500 crores would pan out for FY '26 for the company, given that it's a little bit of a low-margin company than Orchid Pharma as well on an EBITDA level.

Manish Dhanuka: See, I mean, we had expected to have a significant growth in Dhanuka Labs also. But considering the market conditions that are prevailing, I think it would be difficult to give a guidance on that at this point of time. We really have to see what has really triggered such a steep decline in the market conditions. Until we really do an assessment, it would not be proper to give any estimate. So we are just trying to understand the reasons for this and how this recovery will happen and what we can do to tide over this challenge.

Viraj Parekh: So what will be the time line for the merger?

Manish Dhanuka: I think next 6 months, it should be -- I mean, the results of the EGM have already been accepted by the judge. And now the final formalities will have to be done. We have a hearing in end of September. If all authorities give permission by then, then I think final verdict should come in that or maybe in the next -- the hearing after that.

Viraj Parekh: Got it. Manish ji, in your opening remarks, you mentioned that core markets are seeing a lot of challenge in terms of price wars and the demand is also really, really not supporting the capacity, which has come up in the antibacterial range. Given that Dhanuka Labs has also been in the market for some time and even Orchid significant portion of revenue comes from emerging markets. Maybe if you can give us some qualitative comment on terms of the market sentiment where both these companies have an overlap, that will also be helpful for the investors.

Manish Dhanuka: Yes. I mean, we cannot see any scientific or medical reasons that would reduce the demand with such a large percentage. So I mean all I can think of is maybe the turmoil that's going on and uncertainty in the markets, which has led customers to maybe reduce inventories or not take any risk, reduce the investment.

That could be the only reason I can think of why sudden demand decrease is there. And I am optimistic that it should change in 1 or 2 quarters, and that would lead to a sudden recovery like what happened after the COVID. I don't see any reason for such a sudden decline in demand.

Viraj Parekh: Right. So just last question before I get back in the queue. It's a bit of a hypothetical situation. You may answer if you have. We don't have a lot of operational details of Dhanuka Labs, but given that this quarter has been quite worse for the entire sector, can there be a situation where we have a loss in Dhanuka Labs if the situation continues?

Manish Dhanuka: At this point of time, I don't think we have the numbers for the quarter, but there are some high-value items that Dhanuka also manufactures. So, we are not looking at such situations.

Moderator: The next question is from the line of Rupesh from Shree Rama Managers PMS.

Rupesh: Just finishing on Avibactam. Sir, Avibactam formulation, is it part of our AMS division?

Mridul Dhanuka: So AMS division has about 30, 40 products. Avibactam is just one of those products.

Rupesh: Okay. So we are also supplying formulation for Avibactam… also in the market, right?

Mridul Dhanuka: That's right.

Rupesh: Okay. Okay. And any indicative growth, any indication of how the market has expanded post it is becoming generic, any growth? Some color around that? And is it fair to assume Avibactam will keep growing at healthy rates for 3, 4 years like that, Manish?

Mridul Dhanuka: I don't think after becoming generic, there is – there had been a surge of new brands coming in the market. And I think at last round, I remember 55 or 60 brands in the market. And that resulted to, I would say, a significant growth at API stage. I'm not sure how much of liquidation that would have resulted in.

I think once that demand or the pent-up demand because of high price of Pfizer was met, I don't think there is a scope for this product to go exponentially in the future. Because like Manish ji alluded, this is a last resort product currently. So, it is used when other products don't work where carbapenem resistance or Meropenem resistance is there.

Rupesh: Okay. Okay. And just concluding on avibactam, we are still first to file in U.S. And what is the launch date? I probably forgot, I think 2026 or 2028?

Mridul Dhanuka: No, no. We had announced that we had received an RTR, and we are not first to file anymore.

Rupesh: So we are not first to file anymore. Okay. And when is the generic expiry, patent expiry for Avibactam?

Mridul Dhanuka: The first to file launch date would be sometime in August 27, and Orchid product should be available 6 months after that.

Rupesh: 6 months after that. Okay. Okay. And then where are we on the generics of newer generation antibiotics, Ceftaroline, Cefovecin. If you can give some color around newer products?

Manish Dhanuka: The product stability is going on, the DMF is under preparation, and we are looking for some partners in those 2 products.

Rupesh: So when and filing, can you put a year, it will be done in the next 12 months?

Mridul Dhanuka: The DMF will be definitely filed.

Manish Dhanuka: The API DMF will be filed for sure. For the FDF, I cannot give a time line at this time.

