Date: May 05, 2026

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

Dear Sir,

Sub: Transcript of the Earnings Conference Call for Q4 and the financial year ended on March 31, 2026.
Ref: Our letter dated April 16, 2026 for intimation of the schedule of the Earnings Conference call for Q4 and the financial year ended on March 31, 2026.

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 Q4 and financial year ended on March 31, 2026 is enclosed herewith and 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
Date: 2026.05.05 15:17:45 +05'30'

CHAITANYA TUMMALA
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Encl: As above

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"Granules India Limited

Q4 & FY26 Earnings Conference Call"

April 29, 2026

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: **MS. PRACHI AMBRE – MUFG INVESTOR RELATIONS**

Moderator: Ladies and gentlemen, good day, and welcome to Granules India Limited Q4 and FY '26 Earnings Conference Call, hosted by MUFG. 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. These statements are not the guarantee of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant line 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 your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Prachi Ambre from MUFG. Thank you, and over to you, Prachi.

Prachi Ambre: Thank you, Danish. On behalf of Granules India Limited, I extend a warm welcome to all the participants on the Q4 FY '26 financial results discussion call. Today, on the call, we have Dr. Krishna Prasad Chigurupati, Chairman and Managing Director; Ms. Priyanka Chigurupati, Executive Director; Mr. Mukesh Surana, Chief Financial Officer; Dr. PV 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 Krishna Prasad sir, for his opening remarks. Over to you, sir. Thank you.

K.P. Chigurupati: Thank you, Prachi. A very good evening to all of you, ladies and gentlemen, and thank you very much for joining us today. I appreciate your continued interest in Granules India and welcome you to our Q4 and full year FY '26 update. We have shared a detailed presentation on our financials and operating performance, and I trust you have had an opportunity to review it.

Q4 and full year FY '26. FY '26 marked a year of deliberate reset and measurable progress for Granules India. Following a period of regulatory and operational correction, the organization stabilized performance, strengthened execution and made clear strategic choices to reposition the business for sustainable and value-led growth.

The year demanded discipline and focus. While external cost pressures and regulatory remediation continue to weigh on operations, Granules delivered steady improvements across compliance, operations and portfolio quality. By the close of FY '26, the company had materially strengthened its foundation and is better prepared for the next phase of growth.

Strategic and business progress. FY '26 was a defining year for the organization's operating platform. The GPI facility in Virginia reached its targeted operating potential and demonstrated consistent performance through the year. Capacity expansion and the ongoing development of a new distribution center further reinforces the site's ability to support future growth and scale. I am happy to share that as per IQVIA, GPI as a company had moved to 27th position of all U.S. generic companies in terms of sales value in FY '26 as compared to 74th position in FY '21. It also stands at 4th position in the controlled substance space.

The acquisition of Senn represented a deliberate strategic expansion into the CDMO segment. The business turned EBITDA positive within the third quarter post-acquisition, validating the investment thesis and establishing peptides and CDMO as a meaningful long-term growth engine for Granules. Equally important, FY '26 saw continued and intentional evolution of the product portfolio. The company accelerated its shift towards more complex and differentiated products. The transition is already strengthening competitive positioning and opening pathways for higher-value opportunities, including potential first-to-file filing.

Financial and operational performance. The fourth quarter concluded a year of stabilization and strengthening fundamentals. Momentum improved sequentially through the year, with Q4 reflecting operational stability across both API and finished dosage businesses, improved compliance readiness and consistent execution against stated priorities.

Finished dosages remain the core business, contributing 74% of revenue. Europe delivered strong growth of 81% year-on-year and now represents approximately 15% of total revenue. Without Senn, Europe represented a 49% growth. Most notably, peptide CDMO emerged as a fourth revenue pillar, generating INR1,593 million in FY '26 revenue and delivering a positive EBITDA in Q4. These results were delivered despite elevated logistics costs and ongoing remediation expenditure, underscoring the benefits of a diversified footprint, disciplined execution and improved business resilience.

Quality, regulatory and compliance. Quality and compliance remained uncompromised priorities throughout the year. At Gagillapur, remediation activities progressed materially with cleaning validation completed across all PFI, MUPS and finished dosage blocks using dedicated equipment. The post-warning letter engagement with the U.S. FDA was completed in January with all action point responses submitted in February and regular progress updates maintained thereafter.

During the year, regulatory inspections were successfully completed across key sites. The GLS facility at Genome Valley received an EIR with VAI status following the inspection. The Chantilly GPI facility underwent a routine U.S. FDA inspection in March to April '26, resulting in 4 procedural Form 483 observations with no data integrity findings. Responses were submitted within the stipulated timeline. The GCH facility in Virginia completed its inspection with zero observations.

