Date: November 19, 2025

To,
National Stock Exchange of India Limited
BSE Limited
Symbol: NSE: GRANULES: BSE: 532482

Dear Sir,

Sub: Transcript of the Earnings Conference call for Q2 and the half-year of FY26.
Ref: Our letter dated 31.10.2025 for intimation of the schedule of the Earnings Conference call for Q2 and the half-year of FY26.

Pursuant to regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the earnings conference call of the Company for the Q2 and half year of FY26 has been uploaded on the website of the Company at the below-mentioned link:

https://granulesindia.com/investors/investor-resources/earnings-call-transcripts/

Kindly take the above information on record.

For GRANULES INDIA LIMITED

CHAITANYA TUMMALA

Digitally signed by CHAITANYA TUMMALA
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“Granules India Limited Q2 FY'26 Earnings Conference Call”

November 13, 2025

MANAGEMENT: **DR. KRISHNA PRASAD CHIGURUPATI - CHAIRMAN AND MANAGING DIRECTOR, GRANULES INDIA LIMITED**
MS. PRIYANKA CHIGURUPATI - EXECUTIVE DIRECTOR, GRANULES INDIA LIMITED
MR. MUKESH SURANA - CHIEF FINANCIAL OFFICER, GRANULES INDIA LIMITED
DR. P. V. SRINIVAS - CHIEF TECHNOLOGY OFFICER, GRANULES INDIA LIMITED
MR. SANJAY KUMAR - CHIEF STRATEGY OFFICER, GRANULES INDIA LIMITED

MODERATOR: **MR. IRFAN RAEEN - MUFG**

Moderator: Ladies and gentlemen, good day and welcome to the Granules India Ltd Q2 FY'26 Earnings Conference Call.

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 Mr. Irfan Raeen from MUFG. Thank you and over to you, sir.

Irfan Raeen: Thank you, Muskaan. On behalf of Granules India Ltd, I extend a warm welcome to all participants on the Q2 and H1 FY'26 Financial Results Discussion Call.

Today on our call, we have Dr. Krishna Prasad Chigurupati – Chairman and Managing Director; Ms. Priyanka Chigurupati – Executive Director; Mr. Mukesh Surana – Chief Financial Officer, Dr. P. V. Srinivas – Chief Technology Officer and Mr. Sanjay Kumar – Chief Strategy Officer.

Before we begin the call, I would like to give a short disclaimer:

This call contains some of the forward-looking statements, which are completely based on our expectations, beliefs, and opinions as of today. These statements are not a guarantee of our future performance and involve unforeseen risks and uncertainties.

With this, I would like to hand over the call to Dr. Krishna Prasad sir, for his opening comments. Over to you, sir. Thank you.

Dr. Krishna Prasad: Thank you, Irfan. Good evening, ladies and gentlemen, and thank you very much for joining us on our Q2 FY'26 Earnings Call.

We appreciate your continued interest in granules. We have uploaded a detailed presentation of our quarterly performance on our website. I trust you had a chance to review it.

I will start with an update on the U.S. FDA remediation at our Gagillapur facility:

We are in the final stages of remediation following the August 24 U.S. FDA inspection and thesubsequent warning letter. As communicated during the last investor call, we have reached the eligibility milestone for a request for a meeting and reinspection, and we have now initiated formal engagement with the agency. We have been granted a meeting with the FDA in January 2026, which is Q4, and remain on track with all the required remediation measures in preparation of this interaction. We continue to submit monthly progress reports with the latest update provided on October 31, 2025. In addition, multiple status reports have been shared to date, and

the FDA has raised no concerns regarding the adequacy or pace of our corrective actions. Cross-contamination testing on more than 3,000 retrospective and concurrent samples have also shown no failures to date.

Meanwhile, the Gagillapur site had received a GMP certificate from the German authorities, an outcome of the inspection completed in February '25. The site had also completed eight customer audits with no critical observations, and received the UL certificate last quarter. The facility is now cleared by the German and Danish authorities, with Denmark granting us a EU GMP certificate in July 25.

Across our network, multiple regulatory milestones have been achieved. At GPI site located at Chantilly, Virginia, the U.S. FDA has issued an Establishment Inspection Report for the unannounced pre-approval inspection conducted in June '25 for a first-to-file controlled substance ANDA. Our API Unit 1 facility at Bonthapally has received an EIR and has been classified as VAI by the FDA following the June '25 inspection.

