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Dear Sirs,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find transcript of our Conference Call which was held on Tuesday, 12th August, 2025 to discuss the Company's Q1 FY26 earnings and business update.

Thanking you

Yours faithfully
For Ipca Laboratories Limited

Harish P. Kamath
Corporate Counsel & Company Secretary

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“Ipca Laboratories Limited Q1 FY '26 Earnings Conference Call”

August 12, 2025



MANAGEMENT: **MR. A. K. JAIN – MANAGING DIRECTOR, IPCA
LABORATORIES LIMITED
MR. HARISH KAMATH – CORPORATE COUNSEL AND
COMPANY SECRETARY – IPCA LABORATORIES
LIMITED**

MODERATOR: **MR. NITIN AGARWAL – DAM CAPITAL**

Moderator: Ladies and gentlemen, good day and welcome to the Ipca Labs Q1 FY '26 Earnings Conference Call hosted by DAM Capital.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing ‘*’, then ‘0’ on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Nitin Agarwal from DAM Capital. Thank you and over to you.

Nitin Agarwal: Thank you. Hi, good afternoon, everyone and a very warm welcome to Ipca Labs Q1 FY '26 Earnings Call hosted by DAM Capital Advisors Limited.

On the call today, we have representing Ipca Labs management, Mr. A. K. Jain - Managing Director and Mr. Harish Kamath - Corporate Counsel and Company Secretary.

I will hand over the call to Mr. Jain for the opening comments and then we will open the floor for questions. Please go ahead, sir.

A. K. Jain: Thanks, Nitin and Dam Capital for organizing this call. Today's hearing calls and discussions and answer given may include some forward-looking statements based on our current business expectations. This must be viewed in conjunction with risk that pharmaceutical business faces. Our actual and future financial performance may differ from what is projected or perceived. You may take your own judgments on information given during the call.

Our domestic business in the 1st Quarter of the current financial year has grown by around 10%. Ipca on mid-June 2025 has maintained its rank as 16th as per IQVIA. Overall, Ipca continued to improve its market share. Compared to the 1st Quarter last financial year, mid-June 2024, there is around 7 bps increase in the overall market share from 2.01%-2.08% in mid-June 2025. Six brands of Ipca continue to remain in around top 30 brands in the country. Both in acute chronic segments, we have delivered better growth compared to the market in mid-June 2025 as per IQVIA.

Overall, for the export business, our branded formulation business has grown by 10% in this particular quarter to around Rs. 124 crores from around Rs. 113 crores in last financial year in the 1st Quarter. Generic business in the quarter has delivered around 15% growth. Generic business has around Rs. 326 crores as against Rs. 283 crores in last financial year. API business has delivered around 12% growth. There is some decline in the domestic business, but export business more particularly from Europe and Latin America, has done well and that has resulted in around 12% kind of growth.

On margin fronts:

q1 FY '26 standalone Ipca has improved its margin from 23.82% as against 22.22% in Q1 FY '25. However, the consolidated EBITDA margins are at around 18.39% in Q1 FY '26 as against 18.52% in Q1 FY '25. There is a marginal decline in that and overall, our standalone net profit is up by around 26% to around Rs. 262 crores and consolidated net profit is up by 18% to around Rs. 234 crores.

Given the broad numbers, now I will request participants to ask questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Saion Mukherjee from Nomura. Please go ahead.

Saion Mukherjee: Yes. Thank you for taking my question. So, on Unichem, we have seen decline in gross margin in this quarter. Also, the overhead expenses for the consolidated business has gone up, which seem to have impacted the overall EBITDA margin. So, if you can explain the dynamics which is impacting the margin and in the backdrop of this quarter's results, how are you seeing for the full year? What will be your guidance with respect to consolidated EBITDA margins?