Beyond individual inspections, the organization continued to systematically strengthen its quality systems. Investments in digital quality infrastructure, including electronic logbooks,

calibration management, document control and MES implementation are now materially enhancing compliance rigor, traceability and operational effectiveness.

Safety, ESG and sustainability. Safety remains non-negotiable across all operations. The FY '26 closed with a clear reduction in reportable injuries, visible progress towards a more proactive, accountable safety culture. ESG performance continued to strengthen and gain external recognition. During the year, Granules achieved the EcoVadis Gold rating, received an A rating from CDP for climate change and recorded strong scores across water security and forests. The company's S&P Corporate Sustainability Assessment score improved to 62, placing Granules amongst the top 10% of the global peers.

The company further reinforced its commitment to responsible growth by becoming a signatory to the UN Women's Empowerment Principles. Gagillapur facility achieved zero waste to landfill Platinum Plus certification with similar programs progressing across other sites.

R&D filings and portfolio development. R&D efforts were firmly aligned to portfolio depth, complexity and future readiness. During FY '26, Granules continued to advance filings and approvals across APIs and finished dosages with a clear emphasis on complex generics. During the year, we filed a total of 6 U.S. ANDAs, 3 EU dossiers, 1 Canadian dossier and 15 filings across various regions. We filed 6 U.S. DMFs, all to support integration of complex products, and 10 other DMFs across various regions. Complex generics accounted for a meaningful share of total filings, reinforcing the long-term direction of the development pipeline and the company's focus on sustainable value creation.

Outlook. Granules enters FY '27 with improved stability, clearer priorities and greater organizational confidence. The focus in the year ahead remains unambiguous: achieving sustained U.S. FDA readiness in Gagillapur; scaling commercial contributions from GLS; accelerating the shift towards complex and differentiated products; and maintaining disciplined capital allocation. The company is also preparing for potential U.S. product launches as approvals progress, including 9 applications awaiting clearance from Gagillapur site. Ongoing product transfers across sites will further strengthen supply continuity, resilience and risk mitigations.

While external uncertainties remain, Granules is materially better positioned today than a year ago. The strengthened operating platform, healthier balance sheet and sharper execution discipline provide a solid base for delivering long-term shareholder value.

Finally, FY '26 was a year of recalibration and rebuilding. The progress achieved was necessary, deliberate and foundational. Granules now moves into its next phase with greater clarity, confidence and control. Thank you very much, and I pass this on to Sanjay for a detailed explanation on the Senn Chemicals' peptide business.

Sanjay Kumar: Thank you, Chairman sir. Good afternoon, everyone. Let me briefly update you on the progress of our peptide CDMO platform, Ascelis Peptides and Senn Chemicals. Q4 performance was in line with the direction we had indicated earlier. Revenues improved meaningfully, supported by planned pharmaceutical deliveries and robust cosmetic offtake during the quarter. The quarter

also marked a return to positive EBITDA performance, reflecting progress from transition into execution phase. We did incur certain additional operating expenses linked to an important customer program, including higher manpower deployment and additional shifts. These are largely associated with first campaign of such nature.

During the quarter, we also executed multiple programs across R&D projects, development of TFA-free cosmetics and supplies, and sample feeding initiative for prospective pharmaceutical customers. On the organization front, we have moved to a leaner management structure at Senn with a focus on execution and accountability. And we have rolled out our long-term incentive for key executives at Zurich facility. We are also progressing well on infrastructure upgrades at Zurich site and planning the next phase of peptide API capacity.

On the India side, our peptide CoE at IIT Hyderabad is now fully active and working in a very close collaboration with our Zurich R&D team on multiple live customers projects. The next stage in India journey will be a brownfield manufacturing facility for peptide intermediate, which is expected over the coming months, followed by a peptide API capacity in India at the appropriate stage.

For FY '27, though, our focus is to deliver a PAT positive performance on an annual basis, while recognizing quarter-to-quarter variations inherent in a project-driven CDMO business like ours. Overall, we are highly excited by the opportunity in the peptide CDMO space and by the fact that customer access, credibility and technical heritage that Senn brings to our peptide playbook.

With that, I will now hand over the call back to Mukesh to take you through the financial performance.

