

INNOVA CAPTAB LIMITED
Plot No. 320, Industrial Area, Phase-1,
Panchkula, Pin-134113, Haryana, India.
Phone: +91-172-4194500



13th November 2025

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001
BSE Symbol: INNOVACAP
BSE Scrip Code: 544067

To,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, “G” Block
Bandra-Kurla Complex
Bandra (E), Mumbai – 400051
NSE Symbol: INNOVACAP

Dear Sir/Madam,

Subject: Transcript of the Investor/Analyst Earnings Call held on 10th November, 2025

This is in continuation to our letter dated 10th November 2025, wherein we had informed regarding the audio link of the earnings call with analysts/investors for the quarter and half year ended 30th September 2025.

In this regard, please find enclosed herewith the transcript of the said call.

The transcript is also being available on the Company’s website i.e.

www.innovacaptab.com/Transcript

You are requested to take this information on record.

Thanking you,

Yours faithfully,
For **Innova Captab Limited**

Neeharika Shukla
Company Secretary and Compliance Officer



“Innova Captab Limited
Q2 & H1 FY26 Earnings Conference Call”
November 10, 2025

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 10th November 2025 will prevail.”



**MANAGEMENT: MR. VINAY LOHARIWALA – MANAGING DIRECTOR –
INNOVA CAPTAB LIMITED
MR. LOKESH BHASIN – CHIEF FINANCIAL OFFICER –
INNOVA CAPTAB LIMITED
MR. AYUSH KUMAR GARG – HEAD OF INVESTOR
RELATIONS – INNOVA CAPTAB LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Innova Captab Limited Q2 and H1 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 this conference call, please signal an operator by pressing star then zero on a touch-tone phone. Please note, this conference is being recorded.

Before we begin, a disclaimer. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. The statements and other guarantees of the future performance and involve risks and uncertainties that are difficult to predict.

I now hand this conference over to Mr. Ayush Kumar Garg, Head of IR. Thank you, and over to you, sir.

Ayush Kumar Garg: Thank you, Mark. Good morning, everyone, and thank you for joining us on our earnings call today to review the operational and financial performance for Q2 and H1 FY '26. We have with us Mr. Vinay Lohariwala, Managing Director; Mr. Lokesh Bhasin, Chief Financial Officer; and representatives from SGA, our Investor Relations advisor.

I trust you've had the opportunity to review our financial results and the investor presentation both of which are available on our website as well as on the stock exchange website. Should you have any further questions after this call, our Investor Relations team will be happy to assist you.

With that, I now hand over the call to Mr. Vinay for his opening remarks. Thank you, and over to you, sir.

Vinay Lohariwala: Thank you, Ayush. Good morning, everyone, and thank you all for joining us for today's earnings call. Innova Captab continued to build on its strong growth trajectory in the second quarter of the financial year, delivering a robust year-on-year growth of 19.5%, both in Q2 and H1 FY '26 reaching INR380 crores and to INR732 crores, respectively. This performance came despite the challenge backdrop of declining API price, which directly impacts our CDMO business. However, we are now seeing early signs of price stabilization.

During the quarter, we witnessed healthy volume growth at group level, which is in testament of our expanding market presence and strong customer demand. Briefing on profitability, we achieved year-on-year EBITDA growth of 8% in Q2 FY '26 and of 17% in H1 FY '26. EBITDA margin remained within our estimated level of around 15%. PAT margin were also around 8%.

I would also like to bring to your attention to the fact that during this quarter, our manufacturing capabilities were further strengthened with the successful inspection of our Cephalosporin plant in Baddi by U.K. Medicine and Health Care Product Regulatory Agency, that is UK-MHRA and our Jammu facility by State Service of Ukraine on Medicine and Drug Control (SMDC). This milestone underscore our adherence to global quality standard and reinforce our presence in key international markets.

I would like to highlight that we cater to some of the most prominent pharmaceutical companies in India as our CDMO client. Several of these partners have already completed their audit and reviewed data from stability batches, process validation basis and other key parameters at our newly commissioned Jammu facility. We have already commenced business operations with some of them, while discussions with others are at an advanced stage. This provides a strong foundation for scale-up in the near term.

