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Mumbai-400051.  
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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, we are enclosing herewith transcript of our Conference Call which was held on Friday, 30<sup>th</sup> May, 2025 to discuss the Company's Q4 FY25 earnings and business update.

Thanking you

Yours faithfully  
For Ipca Laboratories Limited

Harish P. Kamath  
Corporate Counsel & Company Secretary

Encl: a/a

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**“Ipca Laboratories Limited  
Q4 FY ‘25 Earnings Conference Call”  
May 30, 2025**



**MANAGEMENT: MR. AJIT KUMAR JAIN– MANAGING DIRECTOR – IPCA  
LABORATORIES LIMITED  
MR. HARISH KAMATH – CORPORATE COUNSEL AND  
COMPANY SECRETARY – IPCA LABORATORIES  
LIMITED**

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

**Moderator:** Ladies and gentlemen, good day, and welcome to Ipca Labs Q4 FY '25 Earnings Conference Call hosted by DAM Capital Advisors. 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 star then zero on a touchtone phone. Please note that this conference is being recorded.

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

**Nitin Agarwal:** Thank you, Yusuf. Hi, good afternoon, everyone, and a very warm welcome to Ipca Laboratories Q4 F '25 Earnings Call, hosted by DAM Capital Advisors Limited. On the call today representing Ipca management, we've got Mr. A.K. Jain, Managing Director; and Mr. Harish Kamath, Corporate Counsel and Company Secretary.

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

**Ajit Kumar:** Thanks, Nitin, and DAM Capital Advisors for organizing this call, and welcome to all participants. Today's earning call and discussions and answer given may include some forward-looking statements based on our current business expectation. This must be viewed in conjunction with risks that pharmaceutical business faces. Our actual financial performance may differ from what is perceived or projected.

You may use your own judgment on information given during the call. Our domestic business for Q4 has delivered a growth of around 11%. And overall, for the whole of the year, it has delivered around 12% business growth.

Mid-March '25, Ipca is ranked at the 16th as per IQVIA as fastest-growing company among the top 20 players. Ipca continued to improve its market share. In last quarter of Q4 also, we have improved our market share by around 9 basis points to almost around 2.07% from 1.8% in mid-March '24.

Both on acute and chronic segment, we had delivered better growth compared to the market. As per IQVIA, overall market growth was around 8%, Ipca delivered at a growth of around 13.2%. On acute segment, the market growth was 6.9%. Ipca delivered around 10.9%. On chronic, market growth was around 9.8%. Our growth is tracked by IQVIA as 17.9% overall.

Compared to industry, our contribution of chronic segment is lower, but we are fast catching up. The market gets around 61% from acute and in case of chronic, it is 39%. For Ipca, it's around 66% for acute and 34% for chronic. Market is not identifying rheumatoid arthritis as a chronic segment, but this is more chronic than any other segment because it's all disease-modifying agents, which are to be taken for life. But if you include that, then our chronic segment contribution would be much higher.

You will recall that post-COVID, we have increased our coverage to the metro cities, and that has helped our company to get better share from metro market. For market, let's say, from 2022 to 2025. The chronic 30 metro cities are giving a contribution of around -- in 2022, it was around 32.66%, which has moved around a 34.19% in '25. So there is an increase of metro cities contribution to the market has gone up by 1.53%.

But as far as Ipca is concerned, our market share in '22 was around 32.65% for all 30 metro cities. It has now moved to around 37.52%. So there is a significant increase of almost around 4.67% contribution, which is coming from metro. So that is helped by our overall metro city coverage, which post-COVID, we have changed that and that has given us -- and that's one of the reasons that we are also growing faster in the market.

Our export formulation business -- the branded formulation business has delivered a growth of around 10% for FY '25 from INR527 crores to around INR582 crores. For Q4, branded formulation business has delivered a growth of around 3%. Generic business delivered a growth of around 15% from INR312 crores to around INR357 crores for the quarter FY '25. And for full financial year, the business has grown to around INR1,336 crores from INR1,248 crores.