Mukesh Surana: Thank you, CMD sir, and Sanjay. Good evening, everyone. I will now walk you through the financial performance for Q4 FY '26 and the full year FY '26. FY '26 has been a landmark year for the group. This year, we crossed a landmark number of INR50,000 million in revenue, posted 6 straight quarters of sequential growth, record gross margin and demonstrated that the strategic priorities we placed 3 to 4 years ago, including complex generics, are now delivering the revenue growth.

Revenue for the year stood at INR53,656 million, registering a 20% year-on-year growth. Growth was broad-based, driven primarily by formulations in North America and Europe. Peptide CDMO business is a new revenue vertical, following the acquisition of Senn Chemicals AG. This vertical added INR1,593 million revenue, contributing 3% of the overall revenue.

Revenue for the quarter was INR14,706 million, up 23% year-on-year and 6% sequentially, marking our sixth consecutive quarter of sequential growth. The sales breakup as per business divisions and geographic regions are presented in our investor presentation, which is available on the website. Business diversification is improving the resilience and sustainability of revenues.

Gross margin. FY '26 gross margin expanded to 65%, an improvement of 355 basis points year-on-year. This expansion is on account of a sustained shift towards complex generics and higher

contribution from value-added formulations. Q4 FY '26 gross margin improved to 65.7%, up 233 basis points year-on-year and 186 basis points quarter-on-quarter, with growth particularly from peptide CDMO converting into margin expansion. Gross margin rose from 50% in FY '22 to 65% over 4 years, demonstrating our sustained strategic progress.

EBITDA and profitability. EBITDA for FY '26 stood at INR11,851 million, up 25% year-on-year, with margins expanding by 100 basis points to 22.1%. This clearly demonstrates the structural improvement in earnings quality. This EBITDA in FY '26 includes loss of INR445 million in Ascelis, the peptide CDMO platform acquired during the year. Q4 FY '26 EBITDA stood at INR3,521 million, growing 40% year-on-year and 14% quarter-on-quarter, with margins expanding to 23.9%. Q4 FY '26 marked the first quarter of positive EBITDA in our acquired peptide CDMO business, which is an important milestone.

R&D. R&D remains central to our long-term strategy. R&D expenses for FY '26 was INR2,853 million, representing 5.3% of sales. Our focus area include CII/ADHD, oncology, MUPS and other high barrier formulations. These investments are laying the foundation for sustained and differentiated growth. We will continue to invest in R&D in the coming quarters.

PBT and PAT. FY '26 PBT before exceptional items grew 26% year-on-year and PAT grew by 19% year-on-year to INR5,950 million post exceptional items. Q4 FY '26 PBT before exceptional items grew 48% year-on-year and 22% sequentially. And PAT grew by 33% year-on-year to INR2,016 million and 34% sequentially post exceptional items.

Net debt. Net debt reduced to INR4,021 million from INR7,061 million in FY '25. Net debt to EBITDA improved to 0.34x from 0.75x. The reduction in net debt was supported by an additional equity infusion of INR6,656 million during FY '26, in addition to EBITDA growth in FY '26.

Working capital. Net working capital percentage to sales remained at 33% of sales, in line with FY '25, with higher working capital to support growth in FY '26.

Cash flow from operations. FY '26 cash flow from operation was INR7,933 million compared to INR8,666 million in FY '25. Cash conversion was moderated due to planned working capital buildup to support growth and new launches.

Capex spend for Q4 FY '26 was INR1,000 million compared to INR1,298 million in Q3 FY '26. Full year FY '26 capex was INR5,547 million compared to INR5,700 million in FY '25.

ROCE. ROCE improved to 17.6% as compared to 16.8% in Q3 FY '26 and 16.6% in FY '25. With this, I open the floor for questions. Thank you.

Moderator: Thank you so much sir. Our first question comes from the line of Harith Ahamed from Avendus Spark. Please go ahead.

Harith Ahamed: Sir, would you be able to comment on the pricing environment for paracetamol and metformin currently? Has there been any increase following the situation in West Asia? And also, looking

at a 33% growth for the API segment this quarter, so wondering if there were any benefits from a better pricing environment?

K.P. Chigurupati: Interesting question, Harith. Definitely, there were no price increases we wish we had, whereas raw material prices have gone up and are still going up. There's a small -- I mean, there is a little bit of uncertainty, but we are sure we should be getting price increases to compensate for the raw material increases. So, to answer your question and to clarify, the growth in API was due to new APIs that we have been launching. And the APIs that we develop for our own integrated formulation development, we also sell outside, and those have contributed mainly to the growth in APIs.