Coming to each business area.

Our CDMO operation, through which we serve our 300 clients across the globe, witnessed a year-on-year growth of 15% in Q2 '26, and 12% in H1 FY '26. Despite the temporary pressure from lower API price, the resilience highlighted the strength and diversity of our client base and product portfolio.

The Branded Generics business, which is our front-end operation with a direct presence across India and key regulated and semi-regulated markets globally, continue its strong growth trajectory. This was driven by expansion of our product basket and enhanced marketing efforts. The business recorded an accelerated year-on-year growth of 31% in Q2 FY '26 and 43% in H1 FY '26.

As we move into the second half of the financial year, we remain optimistic about sustaining our growth momentum. We have a strong order book, which will feed growth in the business in the coming months. Further continued operational efficiency at our manufacturing sites and possible stabilization in API price provides a strong foundation for the coming quarters.

Our focus will remain on maintaining high service quality, deepening client relationships and optimizing our cost structure to deliver consistent value creation. With a disciplined approach and a clear road map, we believe Innova Captab is well positioned to deliver sustainable growth and create long-term value for all stakeholders.

With this, I now hand over to Mr. Lokesh to detail about the financial performance for this quarter.

Lokesh Bhasin:

Thank you, sir, and good morning, everyone. I will now take you through the financial highlights for Q2 and H1 FY '26. Our consolidated revenue stood at INR380.4 crores registering year-on-year growth of 19.5%. For H1 FY '26, the consolidated top line was INR731.9 crores. Exports contributed 30% to the overall revenue mix both in Q2 FY '26 and H1 FY '26, reflecting a well-diversified geographical presence.

CDMO business crossed INR265.7 crores of revenue as compared to INR230.6 crores in Q2 FY '25, thereby registering year-on-year growth of 15%. For H1 FY '26, CDMO business revenue totalled to INR515.2 crores. The growth was propelled by deeper client engagement and expansion of our product portfolio.

The Branded generics business continued to deliver stellar growth and recorded revenue of INR114.6 crores with a year-on-year growth of 31%. H1 FY '26 revenue from this business cumulated to INR216.7 crores, with a year-on-year growth of 43%. The EBITDA grew to

INR56.1 crores for this quarter vis-a-vis INR51.9 crores in Q2 FY '25, the signifying growth of 8%. For H1 FY '26, EBITDA was INR112.6 crores versus INR96.2 crores in H1 FY '25, growing by 17%.

EBITDA margin was 14.7% in Q2 FY '26 and 15.4% in H1 FY '26. Profit after tax for Q2 FY '26 INR29.7 crores and INR60.7 crores for H1 FY '26. With this, we would like to conclude our opening remarks and open the floor for further questions and answers. Thank you very much.

Moderator: The first question is from the line Sudarshan Padmanabhan, from ASK NDPMS.

Sudarshan Padmanabhan: Thank You for taking my question. Sir, I understand that there was a GST impact that could have impact on the volumes. And second is also that we have the tax benefits coming in being reimbursed. Can you hear me?

Moderator: Could you please come closer to the mic?

Sudarshan Padmanabhan: Yes, sure. So I would like to understand the impact on GST. One, was there any disruption because of the GST in this quarter, I mean, from our clients end. And second is going forward, given that the manufacturing at Jammu gets benefit in terms of GST coming back to us. Is there any thought process change? I mean, how are we going ahead with the dialogues with the Jammu Government with respect to the GST? Some color on this.

Vinay Lohariwala: Yes. Thank you Sudarshan. So this quarter, as you all know that the center government has reduced the GST rate to 2 rate structure. So in our Pharmaceutical Formulation business that rate has been reduced from 12% to 5%. So as you know that in Jammu, we have a direct benefit of GST incentive. So let's say, we have the 12% GST incentive and subject to a maximum incentive of approx INR75 crores, INR80 crores. So now our benefit will reduce from 12% to 5%. Whereas the overall quantum of the GST benefit will remain the same.