So there is a growth of around 7% in overall branded business, which includes the institutional business. The lower growth for the financial year in generic business is mainly due to decline in business in South Africa from INR113 crores to around INR39 crores, a decline of almost around 74%, that's mainly on account of the loss of certain tenders in South African market.

Our API business has delivered a growth of 2% for the quarter -- for the Q4 2025. And for the whole of the financial year, there is just a 1% growth in the API business. So we have, in the current year, improved our margins trend. Overall, if you look at stand-alone Q4 EBITDA margins is at around 21.19% as against 18.5% in Q4 '24. There is an improvement of almost around 2.66% and absolute term your EBITDA margin has gone up from INR279 crores to around INR347 crores, an increase of almost around 24%.

Stand-alone FY '25 EBITDA margins is around 22.66% as against 19.29% for FY '24. There's an improvement of almost around 3.37%. And overall EBITDA margins has gone up from INR1,189 crores to around INR1,533 crores, and there is an overall increase of almost around 27%.

Consolidated EBITDA margins for Q4 is at around 18.24% as against 14.98% in Q4 FY '24. There is again improvement of almost around 3.26%. And overall EBITDA has gone from INR305 crores to INR410 crores. There is an increase of almost around 35%. Consolidated EBITDA margin for FY '25 is at around 18.94% as against 16.72% in FY '24, an improvement of around 2.22%. And overall EBITDA margins has gone up from INR1,288 crores to INR1,693 crores. There is an improvement of almost around -- an increase of almost around 31%. And we have delivered better margins as against the guidelines given for the year.

Our overall guidance for the year was around 18% kind of consolidated EBITDA margin as against that, we have delivered around 18.94% overall. Our subsidiary Unichem has delivered

a consolidated growth of around 18% from INR1,785 crores to around INR2,211 crores overall business, an improvement in EBITDA margin from INR87 crores to almost around INR265 crores. And in percentage term from 4.87% to around 12.55%.

And if you look at last 2 quarters, EBITDA margin, it was in the range of around 14% to 16%. With overall improvement in business as well as improvement in operational efficiencies, we could deliver the overall better EBITDA margins for Unichem.

The guidance for next financial year -- current financial year is that we'll continue to grow around 8% to 10% in the FY '25 and we expect our EBITDA margins to further improve by around 1% consolidated basis for the -- from 18.94% to around 20% for the current financial year.

Having given the broad numbers, now I'll request participants to ask for questions.

**Moderator:**

Thank you very much. First question is from the line of Surya Narayan Patra from PhillipCapital. Please go ahead.

**Surya Narayan Patra:**

Sir, my first question about the U.S. business potential, see -- and U.S. business that we would have done. So now since we have integrated Unichem fully, so what is the U.S. revenue that we would have reported in the consolidated number for that market? And also, if you can give some sense now since it is integrated, part of our U.S. business is getting routed through them also.

So like -- in terms of the product -- new product introductions and the incremental business that you would have added. So if you can give some sense that, okay, what is the incremental U.S. sales that we have added this year because of our own product? And what is the overall U.S. number that we have seen for the group as a whole? And what is our outlook that we would be having for FY '26, sir?

**Ajit Kumar:**

As far as Ipca is concerned, U.S. has not made any significant overall contribution to the overall generic business, I think we have stand-alone basis, I think we have shipped goods worth around INR65 crores, but most of the shipment has happen in the third and fourth quarter, very small shipment has happened in the earlier quarters. So overall, and as transit time and all put together, I think on a consolidated basis, it is just contributing around INR22 crores or INR23 crores kind of business.

So it has not contributed a significant business in the current financial year. We have just, I think, in last financial year, we have shipped around the 3 products and fourth product was shipped in the month of March. And I think in current year, we will be shipping almost around 7 more products.