Our Greenfield GLS facility at Genome Valley, Hyderabad, has received U.S. FDA approval for a product following the PAI conducted between July 28 and August 1, 2025. This marks the first FDA approval for the GLS site, strengthening our finished dosage capabilities and enabling multi-site manufacturing.

In the coming quarters, inspection for the GLS Genome Valley site, inspection by the European Authority is also scheduled. With these developments, we are confident of returning to the growth trajectory for formulation business from India, free from delivery constraints. The successful U.S. FDA inspection of a greenfield formulation facility at Genome Valley unlocks an additional 10 billion doses of formulation capacity, a 40% increase over the existing 26 billion dose capacity at Gagillapur. It also establishes a second source supply of finished dosage and PFIs to the U.S. from India. Supplies of monograph products to the U.S. have already commenced and ramp-up of prescription product supplies will follow this FDA approval.

With remediation at Gagillapur expected to conclude in near future, post which we anticipate securing new product approvals and enabling the site to fully support our return to the growth trajectory. Together, these steps will free us from delivery constraints for both the U.S. and EU, enabling us to fully leverage the growth potential of our formulations business from India. Additionally, growth will come from CNS-ADHD segment from our GPI facility in the U.S., scale-up of large volume products in the U.S. and Europe, moving up the value chain in Europe, as well as the oncology capacity monetization from Unit 5 in Vizag, creating a balanced platform for near-term performance and long-term growth.

Our peptide CDMO platform, Ascelis Peptides, built on Senn Chemical's strong Swiss legacy, is progressing well through its integration and capability building phase. Our Swiss innovation Indian scale model is resonating strongly with target customers and Sanjay will take you through this later in the call.

To conclude, we are entering the phase of reviving our growth with a stronger quality foundation, expanded capacity and a more diversified portfolio. Near-term momentum will be driven by the ramp-up of prescription supplies from our Genome Valley facility, continued growth from our U.S. manufacturing operations, moving up the value chain in Europe, and finally, expected normalization of operations and new product approvals from Gagillapur post-completion of remediation. Over the medium to long-term, our strategic expansion into high-value segments, such as peptides through Senn Chemicals and Ascelis Peptides, alongside oncology and new dosage forms, will further strengthen our competitive position.

Supported by our sustainability COMMITMENTS and disciplined execution, we are confident in delivering sustained value to all stakeholders.

With that, I will now hand over the call to Sanjay Kumar, our Chief Strategy Officer, who will share more on our peptides and CDMO growth platform.

Sanjay Kumar: Thank you, Chairman Sir, and good afternoon everyone. Let me take you through the development and progress of our peptides CDMO platform, Ascelis Peptides, which is being built on the strong foundation of Senn Chemicals in Switzerland. Ascelis operates as a separately managed subsidiary, maintaining an arm's-length relationship with its parent, that is Granules India Limited.

The Swiss site at Senn Chemicals continues to function as our global R&D and CDMO hub, ensuring complete data confidentiality and IP protection for our customers. In parallel, Ascelis India is being developed as a scalable manufacturing and R&D backbone, creating a swift innovation and Indian-scale platform that differentiates us in the global peptide CDMO landscape. A key milestone on the India side is the establishment of the Peptide R&D Centre of Excellence at Indian Institute of Technology, IIT Hyderabad, which is now ready and will become operational this month.

Over the past few months, the Senn and Ascelis teams have collaborated closely across Switzerland and India on CAPEX execution, quality initiatives, and various other support functions. This has helped reshape the business into a true CDMO model, focused on complex and emerging peptide segments. At the same time, we have strengthened leadership, governance, and performance management system at the site.

Our quarterly performance was in line with the expectations, reflecting the ongoing transitions, integration activities, and inherent variability of CDMO operations. Importantly, the underlying traction remains strong. We are in an integration and infrastructure upgradation phase and expect to turn profitable in Q4 of this year, while continuing to target FY'27 as the first fully synergized and profitable year for Ascelis.