Harith Ahamed: Okay. Got it, sir. And on Ascelis Peptides, good to see the strong performance this quarter and the EBITDA breakeven. Just wondering how we should think about the coming quarters? Is this a sustainable level of performance that we should extrapolate into the coming quarters?

K.P. Chigurupati: I think let's hear from the horse's mouth. Sanjay, can you answer that? [inaudible 0:22:18] peptides and chemicals. That's for your clarification. Go ahead.

Sanjay Kumar: Sure, sir. Harith, so our objective is very clear, to move towards sustainable profitability from FY '27 onwards. Individual quarters may vary, depending on customer milestone and shipment timing, but the platform is now far more execution-led and operationally aligned than before. So the direction of travel is firmly towards annual EBITDA and PAT positivity.

Harith Ahamed: And Sanjay, if you could comment a bit on the business mix here, pharmaceuticals versus other segments like cosmetics? And within pharmaceuticals, what exactly are we supplying, peptide building blocks or fragments or APIs? Some qualitative color will be helpful.

Sanjay Kumar: Sure. So what you just mentioned already that our business is a mix of pharmaceutical and cosmetics, and both are important, although the opportunity space for peptides, APIpharmaceutical is quite good. Our customers vary multiple across, I would say, 3 dimensions. One is the big innovator, the big pharma itself. And the second one is the virtual biotechs, the start-up biotech ecosystem that is looking for a very agile and responsive CDMO to work on their early clinical program.

And the third interestingly is, we are all partners while we might be a competitor in certain spaces. So there are different players across the value chain of peptides and the CDMO space. And we also work collaboratively with the other players in the peptides value stream. So that's on the pharmaceutical side. On the cosmetics side, that's definitely a strong pillar for us.

And we've seen some increased traction starting last 2 quarters, especially in the last quarter, where our focus on developing and supplying TFA-free peptides has got a good attention and a good traction with customers. So we are working on multiple projects on making the cosmetic peptide TFA-free. So those 2 are the broad, I would say, details on the 2 sides. Since the base is quite low on both the businesses, the growth opportunity is quite immense. So it's a complete blue ocean for us.

Harith Ahamed: And last one, sir, specifically on Granules CZRO. So we had set up a pilot plant for DCDA in Vizag. And so, if you can comment on the scale-up on this front? And what are our plans and what's the kind of capex that we're looking at? How has been the progress? So these are some of the questions.

K.P. Chigurupati: Yes. It was and is still a dream project being the only DCDA manufacturer outside China. And yes, we did stabilize our production. But then, what has happened during the process is, the Chinese competition, they started reducing prices drastically. And we have been trying to do better than them or at least meet those prices, and we have been still improving our processes.

So I think we are close to wrapping up the pilot stage and getting into commercialization. I think in another 2 months to 2.5 months, we should wrap up, and then we should go ahead with ordering equipment for the commercial plant. So the project should cost somewhere around INR200 crores, and we'll freeze the numbers shortly.

Moderator: Our next question comes from the line of Shashank Krishnakumar from Emkay Global Financial Services.

Shashank Krishnakumar: My first one was on the gross margin expansion that we have seen Q-o-Q. I think the sale of API this quarter was still higher. So just trying to understand what has driven the sharp GM expansion on a Q-o-Q basis. And I also wanted to try and understand how should we look at it -- look at gross margins going forward, given that input costs are sort of inching up, though the mix improvement will also sort of play out? Just want to get your thoughts on how we should look at GM for FY '27.

Mukesh Surana: Thanks, Krishna. Mukesh this side. So quarter-on-quarter, sequential gross margin improvement is primarily because of CDMO business, which has significantly grown from INR33 crores to INR70 crores, where the VA percentage gross margin percentage is significantly higher. That has helped the margin expansion for the quarter. With respect to your second question, Chairman has elaborated, and also current war situation, cost escalation situations, It is a little uncertain in terms of giving margins clarity in terms of percentage. But of course, we are trying our best to get the raw material cost escalations pass through.

Shashank Krishnakumar: Got it. My second question on the capex plan for FY '27-'28. If you could just sort of highlight how you are looking at it in terms of the overall figure and -- as well as which are the areas where we should see the incremental investment being deployed, if you could just share that?

Mukesh Surana: So next year, the capex will be broad-based. There is a new API facility, which we are doing. In addition to that, we are also investing on the IT side. And we are also planning for -- as part of Chairman's speech also, it was covered -- the distribution center -- warehouse distribution center in U.S.A. So it will be broad-based in multiple capex projects in the coming year.

Shashank Krishnakumar: Any figure which you could sort of share?