So I think overall, the current year, I think overall U.S. business should contribute around INR100 crores for us in the current financial year. That is what is our internal budgets are there for U.S. business for final sales in U.S. market. And as far as Unichem is concerned, Unichem

had achieved a U.S. business of around INR1,317 crores as against INR1,077 crores in previous financial year.

So they have delivered overall growth of around 22%, but this also includes the business of Bayshore, which was earlier group with Ipca and now it is grouped with Unichem now. So around 22% growth they have delivered. And overall, Unichem has delivered a -- for whole of the financial year, a growth of almost around 19% in the overall turnover. And I think including other income, it's around 18% overall -- is the overall growth Unichem has delivered.

**Surya Narayan Patra:**

Sure, sir. Sir, just an extended point on the U.S. business itself. So now since Unichem is integrated, our R&D also should have seen some kind of integration because at the time of acquisition itself that you have been talking about rationalizing the consolidated R&D spend by -- so -- what is the kind of -- because there is no greater filing momentum that we are witnessing. So going ahead, what would be your spend for the group as a whole or for let's say, on a consolidated level basis? And what R&D priorities that you would be having going ahead in terms of ANDAs in terms of APIs.

**Ajit Kumar:**

I think Ipca has already started filing. I think first filing has been done in the -- I think, in the month of April in current year. And I think in current year, we should file almost around 6 to 7 products. And overall, we have capacity to develop almost around 20 products, so which globally for India, ROW and all these other developed markets. So overall, that's the kind of development will happen. As far as R&D expenditures are concerned, we are at almost around currently around 3.25% as far as the Ipca concerned. And the stand-alone I'm talking.

And this also includes the biotech, and this expenditure is likely to be around 4% in the current financial year. And as far as Unichem is concerned, their business development, overall development cycle because initially, their focus was shifted towards overall let's say, market extensions and filings in the various markets of their existing products. So that journey is going on.

And I think they will also be filing around 3 to 4 products in current year. So what we have done is, whatever duplications was there, that has been avoided. But rest, Unichem team is independently doing their work and Ipca team is independent. So nobody from Ipca, let's say, the senior management is, let's say, our operating management of R&D of Ipca is not supervising the Unichem R&D. Unichem R&D is completely independent.

**Surya Narayan Patra:**

Okay. Just last 1 question from my side, sir. So in fact, the export growth generally is been -- our export was considered to be the growth engine for Ipca some time back. But in the recent period that obviously we have seen -- they have faced challenges because of, let's say, the impurity issue in a couple of products and initiated by the Europe.

And this year, FY '25 numbers are also kind of similarly weak, so like how should one really think about it? The -- and you also mentioned about a couple of this thing contract getting lost in the South African market. Is it because of the cost issue or so could you give some sense about your overall export growth plans because that used to be the kind of a real driver for us.