A. K. Jain: As far as Unichem is concerned, Unichem US business has grown by around 12% and overall, the Unichem business has grown, consolidated number is around 9% growth. Some business has declined in their Asia and African markets, more particularly Asia market because of issue ongoing in Myanmar. From Rs. 23 crores, the business has come down to around Rs. 8 crores because certain import licenses are not received and the shipments could not happen during this particular period. The Brazil business is also down from Rs. 21 crores to around Rs. 14 crores. So, these are the two numbers where some decline is there. Asia business has good margins, but that business has declined in the quarter. Overall, European business has done well. So, that has grown by around 37% from Rs. 26 crores to around Rs. 36 crores. But as far as US is concerned, on 4 major products, they have lost the market share in this quarter where the profitability was better and on other products, they have gained the market again. So, overall number-wise, the overall business growth is appearing to be 12%, but overall margin-wise, there is a decline because some of the profitable products, the market shares are lost. And that is one of the reasons that overall margins has declined and also Asia business declined and Brazil business some declined. That has resulted in overall lower margins for the quarter. In addition to that, in Unichem's accounts, there is an additional provision of around Rs. 12 crores because of currency fluctuation because of this European Competition Commission's provision which is made last in March last financial year. And because of adverse movement of Euro compared to the cross-currency level has gone up and as a result of that around Rs. 12 crores additional provisions are made. And there are almost around Rs. 10 crores additional expenditure debited to the P&L account because of closer announce at the facility which they have in Ireland. And so around Rs. 10 crores provision was made in the books of accounts. So, that has resulted in the overall lower profit as far as Unichem is concerned. And overall, if you look at the whole of the financial year, our guidance for the consolidated number was around 9%-10% overall growth and overall margin increased by around 1% EBITDA margin. More or less, I think the topline would remain in the similar kind of range, but EBITDA margin may

not improve by 1%, it may be around 0.75% or so. So, that will be slight change in the overall margin guidelines for the current year.

Saion Mukherjee: And my second question, on the India business, there is a 10% growth which is still better than the market, but seem to be a little slower than what we had seen in the past. Anything you would like to call out as far as India business and demand environment is concerned?

A. K. Jain: In the India business, let us say most therapies we have done well, except cardiovascular therapy, because in this therapy, we have done the reorganization of business. We have added two more marketing divisions in this therapy. And because of the disturbance of product to people and shifting of people and products to various new divisions and all, it took some time to recruit the manpower, all the additional manpower. So, that has resulted in cardiovascular business in this quarter has not grown to our expectations. The growth has come down to around 8% in this particular quarter. But there faster recovery is happening and we are hopeful that we will do much better than we were doing earlier as far as cardiovascular therapies are concerned.

Saion Mukherjee: Thank you.

Moderator: Thank you. The next question is from the line of Tushar Manudhane from Motilal Oswal Financial Services. Please go ahead.

Tushar Manudhane: Yes, sir. Thanks for the opportunity. So, just again on domestic formulation, if you could also share how the chronic and the acute growth has been for the quarter compared to IPM?

A. K. Jain: If you look at the overall IPM has grown by around 8%. And our growth is tracked by IQVIA as 11.6%. Acute growth was 6.8%. We have recorded a growth of 9.8%. And chronic IQVIA growth is around 9.9%. And IQVIA has recorded our growth as around 15.1%.

Tushar Manudhane: So, 15.1% for Ipca and 9.9% for industry? Correct?

A. K. Jain: No, I said 9.9% for industry and Ipca is 15.1%.

Tushar Manudhane: Chronic?

A. K. Jain: Yes, chronic. But our internal growth is low because of the overall, in case of cardiovascular therapy, there is a two more divisions are added in current years. And that has resulted in little bit lesser business. Overall, at the secondary level, prescription-wise, that has not impacted much. That is what I see.

Tushar Manudhane: Sure, got that. How much manpower are we adding in this division and then overall MR addition?

A. K. Jain: Almost around 400 people are added in cardiovascular market.

Tushar Manudhane: And any other therapy, any more MRs to be added in this year, just to complete that?