Mukesh Surana: So we are talking about in the similar range of INR600-odd crores in the upcoming year.**K.P.Chigurupati:** INR200 crores plus will be for distribution.

Shashank Krishnakumar: Got it. Got it. Just last one, if I may squeeze in. So if you can call out the remediation spend cumulative for FY '26? And what is the kind of remediation spend that we should expect probably from 1Q onwards?

Mukesh Surana: FY '27 onwards, it should be substantially lower, which has already come down Q3, Q4. The expenses were very high in H1. Cumulatively, only the remediation expenses we have incurred close to INR50-plus crores in the current year.

Moderator: Our next question comes from the line of Tushar Manudhane from Motilal Oswal.

Tushar Manudhane: Sir, as far as the West Asia issue is concerned, as far as freight cost will -- just to have understanding correct, the freight cost increase will get reflected immediately in the coming quarters. But as far as passing on of the increase in the raw material prices, will that have a lead lag impact? And secondly, we would have certain inventory already, which will take care for at least 1, 2 quarters. If you could just help us with that trajectory?

K.P. Chigurupati: There are inventories, and we can wait for a while. It's not going to be overnight price increases. It's going to take a while, and that will take care of -- the current inventories will take care of that. But all said and done, still uncertain period. While we are confident that over the year, we'll be fine, quarter-on-quarter variations may be there. And yes, we have got to get used to the uncertainty and work towards improvement.

Tushar Manudhane: Got it. And as far as the peptide or the Senn Chemicals business is concerned, if you could just break down the revenue into projects which are at R&D and do the commercial manufacturing?

Sanjay Kumar: Tushar, we would rather not get into that exact split, but I think it's sufficient that this is a project-initiated pipeline. So whatever is at the commercial stage are result of our development in the past. We do have a lot of exciting projects underway, but I will not like to, at this point in time, split the revenue and give the details along those lines.

Tushar Manudhane: Broadly, just to understand that, at least for FY '27-'28, while the investment is underway, which is INR200 crores, but prior to that, how the scale-up of business is expected to happen? Is it like more projects-driven increase or it's more commercial manufacturing increase?

Sanjay Kumar: So I understood the question, Tushar. So let me just give you that we are working on some active projects, which would have a commercial supplies pipeline, although at the development stages, various clinical stages that we are seeing a few interesting projects. We got at least one project graduated to a stable commercial supply, starting this financial year. So we are working on a few of those as well. Given the business size is low currently, low base effect, it may be not prudent for me to call out those specifically and club it together into -- but we do have a very interesting program, which could drive the future growth.

Tushar Manudhane: Got it. And just lastly, on the overall net debt for the company, considering the projects in terms of capital expenditure, as well as working capital probably increased requirement, maybe not immediately, but if the situation prolongs, then what kind of net debt we should sort of build for FY '27?

Mukesh Surana: There can be a flattish net debt or a slight increase, depending upon the timing of the capex and increase in the growth. In the current uncertain period, because of the cost escalation, the working capital investment is also going to be higher side. So there will be a small increase -- very small increase in the net debt.

Moderator: Our next question comes from the line of Sajal Kapoor from Antifragile Thinking.

Sajal Kapoor: Congratulations on an amazing execution despite the Gagillapur constraints. I have a few questions, please. What proportion of Granules' current and upcoming CDMO capacity is already tied to committed or late-stage customer programs? And what utilization level would you fall to if, let's say, a hypothetical scenario, your top 2 or top 3 projects were to be delayed or canceled?

Sanjay Kumar: So Sajal, see, we are -- in terms of utilization, our capacity today is not very large, but we do not want -- we are not expanding unresponsibly. Our approach towards capex deployment is always demand-linked. And as the customer program progresses, we are investing, and that's the promise with which we are approaching the customers. Having said that, the utilization in the Q4 was at a healthy level.

And at the same time, we are building capacity that will come online towards the second half of the year. And our visibility, if everything is all right, is, we will be quickly seeing a full utilization to that. So there's capacity that we're building in Zurich. There's capacity that we will be building in India, especially on the intermediates side. And we see a quick utilization turnaround within the year itself on those capacities.

But the larger point is, we haven't built capacity ahead of time. We are doing it concurrently, and we are doing it as an optionality in a close, I would say, partnership with the customers and quite close disclosure where we have been open to them and open with the willingness to invest in the future capex, should they choose to and as and when the program advances.

Sajal Kapoor: No, that's helpful. So I think if I translate what you said, Sanjay, it's not speculative. It's tracking either a verbal commitment or tracking a late-stage plan program, so the capacities are not created for the heck of it. That's how I translate it. And if you could also clarify what is the level of customer concentration?