So earlier, let's say, if we need to do annual sale of INR650 crores to achieve the complete incentive. Now it will be approximately, let's say, INR1,400 crores. So in short term, yes, definitely, we are adversely impacted. But in long, say, post 2 to 3 years' time, as this Jammu project is expected to do the revenue, let's say, from more than INR1,000 crores. So that time, I think the benefit -- the adverse impact will be neutralized. But certainly, that 12% reduction to the 5%, it's a straight away 7% benefit has been gone.

Sudarshan Padmanabhan: Sure. So there will be about INR30 crores impact versus what we had initially thought about? That is the on the reimbursement side, even if you're assuming the basis is for the next 2 years, the INR30 crores, INR40 crores, INR50 crores?

Vinay Lohariwala: So, I'm not able to hear you clearly.

Sudarshan Padmanabhan: So it's about INR30, INR40 crores anywhere -- between INR30 crores to INR50 crores given the kind of scale up that you had in outline in the utilization of Jammu, in the next couple of years, just in the next couple of years, post which we will basically catch up?

- Vinay Lohariwala:** So we cannot measure that impact in this way. But certainly that we are going to get the, let's say, 12% reimbursement, instead of that, we are going to get the 5% reimbursement. So this business is basically a -- total business is B2B. Most of the business is B2B. So in that case, let's say, if we are going to pass some percentage point to our customers, that will be reduced. So exactly, we cannot say that the 7% impact will be transferred to the P&L. So the pricing will be redefined.
- Sudarshan Padmanabhan:** Okay. Got that. And sir, with respect to ...
- Vinay Lohariwala:** Let's say, from the other area, if we have the earlier 12% advantage, now the advantage remain at 5%.
- Sudarshan Padmanabhan:** Sure, sure. So got it. So you'll basically reduce the benefit that you're passing on to the client. It's not necessarily that you'll take the entire hit on that side?
- Vinay Lohariwala:** Yes, yes. Simply, it's like a half a glass is full and half a glass is empty. So if you see from the bottom, the half a glass is full still, we have the 5% benefit. And if you see from the top, half a glass is empty so 7% margin is loose.
- Sudarshan Padmanabhan:** Sure. And sir, vis-a-vis what we had earlier envisaged. I mean, we thought that Jammu, we can basically do the INR400 crores from the facility. Given that the first half, you basically reported -- if I'm looking at it close to about close to INR700-odd crores, INR730-odd crores in terms of sales, the implied sales for the second half seems to be very high. I mean it has to be between INR450 crores to INR500 crores. I mean I understand that there has been a fall in API prices as well. In this context, I mean, in this context do you still believe that the INR400 crores of target is achievable?
- Vinay Lohariwala:** So let's say, sir, Jammu number is currently for the H1 is somewhere around INR120 crores. So for the H1, we have achieved a number of INR120 crores. So let's say if we double it, it is approximately INR240 crores, INR250 crores. And that is with the API correction like in potassium clavulanate somewhere, it was INR18,000, now it is INR13,000. So in few of the -- there is a 15% to 20% correction. So still, we are on the clear cut trajectory -- professional trajectory of INR250 crores, right.
- And we believe that in the next half, we will do better from Jammu also. What we have done in H1. Despite the cut of GST, we are saying that we will do better in Jammu sales in the H2. So it looks like a clear cut trajectory of INR300 crores, what we can say. So let's say, so if we make like INR75 crores, INR75 crores, then it will be like INR270 crores, INR280 crores. But let us correct our guidance from INR400 crores to let's say, INR280 crores, INR270 crores.
- Moderator:** The next question is from the line of Gautam Rajesh, from Everflow Partners.
- Gautam Rajesh:** My first question was on what sort of growth do you expect from -- over the next 3 to 5 years? How do we see this growth? That would be my first question sir.
- Vinay Lohariwala:** Thank you, Rajesh. So from -- if you see our past history, we have always doubled our top line in 3 to 4 year's time. So that translates into a 20% plus growth trajectory. Similarly, post IPO,

you see, we have -- we committed to maintain the same trajectory. So let's say, if you see the post IPO, our level was INR1,000 to INR1,200 crores. So in the next 3 years, our target is to double our top line and vis-a-vis EBITDA and PAT. So similarly, we are committed to that, and we see there is no challenge in that.