A. K. Jain: Broadly, that entire expansion exercise is over here.

Tushar Manudhane: Just one more from my side, on Unichem, while products had impacted the current performance, but where are we in terms of having the synergy in place? And subsequently, what would be the overall US sales for Ipca, including Unichem for the quarter?

A. K. Jain: Let us say, overall, as far as Unichem is also concerned, we are hopeful that there will be recovery. Even on the products there in the 1st Quarter, we have lost some kind of market share. But we expect those kinds of recoveries to happen in the coming quarters.

Tushar Manudhane: And sir, the business from the Ipca side, when do we see that scaling up?

A. K. Jain: Let us say, we have started shipping the products and overall, I think, whatever current deal wins, which has happened so far, I think that could translate around \$15-\$16 million kind of business and still there is, we are in 1st Quarter, so business will further move up.

Tushar Manudhane: And sir, lastly on this, when do we start filing or let us say, increase the phase of filing from our side, as in Ipca side?

A. K. Jain: We have already initiated the filing, I think one filing has happened in this quarter and almost around 15-16 products are under various stages of development here.

Tushar Manudhane: Got it, sir. That is it. Thanks.

Moderator: Thank you. The next question is from the line of Surya Narayan Patra from Phillip Capital. Please go ahead.

Surya Narayan Patra: Yes, thanks for this opportunity, sir.

Moderator: Sorry to interrupt you, Mr. Surya Narayan. Actually, there is a lot of disturbance from your line, from your background.

Surya Narayan Patra: Yes. Is it, I am audible?

Moderator: Yes, you are audible.

Surya Narayan Patra: Yes. Thank you, sir. So, basically about the US business, so we had seen in the previous quarter around Rs. 20-Rs. 22 odd crores kind of incremental business for Ipca. So, how is the trend moving from that level and are we seeing any kind of incremental kind of visibility from our interaction what we would be having with the bulk buyers in the US market? See, in fact, I am seeing there is a relatively stronger generic growth. So, if you can go both the point I was connecting, so if you can give some clarity to those aspects?

- A. K. Jain:** Let us say, I have already indicated that whatever deal wins, which has happened so far, that indicates that almost around the annual turnover could be almost around \$16 million as far as Ipca is concerned. And more number of products are being shipped there and there is almost around 3 quarters more are there. So, we will win definitely more number of deals and hopefully the business will move up further as far as Ipca is concerned.
- Moderator:** Sorry to interrupt you, sir. The participant line has been dropped. I will take the next question. The next question is from the line of Chirag from DSP Mutual Fund. Please go ahead.
- Chirag:** Yes, sir, thank you for the opportunity. So, just a clarification, what you are broadly indicating is that the 10% India formulations growth that we saw in the 1st Quarter seems like an aberration and that this would accelerate as we go along. Is that understanding correct, sir?
- A. K. Jain:** Yes, because our other therapies are growing faster and our main therapy, like say even with the pain management in this quarter, we have recorded a growth of around 13%.
- Chirag:** Understood. And sir, any sense on how the UK business has done for us for both the Ipca business as well as the Unichem business? And is there any change that is happening post the FDA that has been signed? How do you look at this development, positively, negatively? Just how are you thinking about this one?
- A. K. Jain:** As far as FDA is concerned, that doesn't impact pharmaceuticals because there is hardly any change as far as the business environment is concerned. And as far as the UK business is concerned, it is very fast competitive and I think this quarter was not good for us also because there was excess inventory in the market and some of the players were offloading the short dated expiries and with that the most product prices were coming down. And we have seen in the market that some of the products were even selling below cost. What has been shipped from India, the sales prices in UK was lower than that. So, overall, it was a very tough kind of market scenario was there in UK as far as the 1st Quarter is concerned. As far as Unichem is concerned, in 1st Quarter, some of their product had a shortage in that market. So, they had a good business overall in UK in the 1st Quarter of the current year. And therefore, their European business had moved up.
- Chirag:** Understood. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Rashmi from Dolat Capital. Please go ahead.
- Rashmi:** Yes, thanks for the opportunity. Sir, can you just revisit your guidance for each segment? You have already given EBITDA margin guidance for full year, but for all your domestic business as well as each of your export business and Unichem numbers for this full year?
- A. K. Jain:** Rashmi, as far as the topline guidance is concerned, there is no change. So, this quarter also the business has grown and hopefully by the end of the year also, we should be somewhere between 9%-10% topline growth. Only if you have consolidated EBITDA margin, there would