I mean, typically, what happens is, at a low base -- and this has been the journey with Neuland Labs, Laurus Labs all of them. Typically, when your base is low, you are really dependent on just 1 or 2 customers. Are we also having that level of high dependency of customer concentration? Or are we having a broad-based participation, albeit -- despite having a very low base today?

Sanjay Kumar: So Sajal, on part one, your interpretation is correct on the capex investment, and we are very transparent with the customers and giving them the optionality to choose across the two components -- 2 continents across the various timelines during their journey, number one. Number two, our customer base is not overly concentrated. We will definitely like customers with a big share in our portfolio.

But right now, we are working on multiple projects, and they are very well spread across double-digit customers. And they're all at the initial stages with a good pedigree across both the big pharmaceutical and start-up biotech, and interestingly, the cosmetic side as well. Having said that, what differentiates us with the other CDMO apart from diversification is the quality of the customer itself.

The quality of customers that we have access to through the legacy of Senn is quite remarkable. And this is the value that this acquisition has bring on the table. We got the proof of concept. We got the validation of access. What now lies ahead is our ability to execute on these 2-continent model, which is going well with the customers.

Sajal Kapoor: Sure, sure. And second question is for Dr. Chigurupati, if I may. Sir, if I -- if you had to pinpoint the single biggest constraint to scaling the business over the next 2, 3 years, whether it's pricing pressure or customer concentration, regulatory timelines or execution? I mean, what would that constraint be? And what specifically are you doing to sort of make the businesses stronger and counter that potential constraint?

K.P. Chigurupati: Sajal, I think you have part of the answer. It's mainly regulatory timelines and execution -- the quality of execution. I think the regulatory timelines also depend on how we execute the project and the quality of the filings. I think we have almost got it right, and we are fairly confident that we should be able to reduce the regulatory timelines. And of course, other thing is the GGP remediation and FDA acceptance, which -- where we are already ready and waiting for the FDA to come in. We can't push them, but we keep letting them know that we are ready.

Sajal Kapoor: Sure. So on that basis, Dr. Chigurupati, assuming that we get Gagillapur back in action because we have got some outstanding filings there, that should -- and assuming that the gross margins stay where they are, despite an imminent threat that some input solvents, etcetera, will get expensive, you may already be facing some packaging cost escalation due to what's happening in the Middle East. But adjusting for all those, broadly speaking, if we stay at 64%, 65% gross margin, is it fair to expect a 24%, 25% EBITDA margin going forward?

K.P. Chigurupati: I think the raw material prices and packing material prices, freight prices have gone up. So there's a lot of uncertainty in the market. But hopefully, we are sure that we'll get some price increases. So this uncertainty continues till we get the price increases. And gross margins, while we were very confident of that some time ago, now, we are taking a step back and not committing to anything, but we remain confident and positive.

Moderator: Our next question comes from the line of Tarun Krishna from ithoughtPMS.

Tarun Krishna: My question is on the large-scale peptide that we are going to set up in India. So we have indicated that we'll be manufacturing GLP there, and we also have an option to manufacture the peptide drug conjugates and oligonucleotide. So when this site comes live, which products will we exactly be manufacturing? And will all these 3 products come at the same time? Can you give some light around that?

Sanjay Kumar: First of all, we are doing a major capex investment. And the way it has been sequenced is, building a peptide API capacity at Zurich at certain scale, followed concurrently by investment in a brownfield manufacturing facility for the intermediates in India. And then, once we complete this, we are right now at a planning stage of the India peptide API facility, and that will be out by at least a year, to begin with.

We are looking at peptide drug conjugate as a market space -- as a market segment, and we are at a planning phase in assessment side of it. But our focus is completely the peptides business as for the moment. This platform does give some optionality on the oligonucleotide side in the future, but our current attention and the focus is completely on the peptides and it's the value chain and making sure that our investments are sequentially well aligned and proportionally upgraded across the 2 locations, which is aligned with the customers' demand. Dr. PV you want to add something.

P. V. Srinivas: No, you got it everything. And at this point of time, we are just focusing on peptides. And then, certainly, we will have a look at ADCs and then oligonucleotides, but still we are -- it's at a selection phase. We're in the process of selecting the portfolio.

Tarun Krishna: Understood. And exactly which products will we be manufacturing from there and what would be the split for it, if there are multiple products from there?

Sanjay Kumar: So Tarun, your question is about what? Which one? Are you looking at India API manufacturing?