- Ajit Kumar:** And let's say, overall export formulation business will continue to have a growth of around 10% to 11% for us. And we are now working on to say, expediting our filings I think R&D is gearing up and already as I talked that we should be able to do almost around development of around 20 products in a year. So that is what is currently happening and I think the U.S. market and Europe market and all. Now a number of filings are all increasing now.
- Surya Narayan Patra:** Okay. But the guidance -- growth guidance that you have mentioned 10%. So that is in no way showcasing any kind of synergy benefit of acquisition or the cross-selling benefit or anything. It is a normalized growth possibly which we just maintained.
- Ajit Kumar:** So Unichem's portfolio, I think, let's say, filings have started happening, but approvals will take some more time. So till the time those approvals come, we are not including them in our guidelines. So as and when those approvals will come, we will start adding those products to our overall -- to our basket, yes. So that is taking some time.
- Surya Narayan Patra:** Is it more about non-U.S. market, sir?
- Ajit Kumar:** Yes, it's a non-U.S. market. Yes.
- Moderator:** Next question is from the line of Damayanti Kerai from HSBC.
- Damayanti Kerai:** My question is again on export market. So if you can talk a bit more about performance in key markets like U.S., Australia and New Zealand, et cetera, as well as in some branded market. And for these markets, specifically the bigger one, like on an overall basis, you mentioned 10% to 11%, but if you can also talk like how should we look at growth in these bigger market in both generics and branded parts.
- Harish Kamath:** As far as the branded formulation business is concerned, we have grown this year by around 10%. CIS, which is the large branded promotional market, the growth is muted at around 2%. And for the current financial year, we are guiding a growth of around 10% from the CIS business. Apart from CIS market, all other markets have grown well in the branded generic business of ROW market.
- West Africa has grown by 34%. Latin America has grown by 17%. And Southeast Asia has grown by 24%. Only in case of Middle East, Africa, there is a degrowth of about 21%. It is a small market contributing around INR70 crores.
- As far as the generic business is concerned, Europe has grown by 12% -- sorry, Europe has grown by 10%. And U.S. is a new market. Last year, there was no sale this year, the sale is around INR65 crores. Australia and New Zealand, there is some inventory rationalization. So there is a degrowth of around 11% from INR301 crores, the market has come down to around INR268 crores.
- Canada, there is hardly any growth, INR116 crores was last year. This year, it is around INR113 crores. And South Africa, Mr. Jain has already said, because of loss of certain tender products, there is a degrowth of around 65%. So overall, generic business is flat INR981 crores

last year. This year also INR981 crores, whereas institutional business from INR267 crores, we have grown to around INR355 crores, a growth of around 33%.

So including institutional business, overall generic business there is a growth of 7%. The total export business there is a growth of 8%. So 10% is promotional market, and generic market, including institutional business, 7%. So overall, generic business, there is a formulation business, there is a growth of about 10%.

**Damayanti Kerai:** Okay. Sir, just a question, CIS, like why we saw a 2% growth? What has happened there?

**Harish Kamath:** It is mainly because of this currency fluctuation because dollar versus ruble rate. So it crossed INR90, now it has come down to INR79. So we feel this year, the growth will be better.

**Damayanti Kerai:** Okay. Okay. And then my second question is...

**Harish Kamath:** Even though there is a volume growth in the market. Value growth is only 2% because of the currency fluctuation.

**Damayanti Kerai:** Okay. So volumes were healthy, but because of this currency fluctuation on a reported basis...

**Harish Kamath:** That is right. Yes, yes.

**Damayanti Kerai:** Okay. That's helpful. My second question is if you can update on some of the newer projects, which Ipca was working on, so some new plants, et cetera, where work has been ongoing for last year or so. So if you can update on those.

**Harish Kamath:** Four of the manufacturing -- new manufacturing greenfield plant will start trial production in the current financial year, that include monoclonal antibody facility, which is coming up at Pithampur, Madhya Pradesh. So one intermediate API manufacturing facility is coming at Wardha near Nagpur.

One new formulation facility for domestic market is coming up at Dewas. So these are the 3 manufacturing facilities that are coming up in India, and 1 more greenfield manufacturing facilities being set up by PISGAH which is our step-down subsidiary in North Carolina. So that facility will also start trial production in the current financial year. It will be injectable and oral liquids.

**Damayanti Kerai:** So all the plants, they will start...

**Harish Kamath:** Trial production will start in the current financial year.

**Damayanti Kerai:** Okay. And then scale up should be more visible in coming years, right? So this year mainly...

**Harish Kamath:** That is right. FY '27 and '28 onwards, you will see some scale up in the business.

**Damayanti Kerai:** Okay. And my last question is on Unichem, although like margins have moved up substantially. But when do we see it moving closer to the consolidated average because during, I guess, the deal, there was talk about cross-market selling, et cetera. So I understand on the



raw material also procurement part, a lot of synergies has been achieved, but what about other margin drivers for the Unichem portfolio.

**Harish Kamath:** No, no, whatever guidance we gave at the time of acquisition of Unichem, many things are work in progress. Since it is a regulated business, everywhere, there are issues relating to those year application, registration, all those things are going on. The benefit of all this integration, what we spoke at the time of acquisition, hopefully, we'll start yielding some benefit from the current financial year onwards.