On the commercial front, customer engagement continues to gain momentum. Recent interactions at major industry events, including CPHI Frankfurt and ongoing TIDES Europe in

Basel from where I am speaking right now, have reinforced growing interest from leading innovator pharma companies, emerging biotech, and cosmetic peptides customers. We are seeing multiple feasibility programs, new inquiries, and renewed discussion with several global innovators. Our LPPS hybrid chemistry capabilities and the India-scale manufacturing narrative have been particularly well-received by early-stage biotech companies seeking agility, responsiveness, and cost-effective development pathways. Senn Chemical's deep expertise in liquid phase synthesis continues to attract innovators looking for scalable and economical process development and manufacturing solutions. In the cosmetic segment, Senn's TFA-free peptide offering remains a unique differentiator, valued especially by Europe-based innovators and brand owners.

In summary, Ascelis is now emerging as a differentiated peptide CDMO combining Swiss craftsmanship, Indian efficiency and global reach. With rising partnership interests, advancing technology collaborations and growing customer confidence, we are building a strong foundation for a credible and competitive peptide CDMO platform.

With that, I will hand over to Mukesh Surana, our CFO, who will take you through the financial performance.

Mukesh Surana: Thank you, CMD and Sanjay. Let me take you all through the top financial parameters now.

Revenue:

The 2nd Quarter revenues were Rs. 12,970 million as compared to Rs. 9,666 million in Q2 FY'25, reflecting a growth of 34% and revenues sequentially grew by 7% as compared to Q1 FY'26. Year-on-year growth was primarily driven by the formulation business in North America and Europe. In Q2 FY'25, the Company had voluntarily paused production in Gagillapur plants to reassess the potential risk on account of U.S. FDA observations. The sales break-ups as per business divisions and geographic regions are presented in our investor presentation, which is available on the website.

Gross Margin:

We delivered a strong gross margin of 65.7% in Q2 FY'26 representing an improvement of 368 basis points year-on-year and 82 basis points sequentially. Gross margin improved primarily because of improvement in operational efficiency and product mix.

EBITDA and EBITDA Margin: EBITDA for the quarter was Rs. 2,782 million i.e. 21.5% of sales as compared to Rs. 2,033 million that is 21% of sales in Q1 FY'25, an improvement of 42 basis points from Q2 FY'25. Despite EBITDA loss of Ascelis peptides of Rs. 200 million. EBITDA as percentage of sales for Q2 FY'26 is improved by 106 basis points from Q1 FY'26The improvement in EBITDA was primarily due to sale growth and margin expansion.

R&D: R&D expenses for the quarter were Rs. 705 million i.e. 5.4% to sales as compared to Rs. 524 million i.e. 5.4% to sales in Q2 FY'25 and Rs. 678 million i.e. 5.6% to sales in Q1 FY'26. We will continue to spend similar expenses to support long term strategic growth.

Net debt:

Our net debt stood at Rs. 10,241 million as compared to Rs. 9,480 million in Q1 FY'26 primarily due to increase in CAPEX spends in the quarter.

Cash-to-Cash Cycle:

Our cash-to-cash cycle was 204 days in the current quarter as compared to 205 days in Q1 FY'26.

Cash Flow from Operations:

Our cash flow from operations for the quarter was Rs. 1,937 million as compared to Rs. 2,806 million in Q1 FY'26.

CAPEX:

Our CAPEX spend during the quarter was Rs. 2,112 million as compared to Rs 1,137 million in Q1 FY'26.

ROCE:

ROCE for Q2 FY'26 is 16.2% as compared to 16% in Q1 FY'26.

With this, I open the floor for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Tarang from Old Bridge Asset Management. Please go ahead.

Tarang: Hi, good evening. Congrats for a strong quarter and the compliance outcomes that you received for a couple of your facilities in the last quarter. I had a couple of questions actually. One, just to get the health of the organic, the base business ex-Senn. Is there any positive or negative one-off in this quarter?

Mukesh Surana: So, Tarang, one-off with respect to the overall granules group you are asking or any specific question?

Tarang: I mean, special one-time opportunities or some one-time expenditures that you incurred in this quarter?

Mukesh Surana: So, the US FDA consultancy expenses is continuing. Other than that, it is more or less similar. Of course, post-acquisition of Ascelis, there is a full quarter loss in the current quarter.