Rupesh: For both the products, is that correct?

Manish Dhanuka: Yes, both the products.

Rupesh: Okay. Okay. So, the other question is this 30% decline in export out of India and all of that. So, there is -- correct me if I'm wrong, but there is no significant China competition in these products, or there is a significant China competition?

Manish Dhanuka: So there is competition from China. But the major product like Cefovecin, India is much stronger than China, and the Chinese companies only cater to domestic demand. For the injectables, yes, there is competition from China. But the overall demand has flattened for sure. There is no doubt about it.

Rupesh: Is a significant part of the demand -- was driven by funding? Is that a speculation you can make or we can make?

Manish Dhanuka: I would say the overall sentiment is low. So maybe the pipeline inventories have gone down. That's what I am thinking.

Rupesh: Okay. Okay. And where are we on the penicillin prices? When do you see … the realization stabilizing?

Manish Dhanuka: Yes. So the penicillin prices have gone down significantly. So that's why I feel that there is a demand flattening because the raw material prices have also gone down. If the Chinese were also buying a lot of raw material, the raw material prices would still remain firm.

Rupesh: So you think that people are waiting for PenG to bottom out, and then try to hold pricing to bottom out and then start refilling the inventory. Is that what you're trying to indicate?

Manish Dhanuka: That could also be a possibility.

Rupesh: Okay. Okay. And then on 7ACA commissioning is Q1 FY '27. Is that correct?

Manish Dhanuka: Yes -- There is no change in what we mentioned last time. Yes.

Rupesh: Okay. And Cefiderocol is December '26?

Manish Dhanuka: Yes, yes.

Rupesh: Okay. Okay. And then 7ACA PLI scheme, I mean, I think we are significantly behind the schedule. But still, I don't know there are return commitment, oral commitments that PLI benefits would be given.

Mridul Dhanuka: So I talked about it in the previous call. Every call, we have to explain this, unfortunately. There are no written approval. There are only oral commitments that this will be honored.

Moderator: The next question is from the line of Rahul from SW & Company.

Rahul: Congrats on a great quarter. Basically, I have some questions regarding Exblifep. So my question is like Allecra is bankrupt in the U.S. Will Exblifep will still be commercialized in the U.S. or by when it can be commercialized?

Mridul Dhanuka: Yes. Once the acquisition is completed, we will find an out-licensing partner in the U.S. and partner with them to launch, and we are targeting to do that within 1 year of acquisition completion.

Rahul: Okay. I have a follow-up question on that. So, is there availability of automated susceptibility testing for Exblifep as of now?

Mridul Dhanuka: Unfortunately, I don't have this detail, but I think we were working on it. For India, we have developed that. So we are distributing those in India. So I'm assuming it would have been done for.

Manish Dhanuka: It is available. It's being used in Europe…

Mridul Dhanuka: Yes.

Rahul: A few more questions. What are the target patients for Exblifep currently we are targeting?

Manish Dhanuka: 2 indications, HFpEF and cUTI.

Rahul: Okay. One last question. What are the key target regions we are focusing on U.S. or universe, I mean, sorry, in the...

Manish Dhanuka: As we said, Europe is already licensed. Middle Eastern countries already licensed. There are some discussions going on in Brazil and in Japan. U.S., there was some discussion in the past. These were the territories where the discussions were already initiated by Allecra.

We are looking to expand this further to other regions also, like maybe Russia, Vietnam, and other countries as well. And maybe we will initiate those discussions after the takeover is complete.

Moderator: The next question is from the line of Ankur, an Individual Investor.

Ankur: You've previously mentioned that the peak sales for Enmetazobactamare expected to be between $150 million to $200 million per year. Now, could you give us the geographical distribution of that sales number you expect?

Mridul Dhanuka: No. Unfortunately not. This number was just a forecast from our side. Right now, we don't have any details of the Allecra partnerships, what they have done, the agreement, the forecast, the sales, what is happening. Only after the acquisition is completed, we'll be having a better picture.

Ankur: Okay. So, and the royalty that you get from Advanz Pharma, that's double digit. And are we looking to like get a better deal with them or that stays as is and there's nothing we can do to improve that?

Mridul Dhanuka: No. The deal is already signed. We are not looking to renegotiate anything.

Ankur: Okay. And I think during that agreement with Advanz Pharma, there's some milestone payments as the molecule is commercialized and there are some milestone-based payments. So do we expect that also to flow in or they've already been like done with in the past?