**Damayanti Kerai:** Okay. So '26 onwards, we should be seeing some more...

**Harish Kamath:** Yes, you will start seeing the benefit.

**Ajit Kumar:** See we were talking around [INR300 crores kind of 24:07] EBITDA margins after 2 full year of its operation. And I think we already achieved around INR264 crores overall in Unichem. That is without, let's say, not a single API of Ipca is qualified as still in the Unichem because they are work in progress. And not a single product of Unichem has been approved in other markets. So all those synergies are yet to -- yet to be. But still, let's say, the margins will keep on continuously keep on improving.

**Damayanti Kerai:** Okay, sir. And as some of these factors start delivering, as you mentioned, maybe this year onwards, we should be seeing a better pickup in the margins?

**Ajit Kumar:** Yes.

**Moderator:** Next question is from the line of Chintan Doshi, an individual investor.

**Chintan Doshi:** Sir, I see a lot of activities are going at the Pithampur facility that has belonged to the Unichem laboratory, right? So as you already mentioned...

**Harish Kamath:** That is API facility.

**Chintan Doshi:** Right. So can you give us a light like are we -- like it is a start -- trial production is going to start or how it is like it is going to contribute from this year onwards? Or we are looking just the number will be going to contribute next year onwards?

**Harish Kamath:** It will be some next financial year onwards. This year, trial production will start, but scale up will happen only in the next financial year.

**Moderator:** Next question is from the line of Shiva from Purnartha Investment Advisors.

**Shiva:** So my first question is with respect to the capex. We've spent somewhere about INR775 crores. If you could just throw some light on the breakup of where we spend the amount and for the next year, what will be the total capex of our company.

**Harish Kamath:** Apart from routine maintenance capex, which will be around INR250 crores, INR300 crores level. I told you 4 projects are currently under implementation, which will start trial production in the current financial year.

**Shiva:** Okay. And the breakup of what -- where we are spending in.

**Harish Kamath:** So around \$20 million is for the injectable and oral liquid facility that is coming up at North Carolina, U.S. around INR250 crores for a formulation facility for domestic market coming up at Dewas, another INR200 crores, INR250 crores for API and intermediate facility coming up at Nagpur, plus monoclonal antibody facility another around INR250 crores. These are the major capexs, which will get capitalized in the current financial year, and all those facility will start trial production. In this financial year, that is FY '26.

**Shiva:** Okay. So biosimilar one, you had something in Pithampur that is the same?

**Harish Kamath:** That is the same one, which we'll start trial production in the current financial year.

**Shiva:** Okay. And you've given the overall guidance of 8% to 10% and EBITDA margin of 20%. How are the Unichem and the stand-alone breakup? Like if you could just throw some light? I mean, at the stand-alone level, how do you look at the growth and the margin at Unichem level?

**Harish Kamath:** Unichem currently around INR2,000 crores annual sales and around 14%, 15% EBITDA margin. So whatever guidance we gave at the time of acquisition of Unichem, they achieved that 1 year before our guidance. Hopefully, current year also, this should improve their EBITDA margin by about 1% and about 8% to 10% growth in the top line.

But whatever -- the synergy of our acquisition of Unichem, their products we are taking to the market where they are not present as of now, Australia and New Zealand, Europe, that work in progress, that benefit will come perhaps a year after next year. So dossiers are getting filed, it will get registered, then we will slowly start marketing their product.

**Shiva:** Understood. And as of now that the Bayshore is only INR22 crores in Unichem's revenue in the INR2,011 crores that they...

**Harish Kamath:** No, no, Bayshore is about INR150 crores, you could say top line. Unichem acquired that from 1st of October.

**Shiva:** Okay. You said we had only INR22 crores of sales in U.S.

**Harish Kamath:** No, no, that is Ipca. So we also post our -- yes, yes, facility clearance, we started marketing our generic formulation through Unichem in the U.S. So from our side...