be a little bit lower than what the guidance was given. Instead of 100 bps increase, it will be about 75 bps. But topline, we are not changing any guidance.

- Rashmi:** Understood. And that is only because of basically lower margin from the Unichem?
- A. K. Jain:** That is right. If you see our standalone business, the EBITDA margin is better than what we guided. Only because of lower Unichem EBITDA margin, we are reducing guidance by about 25 bps.
- Rashmi:** And so, if we consider Unichem numbers, so in Unichem also, whatever you had guided earlier that we would be crossing around Rs. 300 crores of EBITDA this year. That still remains intact in the subsequent quarters.
- Harish Kamath:** No, I don't think looking at 1st Quarter what has happened, it won't be possible this year. But hopefully going forward in the next 3 quarters, they should do better than what they have done in the 1st Quarter.
- Rashmi:** Got it, sir. Thank you. That is it from my side.
- Moderator:** Thank you. The next question is from the line of Saion Mukherjee from Nomura. Please go ahead.
- Saion Mukherjee:** Thanks for the follow up. Just one clarification on Unichem. You called out Rs. 12 crores currency fluctuation and Rs. 10 crores additional impact because of the Euro provision. So, this Rs. 20 odd crores that you mentioned, this is as part of other expenses? And also, is there any onetime like shell stock adjustment, etc., because of the competition?
- Harish Kamath:** It is part of the other expenses. What happened, there was a 14 million EU penalty for which we provided in the last financial year, 14 million Euro. But the penalty demand has not come so far. In the intervening period between last year and current year, the Euro has appreciated. So, that is the reason we have to make additional provision of another Rs. 12 crores. The penalty was already provided in the books. Today also demand has not come. Unless there is a demand, we can't pay and that liability was open. And because Euro appreciated, we were forced to make additional provision.
- Saion Mukherjee:** Right, sir. That is clear, sir.
- Harish Kamath:** Ireland, we are closing down that facility. So, the amount Rs. 8-Rs. 10 crores is all redundancy amount which we have to pay to employees who are going out.
- Saion Mukherjee:** Sir, I was also asking about, because you had some competitive pressure in the US, was there any sort of shell stock adjustment or any such additional provisions that came in the quarter?

- Harish Kamath:** No, nothing like that, Saion. What happened, 2-3 products where they were having very good market share and their own API and good margin, they lost business to some competition. So, they have gained market share in other products, but that business has yet to come.
- Saion Mukherjee:** Thank you.
- Moderator:** Thank you. The next question is from the line of Tushar Manudhane from Motilal Oswal Financial Services. Please go ahead.
- Tushar Manudhane:** Sir, just on API side, what do we see in terms of pricing trends now? Are they stable or are they further still on the downtrend? And subsequently, what is happening on the dollar side?
- Harish Kamath:** Positively stable. It is not downtrend. And demand is gradually improving in export market.
- Tushar Manudhane:** And then any addition of product that can come up for us or we would be largely existing portfolio is what will drive growth?
- Harish Kamath:** Every year, 2-3 new products comes into the market.
- Tushar Manudhane:** Understood, sir. Thank you, sir. That is it from my side.
- Harish Kamath:** Yes. Thanks, Tushar.
- Moderator:** Thank you. The next question is from the line of Surya Narayan Patra from Phillip Capital. Please go ahead.
- Surya Narayan Patra:** Yes. Thanks for the opportunity, again, sir. So, sir, if you can just elaborate about the subsidiary performance, how are they really doing? Is there any kind of impact that you are seeing there or things are normal?
- A. K. Jain:** Only one subsidiary which was always doing better, Onyx Scientific. This year, they have not done that well because all these not necessary expenses are being reduced by all multinational companies. So, their, whatever businesses were coming for projects and all, it has reduced. So, they were making consistent profits during the last one decade. But this year, the situation is difficult. Other than that, Pishga continues to be incurring losses, but in line with what it was incurring last year. The injectable project is ongoing and should get commercially ready by second half of this financial year. Post that, only some improvement can be seen in the Pishga financials.
- Surya Narayan Patra:** And the institutional sales, see, in fact?
- A. K. Jain:** It is stagnant, same as last year, 1st Quarter.
- Surya Narayan Patra:** This is a seasonality factor, sir?