Mridul Dhanuka: I think most of the milestones are completed. If 1 or 2 are left, then that would accrue to us. Otherwise, most of the milestone with respect to Advanz would have been completed.

Manish Dhanuka: The initial milestones have already been paid to Allecra. Later on, some sales-related milestones are there. Once those are achieved, then they might come to us. But that's not going to be in very near future.

Moderator: As there is no response from the participant, we'll move to the next. The next question is from the line of Sagar Arya from Xponent Tribe.

Sagar Arya: Yes. Just a couple of questions. In the last call, you had mentioned that the EBITDA for the combined entity, that is Dhanuka and Orchid would be about INR175 crores. Now in this call, you mentioned that Dhanuka did INR42 crores of EBITDA in FY '25. So the math doesn't add up here. I think last call, we said it had done about INR49 crores. So where is the gap here?

Manish Dhanuka: We said INR39 crores.

Sagar Arya: INR39 crores…

Manish Dhanuka: That was before the audited balance sheet. We said INR39 crores. That is after the finalization of numbers, that has worked out INR42 crores.

Sagar Arya: INR42 crores.

Manish Dhanuka: The original number is INR39 crores. We have now -- after audit, it has worked out INR42 crores.

Sagar Arya: Okay. Okay. Got it. Second is just to be clear, the agreement that Allecra had with Advanz was for mid-teens royalty on sales in Europe, correct?

Mridul Dhanuka: So as per the public information disclosed by Allecra on their website, it just said double digits.

Sagar Arya: Okay. So what is double digit? How should we interpret double digit?

Manish Dhanuka: It's around 15%. So depending on the sales, it ranges from 14% to 18%. If the sales go high, the royalties will increase. But I mean, we can assume 15% is on an average.

Sagar Arya: Understood. Understood. Got it. And lastly, earlier, we were also in discussions with Allecra. I don't know -- I know it didn't materialize, but you were in discussions for doing CDMO for Enmetazobactam as well. Now that we have -- or we have ownership of the molecule, is that an option which is still on the table?

Manish Dhanuka: Yes. Now that decision will be ours, but there are some commitments with the existing suppliers. So we will honor that. And once our FDF unit is up and running, we will definitely try and get ourselves approved as an alternate supplier.

Sagar Arya: Okay. What would be a reasonable time line if this were to happen, sir?

Manish Dhanuka: See, I mean, in regulated markets today, I mean, the bare minimum is 3 years, I would say.

Moderator: The next question is from the line of Rupesh from Shree Rama Managers.

Rupesh: A few, I think. One basic one will be this German IBC, I mean, for the lack of better term, German IBC process, when will it be completed? Any approximate time line?

Mridul Dhanuka: We are expecting about 3 months.

Rupesh: So you will have ownership of asset in 3 months?

Mridul Dhanuka: Hopefully, yes.

Rupesh: Okay. And then post the transfer of ownership, so -- I mean, now also Advanz owns some royalty or some royalty to Allecra. I don't know what will happen to that, if you have some view on that. But the moment asset ownership happens, the royalty will start accruing to us. Is that fair? There will be some delay?

Mridul Dhanuka: No delay as such. So it will happen when the consummation of the transaction happens.

Rupesh: And are there like any second bidder, third bidder who can raise some legal obstacles like that? Or how -- is that like a home run for us -- we are the only bidder?

Mridul Dhanuka: So as far as my understanding goes, the process in Germany is different than India. So there is nobody else who can contest this.

Manish Dhanuka: We have signed the agreement. It is just subject to conditions like German government approving our foreign investment bid and some other basic requirements of the creditors approving and all that. As of now, our bid was the one that was accepted by the administrator.

Rupesh: Okay. Okay. So it looks like a home run for us. Okay. And the other question coming to Indian market is recently a little bit of consolidation happened. One of the, I think, northern-based players sold out his capacities in this Cephalosporin space to another, I think, Hyderabad-based player. So I mean, shouldn't that generally consolidation means better pricing? Is that not a fair understanding outside of whatever is the demand trend and all of that is happening? Is that fair?

Manish Dhanuka: Yes, that's what you imagine if the quotation goes from one less competitor, it should help.

Rupesh: Okay. Okay. So at least over -- in the medium term, you expect that consolidation hopefully will help to keep the pricing discipline?

Manish Dhanuka: That's right. It leaves the 3 players in the market now.

Rupesh: Okay. Okay. And -- so this process, let's say, IBC process takes 6 months coming back to Enmetazobactam, whatever royalty is owed in that time, we don't have any claim on that or we can have some claim on that as well?