Tarang: With the first quarter of Ascelis integrated into the business, would it be fair to presume that all the fixed costs associated are baked into your P&L and this is the trend that we should see going forward or we could see further escalation in your cost structures?

Mukesh Surana: In terms of fixed cost, Tarang, full quarter expenses have been considered. So, it will be similar going forward. Maybe some additional if at all if you want to hire a headcount. And with respect to the revenue and profitability visibility, Sanjay has already covered in his discussion. Sanjay, do you want to add on?

Sanjay Kumar: Sure. So, Tarang, the same thing as Mukesh confirmed. There could be minor headcount-related expenditure as we build our operations in India going forward. But from the revenue and the cost perspective, things are expected to get better from here.

Tarang: Question not audible

Moderator: Thank you. The next question is from the line of Ritwik Sheth from One Up Financial. Please go ahead.

Ritwik Sheth: Hi. Good evening, sir. So, a few questions from my end. So, firstly, Ascelis includes Senn Chemicals, right?

Dr. Krishna Prasad: Yes, Ritwik.

Ritwik Sheth: Okay. So, this 20 crores is related to completely Senn chemicals. Would that be a right understanding?

Mukesh Surana: It is largely Senn chemicals only. Ascelis, we have just started some of the R&D infrastructure setup.

Ritwik Sheth: Okay. Got it. And sir, in your opening remarks, you mentioned that you expect to turn profitable in Ascelis Peptide. So, what kind of revenue trajectory should we expect going forward in Ascelis Peptide and Senn chemicals combined? And what is the base right now? If you can give us that figure for Q2?

Dr. Krishna Prasad: Sanjay, why don't you go ahead with that? But basically, I don't think we don't give guidelines. But Sanjay, you can give a strategic outlook.

Sanjay Kumar: Yes. Sure. Happy to jump in See, we will be unable to diverge the details at a quarterly split level. But it's safe to assume that the base with which we acquired is just under 20 million. And the growth will be multiple around that. We are not looking at incremental growth around it. But we will not be able to provide you a quarter-to-quarter guidance. And current base business is in

no way a reflection to what we intend to build, given the excitement in the peptide space. And the encouraging new inquiries that we are receiving bases are Swiss and India play. So, we will leave it at qualitative at this moment. Yes, that's where I will stop.

Ritwik Sheth: Sure, and sorry to hop upon Ascelis peptide and Senn Chemicals , what is the capital employed in Ascelis peptide and Senn Chemicals?

Mukesh Surana: there's no major change from what we have said in the last earnings call. It is a total Rs. 450 crore of acquisition debt plus equity. And additionally, we have invested another 100 crores for additional scaling up of CAPEX.

Ritwik Sheth: Okay. And what could be the asset turn that you would have going forward once you completely integrate this over the next two years? Can you give some sense on that?

Mukesh Surana: It's a CDMO business. So, CDMO business asset term would be completely different than the normal business. And also the margin profiles would be completely different. So, we are generally not giving sales guideline. But what Sanjay has clarified already is, there is a base and we are not looking at simple incremental growth. It will be a multiple of the base.

Ritwik Sheth: Got it. And what is the internal timeline to scale this up? Would it be two years-three years or sooner than that? Just to get a qualitative sense on that.

Dr. Krishna Prasad: Sanjay, can you answer that?

Sanjay Kumar: Sure. So, the first year we want to just make sure that we turn profitable. And FY'27, that's the target is to turn it profitable. In terms of a build out, the CDMO business is typically a long lead item. But it doesn't mean that we have to wait out three years to get to what we realize. I think we have been good shape in starting with the six months from now to an 18 month period. That's where we start converting some of the inquiries into the real businesses for ourselves. And we keep our investment proportional to the kind of projects that we start getting in. So, again, stopping short of guidance, but we are not looking at a very, very long term beyond three year horizon. But the real build out happens from a one to three year period itself. Again, a multiplier function, not an incremental function.

Ritwik Sheth: Got it. And I have one more question. Can I go ahead?

Dr. Krishna Prasad: Yes, go ahead.

Ritwik Sheth: So, sir, if you see in the last 2 to 3 years, we have been around this ballpark, topline of approximately 700 to 1,200 crores per quarter. And earlier in the last phase from 2014-2015 to 2022, we have grown at double digit. So, would you think that with all these remediation and the new site getting approvals one-by-one, would you suggest that we would start growing at double digit from FY'27 onwards on the topline on the base business and plus peptide business?