Gautam Rajesh: Understood. And my next question was on the Jammu facility plan. How do you see the Jammu expansion changed our growth trajectory? How much of this growth that you are seeing would come from Jammu? How do you see the growth trajectory in Jammu? And also on what capex have we done for this facility? And what is the peak revenue we can expect from this?

Lokesh Bhasin: So we have -- Rajesh, we have invested a total amount of around INR480- plus crores in Jammu. And at it's peak level, if I talk about optimum capacity level, so we are expecting an optimum capacity level of, say, 65% to 70%, we should be getting a revenue of north of INR1,400 crores from Jammu facility.

Gautam Rajesh: All right. And how -- when do we see this happening? Will it take 3 years?

Vinay Lohariwala: Yes. So yes. So let's say, this is the ramp-up plan is like 3- to 4-year plan that we should reach in 3 years, INR1,000 crores plus, right? So that's why we always say that the 20% plus growth trajectory should be maintained in the coming time.

Gautam Rajesh: All right. All right. And sir, just on your first question -- first question asked, what are the other benefits? Is the 5% GST the only benefit that we get from Jammu facility? Are there any other benefits that having the facility over there?

Lokesh Bhasin: So basically, what I understood is that you were asking that what are the benefits other than GST that we are going to accrue from Jammu plant?

Gautam Rajesh: Yes, yes. My understanding is 5% now due to the GST thing. Is there any other benefits that we have from the Jammu facility?

Lokesh Bhasin: That is right. In addition to GST incentive benefit, we are eligible for an interest subvention benefit on the term loan that we have taken on the plant and machinery for Jammu to the tune of 6% of our finance cost.

Moderator: The next question is from the line of Saket from Sagari Capital.

Saket: Hi, thanks for the opportunity. So first of all, congrats to the management for excellent numbers as well as strong guidance despite volatile environment. So sir, first question would be that you talked about while the prices did seem to erode a bit during the quarter, but volume numbers were strong. So can you help us with what was the volume growth? And what was the price decline, sir, on a consol basis for especially for the CDMO manufacturing side?

Moderator: Hello. Mr. Saket, please repeat your question.

Saket: Sure thanks for the opportunity and again congratulations to the management for excellent numbers despite volatile environment also for strong guidance. So sir, my first question would

be that you said that the volume growth was excellent despite price erosion. So for the domestic CDMO manufacturing side, what was the volume growth? And what was the price decline, sir?

Vinay Lohariwala: So Saket, this is a complex environment. So in our case, there are 2 factors for the growth. One is, of course, our J&K facility which is putting a growth number, right? The other one is the Baddi volume growth. So let's say, I request Lokesh for the volume growth number.

Lokesh Bhasin: Yes. So if you talk about our volume growth on our ex-Jammu basis, for our manufacturing facilities at Baddi. So overall while the negative price range of 10% to 12%. And at the same time, our volume growth was around 8% to 10%.

Saket: So sir, my next question would be that you talked about things stabilizing, but you've also been highlighting that anti-infective was a big culprit as far as price erosion goes. So the stabilization is now seen across segment or including, say, anti-infectors, this price stabilization? And how is the volume picking up, say, for the -- almost now we are 40%, 45% for Q3. So is the volume growth sustaining, sir? I am talking about ex of Jammu.

Vinay Lohariwala: Yes, yes. So if you see the API prices, there are a few early sign of reversal of the API pricing. So there are early sign-off reversal of API price or we can say the bottom out of the API pricing trend. That's why we speculate that in the near future or the coming financial year, there should not be any further degrade in the prices. But let's say, it all depends on the supply demand and the capacity availability in the future prices, we -- even nobody can predict the actual trend.