- Harish Kamath:** No, mostly due to funding. But this year, we do not see any growth in the institutional business. First quarter, what we did last year, we did this year. Going forward also, we believe we should be able to do, but there won't be any growth.
- Surya Narayan Patra:** And regards to recently expanded capacity, sir, if you just can give an update that, let us say, Dewas or the upgraded plant of Ramdev, how are those facilities are really?
- A. K. Jain:** No, all new facilities, what we told will get commercialized in the current financial year. Nothing recently got commercialized. Dewas is an old facility, commercialized 3 years back.
- Surya Narayan Patra:** No, in fact, the regulatory inspection and all that, that you are thinking about?
- Harish Kamath:** Regulatory inspections, one agency came and inspected, others are expected. So, we have started filing dossiers from Dewas and export business to some market have also already commenced.
- Surya Narayan Patra:** Sure. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Kunal Randeria from Axis Capital. Please go ahead.
- Kunal Randeria:** Hello, sir. Thanks for the opportunity. Sir, your standalone gross margins are very strong, around 74%. It was something similar last quarter also. So, I am just wondering, what is driving this margin expansion used to be in mid 60s earlier? And is there any more headroom to it or you see some downside in the short term?
- A. K. Jain:** No, whatever improvement is there mostly because of the product mix. There is no fundamental change otherwise. So, this year, in the 1st Quarter season, products which were not having better margin, the sales were less. So, if you see therapeutic growth also where margins are better, those therapies have grown better than what it was last year. That is the only reason. Nothing beyond that. There is no other fundamental change either in procurement price or selling price.
- Kunal Randeria:** Right, sir. But you did also mention India business should kind of pick up growth. So, you should be able to at least maintain these margins, right?
- A. K. Jain:** Our guidance was also to increase overall standalone margin by almost around 1.5%. So, that has happened in 1st Quarter and that trend will continue overall in the current financial year. And in 1st Quarter current year, we did better business in a lot of markets like Canada. Australia and New Zealand, there was a significant shipment, maybe exceeding 100% of their growth. And there the margins were better. So, overall material cost has little come down.