Tarun Krishna: No, It's about the large scale peptide manufacturing, which we're setting up in India intermediates?

Sanjay Kumar: So those are intermediates and basic amino acid -- protected amino acid derivative that actually is required for the peptide API manufacturing. So think of it as a backward integration and a common element across multiple projects where it could be used internally for our own program and whereas it could also be supplied from India to other players also to go into their peptide APIs.

Moderator: Our next question comes from the line of Krisha Kansara from Molecule Ventures.

Krisha Kansara: I'm sorry if this is a repeat question. I had a weak connection. But I had a question on our Gagillapur facility inspection. So you already mentioned that we submitted additional documentation with them after our meeting in January. So could you give us an update on when is the reinspection expected?

And my question is because it's been more than a year since we received the warning letter. So I wanted to know your opinion, your take on this. Why is it taking so long? And how confident are we to clear this follow-up USFDA inspection? And what is your estimate on the timeline?

Priyanka Chigurupati: Hi, Krisha, this is Priyanka. I'll take your question. You're right in saying that we have been corresponding with the FDA for the last 2 years since we got the original observations. After the

warning letter, our updates continue. We had a meeting with the FDA, and we have continued to update the FDA with our progress. In our updates, we did mention that a lot of our activities, like CMD mentioned, would be closed by the end of March, which we are on time for. So we are in -- like CMD said, we are ready for an audit.

And it really depends on when the FDA wants to come in at this point. From our side, we've notified them that the activities are essentially complete. But now, I don't think we can estimate when they would walk in, but we're ready for an anytime audit. But that said, just -- we are actually confident in getting through with the FDA because we've had almost -- if you look at the investor presentation also, we've had a lot of audits in the last year across several regulatory bodies and many, many customers. And every -- there is nothing critical that came out of them. So we're very positive about getting through.

Krisha Kansara: Right. But not even like a tentative timeline that you can give?

Priyanka Chigurupati: See, last time, we mentioned something, we got comments now saying you skipped the timelines. We can't read the FDA's mind, right? So it really depends on when -- there has been no communication from the FDA, but we are in touch with them.

Krisha Kansara: Okay. And given that we recently received ANVISA GMP certificate for Gagillapur facility, has this prepared us in some way for the U.S. FDA re-inspection? Or is it not the case? How do we read this?

Priyanka Chigurupati: Like I said, it's not just ANVISA, but 108 customer audits and 13 regulatory audits happened in FY '26. And we welcome these audits because like you said, it prepares us better to be audit-ready when the FDA walks in. So yes, to answer your question, the ANVISA audit and the other audits all prepare us for the FDA.

Krisha Kansara: **So, in summary it is like a wait and watch situation for us?**

Priyanka Chigurupati: **Yes**

Moderator: Next question comes from the line of Preet Jain from Niveshaay.

Preet Jain: Basically, my first question is, for Lisdexamfetamine, you had 5% prescription share in CY '25? So what quota did DEA assign you for CY '25? And can I know the same quota for current year '26 and current year '27? And is this quota will support your sales of the products, specifically this product?

Priyanka Chigurupati: With lisdexamfetamine, I mean, we obviously cannot share the quota details, but we got everything that we wanted. And I think we have demonstrated our ability to supply to the customers on time and in full, which essentially is a precursor to why you would get quota. And even for FY '27, we expect the quota situation on this product to be as we budgeted for.

Preet Jain: Sure. And my next question is, you have said that you plan to add 1, 2 new controlled substance products annually for next 2 to 3 years. Can you name or give us the light on which products you expect to launch in next coming 2 years? And what is the addressable market size for them?

Priyanka Chigurupati: I don't -- again, I can't give you names of any products. I think it's best you wait and watch because the products -- actually, the products -- 2 of them are already in the public domain. So you can just research that. Two of them, we've received tentative approvals for already. So based on -- the next steps will be determined based on an ongoing litigation, which I would not like to talk about over a call. But we also have 1 to 2 other products that we'll be launching on the generic side of things and 1 or 2 products that we'll be launching with a potential first-to-file outside of the tentative approvals that we got.

Krisha Kansara: And the last question is, can you -- have you any current order book in Senn's project, the CDMO Senn project? Is there any order book for that project?

Sanjay Kumar: We can't disclose those kind of information.

Moderator: Our next question comes from the line of Ritwik Sheth from One Up Financial.

Ritwik Sheth: Sir, a couple of questions from my end. So firstly, what are the plans of deploying the money that we raised from the promoter and QIP a few months ago?