Saket: Fair point. A fair point. Sir, another question, at one of our listed peers said, that there has been increased compliance pressure, especially for domestic regulators in wake of again, the cough syrup part, cough syrup incident as well as the focus on implementing a schedule M, the new schedule M, as they are saying.

So can, in your experience, can you highlight even you are witnessing, say, increased compliance pressure, which is leading to say longer approval timeline? So for example, the validation batches or the stability data that was required in the earlier era -- could I say x months today, it's 2x or 3x months.

So something if you can highlight because in the long term, it can be really positive. But in the short term, maybe the approvals or say, capacity ramp-up of our facilities might take slightly longer. So if you can share something on this compliance aspect, especially from the domestic regulator side and any areas where you are seeing more double-click from the regulators like more samples or longer approval timelines? So something on that front, sir.

Vinay Lohariwala: So sir, let's say, sir, with the time line, every regulatory agency is getting stringent whether it's our CDSCO or international guideline even across the vertical, if you see with time, every regulator and industry gets mature, and that's why we call it cGMP, the C is for the current. So the GMP process gets mature, regulator or industry understanding get mature and with time that gets stringent and stringent.

And we see the challenge and opportunity both in all these regulatory updates. But those companies who are complying with the standards and put theirs elves ahead of the curve, will

see a bright and better future. So our job is to, let's say, understand -- read the guideline properly and comply in advance.

As a company, that is our focus area that we should comply in advance with all the regulation across the -- whether it's pharma or any other thing, right? We should be ahead in the compliance network so that we can get the advantage and we can do the business peacefully.

Saket: Got it, sir. So are you seeing any delay or longer approval time lines from the Indian regulators, something that if you have seen in the recent past?

Vinay Lohariwala: So that -- individual comments we don't want to do on any issue.

Saket: Thanks for responding sir and all the best for the coming quarters.

Vinay Lohariwala: Thank You

Moderator: The next question is from the line of Ankit Shah from Canara Robeco AMC. Please go ahead.

Ankit Shah: So my first question is with the lower GST incentives, any margin impact that you would like to call out, any guidance for this year? What we had this target of reaching 15% plus margin. So will that happen once Jammu ramps up completely?

Vinay Lohariwala: So Ankit, thank you. So this year, our target was on the top line. So it's a newly commissioned facility. So we are targeting to acquire customers and -- or what we can say to achieve the earlier guidance value of INR400 crores turnover on a yearly basis. So definitely, our margin may adversely impact because of the GST reduction. But as we -- -- as I already covered that it's a B2B business, then that's why the pricing will be redefined. So the benefit passed to the customer, all that can be redefined. So still, we are optimistic that in long term, our 15% margin should sustain.

Ankit Shah: **Got it.** Second question was how would the receivables, the inventory has risen and working capital days also increased by 12 days, so can you explain the reason for that?

Lokesh Bhasin: Yes. Ankit. So that is a major reason of our increase in working capital investment is mainly due to sustain the ongoing growth pattern and to sustain our future growth projection. So that's why we have to do certain investment in our working capital to support our upcoming growth.

Vinay Lohariwala: **Once** the sale will be on the improved number, the days will be normalized.

Ankit Shah: Okay. Okay. So essentially, it can come back to 85, 90?

Vinay Lohariwala: Normal level, Yes.

Ankit Shah: Thank you and all the best

Moderator: The next question is from the line of Gaurav Bhama from JM Financial.