**Shiva:** Unichem also use Bayshore's...

**Harish Kamath:** Bayshore, I don't manufacture anything for Bayshore. Bayshore is acquiring products on from other facilities, including from Bangladesh and all.

**Shiva:** Okay. Okay. And with respect to the stand-alone, we had something about the -- in the institution with respect to the funding issues that U.S. has cut down. How are we looking at that for the next year? What kind of institutional growth are you looking at?

- Harish Kamath:** There is no exact clarity in that. Having said this, we are hoping we should grow that institutional business in the current financial year also. That is FY '26. This year, the growth is more because a year before our injectable line was undergoing some modernization and all, that is why the sales were less in FY '24. That is why you feel current year that is FY '25 growth is higher in the institutional business. From that level also, we see this year also we should grow that business maybe around 8% to 10%.
- Shiva:** Okay. And how do you look at the API things sizes wise? Are there any stability that is coming? Or how do you look at your API, volume and the price.
- Harish Kamath:** API business and pricing was at peak during COVID time. From that time onwards, there is a consistent downward trend in the API pricing. So even though we have improved our volume compared to what we sold in -- during COVID time, you don't see that in the value because of the prices continuously coming down. But now there is a stability slowly, we feel it will start slightly improving from this level. So in the current financial year...
- Shiva:** The volume growth will be the top line growth because there will be stability in the prices.
- Harish Kamath:** That is correct. Yes. So FY '26, you will see volume growth as well as price growth when it comes to the API business.
- Shiva:** And how are you looking at it after like in the second half onwards, it will be a slightly higher growth? Or you look gradually...
- Harish Kamath:** We are seeing some picking up in the market in the fourth quarter itself.
- Shiva:** Okay. And the domestic one. So consistently, we've been doing -- we've been gaining market share, and we've done quite good in the domestic arena. So you feel that will be -- state -- you will keep winning market share in [inaudible 0:32:28] and how are you seeing the position in domestic?
- Harish Kamath:** Next 3 to 4 years, we will beat the market growth, and we should grow 1.5x market growth. That is what is our -- historically, we have done. And going forward 3, 4 years, that is our guidance.
- Moderator:** Next question is from the line of Kunal Randeria from Axis Capital.
- Kunal Randeria:** Sir, you have, I think, around 7,000 marketing reps in India. So which means the PCPM is just over 4 lakhs. So with your current portfolio, what do you think will be the optimum PCPM?
- Harish Kamath:** See, now the business is growing around 12%. If we don't add any PSR in the market, our per man productivity also increased by 12%. But having said that, every year, we add in the normal circumstances, 400 to 500 people just to take care of increase in the medical practitioners and all. So that trend will continue. So even though value-wise, you don't see much per man productivity because of our nature of products, what we market, anti-malarial, where volumes are very high, value is very low. So that also has some impact on this per man productivity.