- Kunal Randeria:** All right. Just maybe, second question is on Salesforce. I think there were just over 7000 people. What are your plans for expansion for the next 2-3 years? Maybe 200-300 people annually or you think this is enough now for the next few years?
- A. K. Jain:** Maybe around 3%-4% field additions will keep on happening every year.
- Kunal Randeria:** Right. And would it be across your therapies or anything in particular that we should be looking at?
- A. K. Jain:** More towards the specialty segment, not towards the generalist segment. More towards the specialty, yes.
- Kunal Randeria:** Right.
- A. K. Jain:** Derma, we would like to add more people. Urology, we would like to add more people. CNS, we would like to add more people in time to come. Cardiac, we have recently added, so there will not be much of addition.
- Kunal Randeria:** Sure. So, see, some of the smaller therapies which are actually growing very fast, we are doubling down on those. Got it, sir.
- A. K. Jain:** Yes.
- Kunal Randeria:** And just one more, you touched upon some of your subsidiaries' performance. Now, these have been a big drag on your financials. So, taking a slightly longer-term view, when should we expect these subsidiaries to kind of contribute meaningfully to the bottomline? In this quarter, they have kind of a negative contribution. So, maybe 1 year, 2 years, 3 years, how many years will it take for them to contribute?
- A. K. Jain:** Let us say, these subsidiaries are mainly to overall, say, increase our international business, like say, Europe, UK, we have started subsidiaries. Current year, 1st Quarter, it has given loss, but there is a long way to go with business and we definitely expect much greater, maybe around more than Rs. 300 crores business in UK in time to come with all the products in pipeline which getting the matured and having registration in those markets. So, it is the beginning. So, for some quarter, some kind of losses may happen. Last year, Europe, UK has given good profit, but current year, yes, the market conditions were bad and they resulted in lower profit. As far as Onyx is concerned, again, Harish has already told that this company was always giving us 25%-27% kind of EBITDA margins and by and large, they are serving to the innovator companies or the large pharma companies in terms of initial, let us say, new chemical entities, initial all these solid state chemistry and developing the manufacturing processes for them and all that. That kind of services they are doing. They are not in generic kind of therapies and all. So, that company was doing well, but in the 1st Quarter current year, they have also reported a loss of almost around 300,000 sterling pound as a loss. And lastly, because that new product initiations or the new project initiation by all these, let us say, either

by big pharma or by the virtual pharma companies are very less. And funding availability because of all these disturbed market and uncertainties are creating that kind of market scenario. So, that trend we are seeing in last 6 months that is happening. Still, we are not seeing any kind of change. So, probably, this year is going to be a difficult year as far as Onyx is concerned. As far as Unichem is concerned, Unichem, after our takeover, things were working better and we are hoping that things would be far better in time to come. We have yet to do a lot of things there and business expectations of expanding their businesses in other markets and all, that is all work in progress. So, overall, I think in shorter period, yes, there could be some quarters here and there, these kind of things could happen, but long-term visibility and all that would be very good. We look that yes, kind of Ipca business model is there, similar kind of business model we should, except domestic market, they will not be there, but all other markets, we are looking to expand their businesses and all. So, in future, they should also do better. And as far as your PISG is concerned, one facility is under installation there, it may take some more time, another 5-6 months, 6 months more. And once they commercialize, yes, initial period, they may also incur some kind of losses because it will take time to build the businesses there, but that will also result. So, I think 2-3 years period is a good, 2 years period is a good number to see that. We scale up all these kind of subsidiaries. We are also setting up another subsidiary in Germany and initiating the registration of the company. So, for some time, that company also may incur losses, but we see that now we will aggressively participate in the German markets and register our products and start. So, it is a journey, maybe 1 or 2 years journey may happen of initial losses and then building up the business. So, that is bound to happen when we are scaling up our businesses in various markets.

Kunal Randeria:

All right, sir. That is very helpful. Thank you, sir.

Moderator:

Thank you. The next question is from the line of Nikhil Mathur from HDFC Mutual Fund. Please go ahead.

Nikhil Mathur:

Hello, sir. Good evening. Sir, I just wanted to revisit the overall guidance that you have given. So, did I hear it right that you are expecting 19% growth in FY '26 and console EBITDA margin to improve by 75 basis points versus 1% basis points that was the earlier guidance?

A. K. Jain:

Yes, that is correct.

Nikhil Mathur:

Got it. But sir, you are at 18% in 1Q. So, the incremental improvement that the margins will see, it will be majorly from the domestic business or from Unichem. So, which all parts of the businesses do you expect margin expansion in 9 months of remainder of the year?

Harish Kamath:

Nikhil, the Q2 business in the domestic market is always highest. So, you will see some improvement in Q2 itself. Historically, Q2 business gives the maximum quarter business in the domestic market. Plus, as we told you, the operation and financial performance of Unichem also should improve going forward.