Dr. Krishna Prasad: I think you are right, Tarang. We were constrained by certain things last few years. But now, like I said in my opening remarks, we are going to have a breakout and get back on our growth track.

Ritwik Sheth: Got it. Okay, sir. Thank you and all the best.

Moderator: Thank you. The next question is from the line of Tarang from Old Bridge Asset Management. Please go ahead.

Tarang: I was lost in the middle. So, the last few questions were not by me. They were from someone else.

Dr. Krishna Prasad: Okay, go ahead.

Tarang: Sir, just to get a better sense of the German subsidiary that's been incorporated, what's the thought process there? And number two, we saw very strong traction in both your Europe business as well as your US business this quarter. So, has that got to do anything with Paracetamol coming back?

Dr. Krishna Prasad: A little bit, Tarang. Not totally Paracetamol. But now your first question about the German subsidiary. We are focusing on EU growth now. And we need to have an arrangement for stocking and selling. So, that's the reason we are starting a subsidiary there. It will not be a big affair, but slowly we see growth there. And regarding the growth, EU is going as per plan. We had a little dull slowdown in the last quarter, but it's on track now. And of course, the US, as we anticipated, mentioned many times, we are expecting a very strong growth from our US manufacturing especially, more than Indian products sold in the US. GPI as a standalone unit has picked up and doing quite well. And we anticipated good growth from there.

Tarang: Has that meaningfully contributed this quarter?

Dr. Krishna Prasad: Yes, Tarang.

Tarang: Okay. Thank you guys. All the best.

Moderator: Thank you. The next question is from the line of Priti Agarwal from SK Associates. Please go ahead.

Priti Agarwal: Thank you so much for the opportunity. I would like to know what were the key drivers behind the increase in EBITDA?

Mukesh Surana: The key driver is largely operational efficiency. Operational efficiency, of course, includes various things in terms of yield improvement and some of the leveraging on the packing side, etc. And also product mix. And this EBITDA margin could have been further higher if EBITDA

loss of peptides was not there. So, the product mix and operational efficiency has helped us in improving EBITDA.

Priti Agarwal: Understood. And how did the 200 million EBITDA loss from Ascelis peptides affect overall profitability?

Mukesh Surana: So, the turnover we have already covered in the presentation. So, it is almost similar number of turnover quarter-on-quarter in Ascelis, Rs. 28 crores-Rs. 29 crores. And the EBITDA loss is about Rs. 20 crores from Ascelis.

Priti Agarwal: Understood, sir. Thank you so much and all the very best.

Moderator: Thank you. The next question is from the line of Maitri Shah from Sapphire Capital. Please go ahead.

Maitri Shah: Hello. Just on the peptide business. So, we said that we will turn profitable. Are we expecting to turn PAT profitable or EBITDA profitable by Q4?

Sanjay Kumar: In Q4 we should be PAT profitable.

Maitri Shah: And do we see a lot of program coming in in this business, that is why we are expecting this PAT profitable from Q4 or this is mostly on...How do we expect this growth to happen?

Sanjay Kumar: I understood the question. So, we do have the visibility for the Q4 right now and if execute it well, we are hopeful of turning profitable in Q4. And that's very much in the side. On the inquiries and on the new projects, those are longer lead items and those will get realized subsequently. But our Q4 performance will not be largely dependent on those development or any outcome of those discussions. But yes, there are indeed some great discussions that is ongoing. But I will just caveat it by saying that these are slightly long lead time discussions and we will have to wait out. But we are very hopeful of converting those.

Maitri Shah: Okay. So, then the entirety of FY'27, do we expect these inquiries to convert or are we expecting them to happen post FY'27?

Sanjay Kumar: So, these are typically, we are talking to innovators with their in clinical assets and their programs. It could be a calendar year 26, financial year 27. And the visibility we have is over a longer horizon as well. These will have the projects and the programs at various stages. In FY'27, we are in discussion with companies with a program in FY'28 and subsequently for the later stages the project goes through. So, these are very long lead time discussions. Part of it can be realized in the coming year. And there will be an ongoing component from there based on the success of a project. And we become a co-traveler along the innovators on the agenda.