- Kunal Randeria:** Sure, but there's still scope to increase at to get it to maybe 5 lakhs, 5.5 lakhs in 4 to 5 years?
- Harish Kamath:** So currently, it is around 4 lakh and 4.3 lakhs. It should grow around 8%, maybe compounding next 3 to 4 years. With the addition of around 400, 500 people.
- Kunal Randeria:** Got it. So that will continue for the next 2 years. Got it. Sir, secondly, on the U.S. business, your -- I mean now that you are kind of ramping up your filings and everything, do you think realistically the kind of filings here in the next 3 to 4 years, this business could be a INR300 crores, INR400 crores business, excluding Unichem, your own business?
- Harish Kamath:** That is Ipca product, manufactured at Ipca India facility, correct?
- Kunal Randeria:** Yes, sir.
- Harish Kamath:** So whatever figure we have given is possible. So 10 years back, we were doing about INR240 crores with only around 8 products. So we just started. Some products have reached U.S. another 5 to 6 products will get commercialized in the current financial year. Thereafter, there is a pipeline for new product commercialization year after year. And we have also ramped up now development of products for the U.S. market.
- Kunal Randeria:** Right. But just to clarify, your strategy has been to back it with your own APIs. So wherever we have the DMF filings, you use that DMF filing for [inaudible 0:35:27].
- Harish Kamath:** Most of the filings are backed by my own APIs.
- Moderator:** Next question is from the line of Dharmil Shah from Dalmus Capital Management.
- Dharmil Shah:** I have more specific questions on Unichem. We've seen the fourth quarter results. Gross margin sharply declined from 64% in 3Q to 55%. Was there any one-off in these 2 quarters? Or what was the reason for...
- Harish Kamath:** No, no, it is majorly because of the product mix change.
- Dharmil Shah:** Okay. I mean, and any specific therapy that we shift -- tilted towards or...
- Harish Kamath:** No, no, nothing like that, depending on market situation, market demand, market growth, plus minuses will happen in the therapies some therapies, some products give better margins. Some products give slightly lower margin. So majorly, the impact is because of that. There is nothing one-off or anything in this.
- Ajit Kumar:** In fact, fourth quarter, the contract manufacturing has gone up from INR58 crores to INR90 crores. So there, the margins are lower yes because material cost is higher there. There is no marketing and other costs involved.
- Dharmil Shah:** Understood. And on the guidance, you give 1 year guidance of about 10% revenue growth and 1% improvement in EBIT margin. But once we assume the synergies come in, in the next 2 to 3 years, geographical synergies or maybe API coming in from it. What do you expect the revenue growth and margins for Unichem 2 to 3 years from now?

- Harish Kamath:** See, ideally, our intention, the margin should grow to around 18%, 18% to 20%. That is the maximum what we can achieve because they are into only generic business, and API business. I'm talking about Unichem.
- Dharmil Shah:** Understood. Revenue growth over the next 2 to 3 years?
- Harish Kamath:** Around 10% to 12%. Only silver lining, they have a lot of capacity available to grow their business. So there is no need for any fresh investment in facility creation in the immediate future.
- Dharmil Shah:** Understood. So what could be the utilization right now as on date?
- Harish Kamath:** So their major formulation facility, Goa, just last year commenced commercial production. So there, they can do a lot of production. There is a lot of capacity available there. So capacity is not a constraint for Unichem.
- Dharmil Shah:** Understood. And lastly, I mean are there any effects of U.S. tariffs on pharma, very broad question, but are you seeing any effects...
- Harish Kamath:** Whatever guidance we have given without considering what you spoke. So if that comes, there will be definitely a variation in whatever guidance we have given.
- Moderator:** Next question is from the line of Rashmi Shetty from Dolat Capital.
- Rashmi Shetty:** Couple of clarification. How much capex have we spent in total capex spend in FY '25? And how much are you guiding for FY '26, the total number?
- Ajit Kumar:** Currently is around INR400 crores.
- Harish Kamath:** So FY '24 plus FY '25 put together -- sorry, FY '25 plus FY '26 put together, it will be around INR1,000 crores.
- Rashmi Shetty:** INR1,000 crores. And how much of that we have already spent in '25?
- Harish Kamath:** Around INR600 crores, we have already spent.
- Rashmi Shetty:** So INR400 crores more is expected to be in FY '26?
- Harish Kamath:** That is correct, yes.
- Rashmi Shetty:** Okay. And sir, in the API segment, what is the growth guidance for FY '26, sir?
- Harish Kamath:** Around 6%, 7%, Rashmi, not beyond that.
- Rashmi Shetty:** 6% to 7%. And last one clarification, which I wanted. Earlier, you mentioned that institutional business plus generic business will give a growth of around 7%. So in case of the generic business is growing flat for FY '26 also then your institutional business growth will be around 24%, 25%, right?

