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CIN NO: L24231GJ1992PLC018237
(WHO-GMP CERTIFIED ★ STAR EXPORT HOUSE)

Date:17.11.2025

To,
Listing Department
BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400001.

Script Code: 541096

Dear Sir/Madam,

Subject: Transcript of Earnings Conference Call – Q2FY26

Ref: Regulation 30 of SEBI LODR (Listing Obligations and Disclosure Requirements), Regulations 2015

Pursuant to Regulation 30 of the SEBI LODR (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Para A of Part A of Schedule III, please find enclosed herewith a copy of transcript of Company's Operational and Financial Performance for the Quarter and Half Year Ended on September 30, 2025 held on Wednesday, November 12, 2025.

The transcript is also uploaded on the Company's website https://www.bplindia.in/investor-2.html#financial-tab

Kindly take the same on your record.

Thanking You,

FOR BHARAT PARENTERALS LIMITED,

SHARMIN NARESHKUMAR SONI
Digitally signed by SHARMIN NARESHKUMAR SONI

Sharmin Soni
Company Secretary & Compliance Officer
M.No: A75694

Encl: As Above

“Bharat Parenterals Limited
Q2 & H1 FY '26 Earnings Conference Call”

November 12, 2025

MANAGEMENT: **MR. BHAHIM DESAI – DIRECTOR (STRATEGY & INVESTOR RELATIONS), BHARAT PARENTERALS LIMITED**

MODERATOR: **MS. PRACHI BADADE – PHILLIPCAPITAL (INDIA) PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Q2, H1 FY '26 Earnings Conference Call of Bharat Parenterals Limited hosted by PhillipCapital PCG Desk.

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

I now hand the conference over to Ms. Prachi from PhillipCapital (India) Private Limited PCG Desk. Thank you, and over to you.

Prachi Badade: Good evening, everyone. On behalf of PhillipCapital Private Client Group, I welcome all of you to Q2, H1 FY '26 Earning Conference Call of Bharat Parenterals Limited.

Today, from the Management, we have Mr. Bhahim Desai – Director (Strategy & IR).

I now hand over the conference to Mr. Bhahim for his opening remark and then we will open the floor for questions and answers. Over to you, sir.

Bhahim Desai: Thank you, Prachi. Good afternoon, ladies, and gentlemen. Thank you for joining us today for Bharat Parenterals Limited's Earning Call for 2nd Quarter of Fiscal 2026.

I am Bhahim Desai – Director, Strategy, and Investor Relations. And it is my pleasure to share with you the key highlights of the quarter and our outlook for the months ahead.

On the performance overview side, this quarter was one of the strategic execution and operational upgrades for Bharat Parenterals. On a standalone basis, our revenue from operations stood at Rs. 41.7 crores compared to Rs. 64.5 crores in Q2 last year and Rs. 94.4 crores in Q1 of FY '26.

The decline was anticipated and primarily driven by three factors. A planned near one-month production break to upgrade our general injectables line to higher ORAP standards, a temporary softness in institutional offtake after an exceptionally strong quarter first, and the deferral of export dispatches, most of which are expected to roll in Quarter 3.

Despite the lower volumes, our gross margins expanded sharply to 44.1%, compared with 33.5% last year and 33.4% in Q1. This improvement reflects our continued shift towards higher value products, stronger procurement discipline, and manufacturing efficiency.

EBITDA stood at Rs. 2.3 crores, translating to a 5.6% margin, and PAT was Rs. 2.7 crores with a 6.5% margin. While profitability was impacted by lower throughput, we remain firmly profitable, a testament to resilience of our business model. We expect momentum to recover strongly in H2 of FY '26 as capacity utilization improves and institutional orders normalize.

On the consolidated performance, the revenue stood at Rs. 64.6 crores, a 10% decline year-on-year and a 44% sequentially. However, the underlying performance strengthened significantly. Gross profit rose 26% year-on-year to Rs. 37.7 crores, with margins expanding to 58.3% from the previous 41.8%.