- Nikhil Mathur:** Understood. Sir, on the domestic profitability front, can you give some directional sense as to where the domestic margins are today versus the console level? And do you foresee margin expansion in domestic business every year going forward or there can be some years, let us say, next year could be a build-up year and then again, there could be some decline. So, how does one think about the domestic profitability over 2-3 year period from now?
- A. K. Jain:** If you don't add too many people, margins will definitely keep on expanding because your productivity keeps on building up. And in the last few years, we have added a lot of people. And once they start adding to the overall business, then margins keep on improving. And in the current financial year, if also in the 1st Quarter, if you look, from 22.25% in last year 1st Quarter, we had reported a standalone margin of 23.82%. So, there is more than 1.5% increase in overall margin in the 1st Quarter itself. And that trend would continue.
- Nikhil Mathur:** So, you are in the middle of margin expansion in the domestic business as well, and that should continue?
- A. K. Jain:** Yes.
- Nikhil Mathur:** Understood. And sir, one final question on the Unichem side. I understand the moving parts here, what you called out for 1Q. Just wanted to check on both FY '26 and beyond FY '26. So, do we expect any sort of EBITDA growth in FY '26? And what is your take on FY '27 and '28? I know a lot of synergy benefits are yet to play out. When do they start kicking in? And when do we see that hockey stick kind of improvement in Unichem numbers going forward?
- A. K. Jain:** I think synergy business will still take around one year time. That is what we are hoping because we have started now filing the products in various markets. Once registration starts coming in, then we will initiate the marketing and all that kind of thing. And in current Financial Year, in 1st Quarter, it is all because of product mix changes and some kind of deal lost in the US market for some of the products. That has resulted in the overall lower margin and also some one-time provisions in the balance sheet that has also resulted in some kind of debits to the P&L account. But we are hopeful for the next 9 months of the current financial year.
- Nikhil Mathur:** So, Unichem, can see EBITDA growth in FY '26 on a full year basis?
- Harish Kamath:** No. Growth, I don't think it is possible because of Q1, what has happened.
- Nikhil Mathur:** Got it, sir. And sir, if I may, one final question. On the Ipca standalone US business, can you call out the margin drag that is there? And secondly, any large-size launches can we expect in the next 12-15 months, large-size launches can be a few tens of millions of dollars. Anything of that sort are you expecting in the Ipca standalone US business?
- Harish Kamath:** See, we have already launched 4 products of Ipca in the US market. Those products, as Mr. Jain said, has a visibility of about \$15-\$16 million business in the current financial year.

Another 4-5 products also should get launched during the current financial year. But immediately after launch, you get market share, then business actually starts. There will be some gap. But going forward, every year, 5-6 Ipca products will go on getting launched in the US market.

Nikhil Mathur: And sir, how do you account it in the standalone books of the US business?

Harish Kamath: Whatever transfer price from Ipca to Unichem, we book in the standalone and actual sale, what is happening in the US, we book in consolidated.

Nikhil Mathur: Any ballpark, thumb rule number that let us say if X million dollars is the revenue from a product, this much is booked in standalone and this much in Unichem?

Harish Kamath: Actually, our business with Unichem is on profit sharing. Earlier, our business with other partners also on the same footing. So, whatever US sales is there, certain percentage will go to them as selling and distribution cost. And whatever profit is remaining, that will be shared between Ipca and Unichem. So, that is the same model what we were following in the earlier version when we were there in the US market. And for doing this US Ipca business, they are not going to add any people, same people will be handling also Ipca business. So, whatever selling and distribution, whatever margin they get, plus share of profit is their margin.

Nikhil Mathur: Got it, sir. Thank you so much and all the best.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, I now hand the conference over to the management for closing comments.

Harish Kamath: Yes, thank you. Since all the questions are asked and there is no more further questions, we will close this call. Thank you all for participating in our concall. Thank you.

Moderator: Thank you. Ladies and gentlemen, on behalf of DAM Capital Advisors and Ipca Labs, that concludes this conference. Thank you for joining us and you may now disconnect your lines.