Mukesh Surana: Yes. Thanks for the question, Ritwik. We have clarified in our EGM as well as last earnings call, this is to strengthen the balance sheet and also invest for organic as well as inorganic growth. Organic growth is capex, as well as working capital and R&D. And inorganic, if there are any good opportunities, we're continuously exploring. That money is also available based on the balance sheet strength.

Ritwik Sheth: Sir, second question is that on Senn Chemicals, how should we look at Senn Chemicals with a medium-term to long-term view in 3 to 4 years? What kind of growth and margins one can expect? Can the margins be at company level? How should we look at this business?

K.P. Chigurupati: Ritwik, we cannot comment on the growth -- I mean, percentages of growth. But all I can tell you is, that's a key pillar for our growth, and that is what will also drive a good percentage of the company's growth. I can't go into specifics. But it's very, very important for us. We see a great future there.

Ritwik Sheth: Sir, just one last question. In the past, you have mentioned that we are looking to launch controlled substances outside the U.S. market also. Can you throw some light when do we launch these products, say, maybe in EU and then ROW? How far are we? And what kind of infrastructure readiness we have for this?

Priyanka Chigurupati: So I'll just give you a little bit of background. Amongst all the controlled substances or, let's just say, medication for ADHD primarily -- I don't want to say controlled substances -- medication for ADHD, there's 2 that are globally prevalent -- sorry, globally relevant in terms of size, etc. So out of the 2 products, one has already been tech transferred and we started filings across the globe. So within the next couple of years, 1 or 2 years, we'll start seeing -- not 1 or 2 years, that's 2 years, we'll start seeing revenue from those products on the finished dosage side. But APIs, we should be seeing the numbers come in a little bit sooner.

Ritwik Sheth: Okay. So finished doses, EU can see sometime from FY '29 and API maybe a year earlier?

Priyanka Chigurupati: Not just in EU. We're filing in multiple countries.

Moderator: Our next question comes from the line of Shreya Chatterjee from Ageless Capital.

Shreya Chatterjee: Congratulations for a good set of numbers. So my first question is regarding the statement that you say that controlled substances you are now at the fourth position. So would it be possible to give out the number like total revenue of controlled substance? And also, in the controlled substance space, basically ADHD, you have a very high potential drug, which is lisdexamfetamine dimesylate, or the generic Vyvanse. So how is that going on? Because for the other generic companies also, there had been some issues of product recall. So if you could just comment on that.

K.P. Chigurupati: Shreya, we have a good history. I don't think product recalls and such is a great constraint for us. The revenue, we cannot -- by product, we cannot go into details. But lisdex is a good product for us, but we also have equally good products in our portfolio, and more are in the pipeline. And it's just not one product. That's all I can tell you.

Priyanka Chigurupati: I just want to mention, Shreya, because the prior participant had the same question on lisdexamfetamine, if you look at all our historical investor calls also, and if you just, I guess, track the number of approvals we have received, you will know that it's not just lisdexamfetamine like CMD just said. There are other products. And the name of the game is to make sure that we're consistently growing in all the products to achieve this position in the ADHD/controlled space.

Shreya Chatterjee: Got it. And would it be possible to give out the market share for this Vyvanse, the current market share that you have captured? Okay. And any comments on the pipeline for both the controlled substance and the oncology drugs? Like in the next 3 to 5 years, how big you see that opportunity to be growing?

Priyanka Chigurupati: See, the market size is heavily -- I think in the investor presentation, we said 41 billion$ as the TAM. But that said, that is the combination of the brand and generics. All I'll say is that the quality of filings are significantly improving. They're moving more and more towards complex products, more in the controlled space and oncology space, 2 big drivers for us. And we have a first -- well, we have a few first-to-files targeted, a lot of NCE-1 targeted, and we plan to be there on day 1 with a very, very good value proposition.

Shreya Chatterjee: Got it. And would it be possible to guide on the working capital situation maybe this year, FY '27, given the volatilities going on?

Mukesh Surana: This is, of course, uncertain period, Shreya. So the cost escalations are currently there. Whether it will continue for a few months, a few quarters, we are not so sure. But considering that, we would want to maintain our working capital to sales ratio of 33% range.

Moderator: Ladies and gentlemen, as there are no further questions from the participants, I would like to hand the conference over to the management for the closing remarks. Thank you and over to you team.

K.P. Chigurupati: Once again, thank you very much, ladies and gentlemen, for joining us today. And I just wish you all the best for the rest of the week, and have a great weekend after that. Thank you.

Moderator: Thank you so much, sir. Ladies and gentlemen, on behalf of MUFG, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.