- Harish Kamath:** No, no, no. FY '26, we are projecting a growth of 10% in the generic business, including institutional business, both put together.
- Rashmi Shetty:** Okay. So your generic...
- Harish Kamath:** The planned generic business or in the current financial year, excluding institutional business.
- Rashmi Shetty:** Got it. So your generic segment, excluding institutional business will also grow around 8% to 10% and your institutional will also grow in that range?
- Harish Kamath:** Around that line, yes.
- Moderator:** Next question is from the line of Tushar Manudhane from Motilal Oswal Financial Service.
- Tushar Manudhane:** Just on this product filings from Ipca side for U.S. market. So the one which you report for FY '26, these are like what refiling of the already approved product for U.S. market or...
- Harish Kamath:** No, no. They are fresh development, fresh filing Tushar.
- Tushar Manudhane:** Understood. So 67 new filing...
- Harish Kamath:** Everything got over in the last financial year.
- Tushar Manudhane:** Got it. And sir, any particular reason you would like to highlight where the business with products being shipped but still taking longer is the competition pressure so much that it's a little difficult to push our product after like after getting into this market after many years.
- Harish Kamath:** It is nothing like that as and when the inquiry gets quoted, we do participate. But already, people are with somebody else in contract and all. So it will be a gradual progress as far as the U.S. generic business is concerned. Having said this, whatever benefit we have cost, other thing, own API that remain today also.
- Tushar Manudhane:** Understood. Understood. And just lastly, how many -- I missed that number, how many MRs to be added for FY '26?
- Harish Kamath:** Around 400.
- Moderator:** Next question is from the line of Rahul Jeewani from IIFL Securities Limited.
- Rahul Jeewani:** Yes. Sir, this revenue guidance which you gave of 8% to 10% for FY '26, Isn't that a bit conservative number given that -- in the domestic business, we are beating market growth by 300, 400 basis points every year. And for the export businesses as well, we have generally indicated about a 10%, 11% kind of growth excluding the API business. So are we a bit conservative in terms of the overall revenue growth guidance for next year?
- Harish Kamath:** If you see our business segment and turnover, API grows by 6%, 7%, and all formulation business, excluding India business grew by around 10% and India grows by around 12%. The overall growth will be 8% to 10% only.

**Rahul Jeewani:** Okay, sir. So this is including Unichem as well. You were talking about.

**Harish Kamath:** Yes, yes. Even Unichem business also will grow around 8% to 10%. So overall, company as a whole group level also, we should grow around 8% to 10%.

**Rahul Jeewani:** Sure, sir. And sir, once the integration benefits of Unichem start playing out going into the next couple of years, when do you think that this growth of 8% to 10% would accelerate going forward? And which...

**Harish Kamath:** Around -- That time, the top line should grow around 12% -- 12%, 13%.

**Rahul Jeewani:** Okay. Sure, sir. And sir, on the U.S. business, I missed the number for it. So at 1 point, you said INR22 crores to INR23 crores. And at some other point, you also indicated INR65 crores. What is the U.S., sales...

**Harish Kamath:** In our stand-alone accounts, what we have built to Unichem U.S. is INR65 crores. Okay. Whereas in the consolidated account what actually got sold by Unichem U.S. in the U.S. market is that INR23 crores. So it is INR25 crores, yes. So what we ship is INR65 crores, what they sold is INR25 crores.

**Rahul Jeewani:** Okay, sure sir, last question on Unichem. You indicated about a 100 basis point margin expansion for Unichem going into next year. Now would this margin expansion be on the full year margins of Unichem or the 14%, 16% margins which Unichem had in the second half of last year?

**Harish Kamath:** No, no, it is on the whole year, we are talking.

**Moderator:** As there are no further questions from the participants, I would now like to hand the conference over to the management for the closing comments.

**Harish Kamath:** Hopefully, we have answered all the questions. I don't think there is anything further to add. Thank you very much all the participants. Thank you.

**Moderator:** On behalf of DAM Capital Advisors, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.

**Harish Kamath:** Thank you. Bye.