- Gaurav Bhama:** Congratulations on a strong set of numbers. I have 2 questions. One is a clarification on the earlier quoted number. So it was said that Jammu at the peak potential we do north of INR1,000 crores or north of INR1,400 crores?
- Lokesh Bhasin:** So, Jammu if I talk about numbers, so Jammu, normally our CDMO manufacturing capabilities peaked out at a capacity utilisation of say, 65% to 70%. So going by the full potential of our Jammu plant is down the year from 4 to 5 years, we should be estimating to reach a 65% to 70% capacity utilization, which will translate into INR1,400 crores, North of INR1,400 crores.
- Gaurav Bhama:** Understood. And my second question is regarding contribution of Sharon Bio for this quarter, you can clarify that, that will be helpful.
- Lokesh Bhasin:** Sorry -- can you please repeat your question?
- Gaurav Bhama:** I wanted to understand what was the contribution of Sharon Bio to the top line for this quarter. If you could clarify that, that would be helpful.
- Lokesh Bhasin:** Yes. So Sharon has been a good acquisition, and it is growing steadily along with the company's growth projection. And the contribution has steadily increasing in sync with our overall growth trajectory.
- Gaurav Bhama:** Understood. Thank You sir.
- Moderator:** The next question is from the line of Bijal Bakhai from Amit Jasani Fin Service.
- Bijal Bakhai:** Hi sir. Good set of numbers. Just 2 queries. I thought -- I mean, in the previous con calls, we had discussed about our asset turn being about 3 to 4 times approximately. So Jammu, we have invested close to INR700 crores. So logically, our top line could have been INR2,100 to INR2,500. So why are we capping it at INR1,400 crores? Any specific reason?
- Vinay Lohariwala:** The investment is INR480 crores.
- Bijal Bakhai:** Okay, it's not 700 crores -- I was under the okay, INR700 crores, I thought it was. And the second thing is when do we reach a breakeven for Jammu in terms of the 4 blocks we have? So individually or on a the whole facility basis, I am okay. Because right now, I don't think we would have broken even that would have also been putting pressure on the margins. Or am I wrong?
- Vinay Lohariwala:** Yes, Lokesh?
- Lokesh Bhasin:** So if we talk about breakeven, we are nearing the EBITDA breakeven on our current turnover. And as we discussed earlier also, considering this changed dynamics of our 12% to 5% of GST. So we are reassessing our EBITDA levels, and we should be able to comment on that in coming quarters.
- Moderator:** The next question is from the line of Rahul Shah from Glostar LLP.

- Rahul Shah:** My question is you mentioned that in long term, the margins will be 15% plus. Can you just comment because of this GST rework, which we hope to do now from 12% to 5% and you might have signed some contracts already with some customers before this GST reset happened. And that may impact immediate this FY '26 margin? And if you can give some color on FY '27 also on the short term, that will be helpful.
- Vinay Lohariwala:** Sure. So that already have covered that if you see from 12% to 5% then that we can say that it's minus 7%. The other side says that we have the 5% price advantage from our competitor, right? So the clear cut two way to see this. And what our Jammu facility is that we have developed a very good facility.
- It's come up from the good -- in a good way. From the IPO time, it was under construction, then it was -- we have started the commercial production. We have been awarded WHO-GMP Certificate. We have been -- we are going on with the PIC/S certification, a lot of customers has already happened and commercialization with a few is already done.
- So let's say in B2B business, we have seen from a long trajectory that margin our stabilized somewhere between 13% to 17%. As a median, we can say, the margin is sustainable margin is at 15%. So the same trajectory, we are hopefully that margin can be achieved from Jammu as well once the turnout stabilise at across the breakeven level.
- Rahul Shah:** So you say irrespective of this hiccup of GST, margin will sustain once the unit efficiencies come up it will sustain at 15%?
- Vinay Lohariwala:** Yes. Yes.
- Moderator:** The next question is from the line of Gaurav Bhama from JM Financial.
- Gaurav Bhama:** I just want to understand if we disclose the contribution of the domestic Branded Generics business to the top line, is it something -- if you are comfortable with it - for the 2Q?
- Lokesh Bhasin:** See, Gaurav, we have reclassified our business areas from -- effective from 1st April '25 between CDMO and Branded Generics. So that breakup in previous segments may not be available as of now.
- Moderator:** As there are no further questions from the participants, I now hand the conference over to the management for the closing comments.
- Vinay Lohariwala:** Thank you once again for your continued support and confidence in Innova Captab. We remain committed to deliver sustained growth and creating long-term value for all our stakeholders. Thank you very much.
- Moderator:** On behalf of Innova Captab Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.