Manish Dhanuka: We will have claim on royalties after 31st July.

Rupesh: We'll have claim after 31st July. Okay. And then I don't know how is the product doing at Advanz Pharma level? How many countries have they launched -- some idea.

Manish Dhanuka: It was launched just 6 months back. It takes time to develop the market. So in this year, we don't expect significant numbers coming out of royalty. We expect the growth will happen in next year.

Rupesh: But you are in discussion with Advanz Pharma and like some updates you will likely to get as we go along?

Mridul Dhanuka: We don't as of now. Once the acquisition is complete, we will have more visibility.

Moderator: The next question is from the line of Rohan from Envision Capital. As there is no response from the participants, I will move to the next. The next question is from the line of Vishal Manchanda from Systematix Institutional Equities.

Vishal Manchanda: Sir, with respect to the kind of volume pressures that we are seeing, are we also seeing this in our long-term contracts that we have with customers?

Manish Dhanuka: No. No, we don't foresee -- I mean there is some link to the raw material -- main raw material prices. Maybe that correction will happen, but we don't see.

Vishal Manchanda: So you mean people are waiting for the prices to correct and that's why they are trimming their inventory levels. Is that the case?

Manish Dhanuka: So wherever we have long-term commitments, generally, plus/minus 10% variation is there. They give annual forecast. So I don't see any significant change happening there. And we have not seen that trend in the first quarter also, wherever we have.

Vishal Manchanda: And any way you could have tracked China data, like whether their exports have intensified in the emerging markets or?

Mridul Dhanuka: Unfortunately...

Manish Dhanuka: No reliable data is available from China.

Vishal Manchanda: Okay. Okay. And on Enmetazobactam, how quickly can we commercialize in emerging markets, the unregulated markets of the world?

Manish Dhanuka: We are actually studying the agreements that are in place. We don't want to do anything in a hurry where we violate any of the contracts that they would have signed. So -- we will need to first study that. We want to do it as fast as possible. But I would not say that you should expect that will happen very fast because as you saw in India, it took us almost 1.5 years to register the molecule despite doing a lot of R&D ourselves in Orchid.

So how the registration process will go around in the non-regulated markets, that's also to be seen. So that's why I said that our lowest hanging fruit is if we can find a -- licensing partner in the U.S., there we have the registration, the NDA, everything is done. That should be our first target.

Vishal Manchanda: Okay. And any sense on what pricing would be for this drug in the European markets where it is commercialized, like per patient per so one treatment?

Mridul Dhanuka: Yes. Currently, I only have a gross price of $150 per vial, but the net price and per patient price, I think I'm not aware as of now. But this information, we can source by next call, and I can share with you.

Vishal Manchanda: Okay, sir. And Enmetazobactam, can we manufacture the API in-house in case we need to do that?

Manish Dhanuka: Yes, we are manufacturing for our domestic consumption.

Vishal Manchanda: Okay. And you will need to kind of wait for the fixed dosage facility to be commercialized?

Manish Dhanuka: That's right. That's right.

Moderator: The next question is from the line of Raaj from Arjav Partners.

Raaj: Sir just wanted to know the overall market size of Enmetazobactam?

Mridul Dhanuka: Currently, it's negligible. It's new products. So market size saying is very difficult. But if you look at overall antibiotics market in the world, that's about $30 billion and Cephalosporins typically command 1/3 of that. So that's what antibiotic is. Enmetazobactam is a new product, so we can't give any size.

Raaj: Like going 2, 3 years from now, how much should be the ideal size as per you?

Mridul Dhanuka: That would be too much of speculation, Raaj, to talk about basically it will be 4 to 5 years it will take to reach the peak. So by 2029 or something, we can expect the peak sales to happen. Now what that number is depends on which countries it is licensed to, how many years that country has been selling. Ideally, Allecra should have licensed in U.S. And if it had been launched last year like Europe, maybe the sales would have picked up. So lots of variables around that. It would be difficult to give a global number.

Moderator: Ladies and gentlemen, as that was the last question for the day, I would now hand the conference over to the management for the closing comments. Over to you, sir.

Manish Dhanuka: Thank you, Muskan. Thank you, ladies and gentlemen, for participating in this conference. As we can see, we face some difficult market environment at present, but we feel we can tide over this time through resilience and focus. We thank you for your interest in the company, and this always motivates us to work harder. Thank you once again. Bye-bye.

Moderator: Thank you. On behalf of Systematix Institutional Equities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.