Maitri Shah: Okay. And secondly, what sort of revenues do we need to clock in to have a positive EBITDA and also a positive PAT? I don't want any guidance, but hitting this revenue figure can turn us profitable, basically?

Sanjay Kumar: I won't be able to give you the exact detail, but when you see the Q4 numbers, we will get a better idea on what could be a breakeven number, both on EBITDA and PAT front. We do have the visibility and we will cross that in Q4.

Maitri Shah: What sort of visibility do we have, sir? Are these contracts that something we got into before this business was incorporated?

Sanjay Kumar: As a part of our project, there are certain commercial products out of the previous project, which have gone to a commercial stage and there are supply commitments and those are phased out along different quarters. The visibility that we have for the Q4 for those commercial supplies items will help us take us over the profitability benchmark and breakeven numbers.

Maitri Shah: So, these projects, these commercial projects will continue throughout FY'27. Is that also correct?

Sanjay Kumar: Yes, that will also be correct.

Maitri Shah: So, could you give us like an annual range of what is this commercial project, like what sort of annual revenue we see?

Sanjay Kumar: We cannot divulge more detail on more granularity into the business at this point in time.

Maitri Shah: Okay. Yes, that is it from my side. Thank you so much for answering.

Moderator: Thank you. The next question is from the line of Aditya from Sowilo Investment Managers. Please go ahead.

Aditya: Thank you for the opportunity. My question is on the Gagillapur facility. So, I think earlier the timeline we were looking at was December 2025 to get the FDA to re-inspect. Are we still on that timeline?

Dr. Krishna Prasad: No, not really, Aditya. We expected once we were ready for the inspection and once we inform FDA, we thought that they would come for a quick re-inspection. So, we did get back to them last month and they gave us a meeting only in January of '26. And after that, how long they are going to take is something we will see. But from our side, we are ready and let's hope that it all happens fast.

Aditya: Okay. So, just to understand, so now when we say that we need them to come and inspect, so what kind of like in terms of say, I don't know if it's the right word to use, but revenue loss

because of this we are facing or is it that we are compensating for the volumes to some other facility?

Dr. Krishna Prasad: We had constraints in capacity and we were not operating at full capacity, Aditya. Definitely there was a revenue loss because of that. We did compensate from our US manufacturing quite well and a little bit on OTC products from our GLS facility. But now with the approval of the GLS facility by the FDA, we will be able to manufacture more RX products from here and we should be able to make up for and we should be able to increase our revenues. However, once the Gagillapur facility is out of the warning letter, we have some approvals, new products that are pending. And once we get those, I think there'll be a better increase in revenue.

Aditya: Okay. So, basically it's not, it's not that the existing ones which will get spread. We have, there is scope for further revenue growth once it comes back online, right?

Dr. Krishna Prasad: That's right. Not only from GLS, but also from Gagillapur itself, there'll be better growth.

Aditya: Understood. That was my question. Thank you.

Moderator: Thank you. The next question is from the line of Ritwik Sheth from One Up Financial. Please go ahead.

Ritwik Sheth: Thank you for the follow-up. So, just one question, you mentioned that the consultancy expenses are still going on in this quarter. So, can you just give us that figure for Q2 and H1 FY'26?

Mukesh Surana: Sure. FY26, I would hesitate to give because continuously we are monitoring, but Q2 actual numbers I can give, it's at about $2 million in the quarter.

Ritwik Sheth: Okay. And first half?

Mukesh Surana: First half is also, first quarter also of similar number.

Ritwik Sheth: Okay. So, basically there's a $4 million expenses that we have incurred in H1 FY'26.

Mukesh Surana: That is right.

Dr. Krishna Prasad: Trend of it coming down. I think it'll come down in Q3 and Q4, it'll come down drastically.

Ritwik Sheth: Okay. So, FY'27, this would be close to nil?

Dr. Krishna Prasad: Yes. That's the expectation. Quite confident.

Ritwik Sheth: Sure. And sir, are you looking to do any product side transfer from Gagillapur to Genome? What kind of timelines would you have for these products?

Dr. Krishna Prasad: We have already applied, made applications for some of the products and some more are being filed right now, which will be a CB-30 and we expect quick approval. I think about 4 to 5 products will be transferred from Gagillapur and that will give us the needed capacity.

Ritwik Sheth: Got it. And sir, can you throw some color on the control substance growth for H1 FY'26 and how do you see it panning out in the next couple of years?

Dr. Krishna Prasad: I think Priyanka, can you take that question?

Priyanka Chigurupati: Sure. The control substances were pretty stable over the first two quarters, but going forward, we have about, do you want short term or long term?

Ritwik Sheth: For next 2 to 3 years.

Priyanka Chigurupati: Two to three years, we will see possibly one to two approvals from the side, but then most of our products are about 2 to 3 years out. So, we will have the launches happen three years post because most of them are patent protected and some of them are first to file. So, we do expect tentative approvals to come in within the next quarter.

Ritwik Sheth: And what kind of growth can we expect from this business?

Priyanka Chigurupati: Without giving exact numbers, I will say that there's going to be a significant growth over the next 3 years to 10 years because we have products filed until 2035. So, we have a lot of confidence in this particular pillar of growth and we are very excited to see this pan out.

Ritwik Sheth: Yes. Okay. That's it for my time.

Moderator: Thank you. The next question is from the line of Vivek Gupta from Star Investment. Please go ahead.

Vivek Gupta: Actually, I just happened to join the call a little late, so I am not sure if the question was answered previously. But I just wanted to know what factors contributed to the revenue growth in formulation markets in North America and Europe?

Dr. Krishna Prasad: The question was answered, but for your benefit, I think Mukesh will go through it again.

Mukesh Surana: Yes. So, in the current quarter, sequentially also, we have grown significantly better. So, some of the remediation activities are robust enough. The productivity improvement has happened already in Gagillapur. Genome Valley also started giving monograph products. And in the near future, we will have other products also as per approval Q3-Q4 onwards. In addition to that, the year-on-year growth was significantly contributed because last year quarter, there was a USFDA audit observation and the plant was temporarily shut down. And third pillar of growth on the formulation, which is just now Priyanka has clarified, controlled substances also significantly contributing to the growth.

Priyanka Chigurupati: Actually, I will also answer, I will also respond to that. We have also won some awards with our existing business. And if you recall a couple of, I mean, every concall, I always keep saying that some of the products that we pick are long-term products in terms of gaining market share. So, we do have products that we got approval for about almost 2 to 3 years back, and we are still gaining share on those products. So, if you look at IMS data, you'll see that slowly we penetrate the market. Most of the products, we start with 5, 10, 15, and we go up to a very, very decent market share. And that's also contributed to the growth in North America this quarter.

Vivek Gupta: Okay. That helps. So, sir why did the company voluntarily pause the production at the Gagillapur plant in Q2 FY'25?

Dr. Krishna Prasad: This was discussed and explained in the past, Vivek, but then I will explain once again. See, once the FDA brought in some serious concerns, we just cannot say we are good, we will keep continuing, we will continue to produce. So, we took a pause to assess the exact situation and to prove to ourselves and to the FDA that there is no risk, the product is good, there's no cross-contamination in the product. And we also told the FDA, we have taken a pause. And they told us, you don't have to take a pause, you can continue production. We wanted to hear from the FDA rather than doing it ourselves. And that has gone a long way in convincing the FDA that we are a very compliant company.

Vivek Gupta: Okay. So, how did API and PFI sales in the rest of the world markets impact the overall revenue growth?

Mukesh Surana: It has been pretty good. It is there in the investor presentation. We have done good growth of PFI in the LATAM market, which we had constraints in Q1 because of the capacity. Now, with the available capacity, with the robust remediation activities in place, we have capacity available and we are growing.

Vivek Gupta: Okay. Thank you. That was from my side and all the best for the future quarters.

Dr. Krishna Prasad: Thank you, Vivek.

Moderator: Thank you. As there are no further questions from the participant, I would now hand the conference over to the management for the closing comments. Over to you, sir.

Dr. Krishna Prasad: Once again, ladies and gentlemen, thank you very much for joining us and we appreciate your questions. And I hope that we have done our best to answer them and in case you need some more clarifications, please feel free to reach out to our CFO and he will be able to update you. Thank you once again and have a good day.

Moderator: Thank you. On behalf of Granules India Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.