Consolidated EBITDA turned positive at Rs. 80 lakhs, compared with the loss of Rs. 7.7 crores in Q2 FY '25. Our net loss nearly halfed, improving 51% year-on-year to Rs. 8.6 crores, demonstrating the impact of our cost discipline and margin improvement initiatives across the group.

We will be taking a deeper dive at Innoxel Lifesciences, our subsidiary. The highlight of the quarter was undoubtedly the achievement at our Complex Generic subsidiary Innoxel Lifesciences. On July 30th, 2025, Innoxel received the Establishment Inspection Report, EIR, from the US FDA, officially confirming The US FDA approved status for its Vadodara manufacturing facility. This milestone marks a transformational step for the Bharat Parenterals Group, paving the way for commercial supplies to the U.S. market as well as the EU market and establishing our credibility in the regulated markets.

During the quarter, Innoxel finalized 7 new strategic partnerships including 6 EMO contracts and one out-licensing deal, together valued at $1.85 million in licensing and milestone income. Its pipeline now includes around 20 active products, both which are 505(b)(2) NDAs, complex AND As, and also including long-acting as well as liposome-based injectables, with more than 40 molecules under lifetime development.

An EU GMP inspection is expected in second half of this fiscal, with four commercial filings targeted in Q1 of FY '27. Quarterly costs remain stable between Rs. 14 crores and Rs. 16 crores per quarter, and the business is well on track towards operational breakeven in FY '26.

Our core detail operations continue to strengthen their foundation. We renewed our WHO GMP certification, cleared the NAFDAC audit of Nigeria, and secured new product registrations across Myanmar, Kenya, Peru, and Vietnam.

Infrastructural upgrades, including the ORABS lines and purified water systems in the Beta-Lactam Block have further enhanced quality compliance and readiness for the upcoming audits.

We were also proud to be recognized as Manufacturing SME of the Year Health and Pharma by HSBC and CNBC-TV18, a reflection of our consistent excellence in manufacturing and innovation.

Our domestic formulations arm, Varenyam Healthcare, continues to perform well, strengthening its position in institutional channels and expanding into complex injectables. It remains on track to deliver Rs. 60 crores to Rs. 65 crores in FY '26 revenue, a healthy 20%-21% growth over last year.

The outlook ahead. We remain confident of a strong rebound in H2 FY '26. For the standalone business, we maintain our FY '26 guidance of 12% to 14% revenue growth with EBITDA margins of 15% to 17%, supported by a robust order book and improved utilization.

Innoxel is expected to deliver Rs. 65 crores to Rs. 70 crores in revenue this year, driven by milestone receipts, while commercial CMO supplies are expected to commence from Q1 of FY '27. Innoxel also stands to be breaking even on EBITDA levels this year.

Varenyam Healthcare will continue to expand its reach across critical care and anesthesia segments, reinforcing BPL's domestic presence.

At a consolidated level, we expect FY '26 with a clear path towards positive PAT by '27, supported by recovery in standalone operations and sustained progress at Innoxel.

In summary, Q2 was a quarter of investment, execution, and long-term strengthening, a period where we laid groundwork for sustainable growth in FY '27 and beyond. We entered the second half of the year with our most critical USFDA milestone achieved, our core margins improving, and a well-defined roadmap for the growth ahead.

On behalf of the entire team at BPL, I extend my heartfelt thanks to our employees, partners, leaders and shareholders for their continued support and trust. Lastly, I would like to thank PhillipCapital for arranging this call. Thank you so much. Jai Hind.

Moderator: Thank you. We will now begin with the question-and-answer session. We take our first question from the line of Bajrang Bafna from Sunidhi Securities. Please go ahead.

Bajrang Bafna: Just to get a sense, the FY '26 guidance, you indicated that you will be able to maintain the FY '26 guidance and H2 is going to be better than H1. So, if you could give some more color in terms of margins, which we will be able to manage for FY '26 and some guidance on the subsidiary business, where we can see the break-even levels are going to be achieved and some profitability that can be seen in the subsidiary business.

Bhahim Desai: So, as stated ahead, after the 1st Quarter results, and again, right now, we maintain the guidance of 12% to 14% year-on-year growth in top-line revenue on a standalone basis. The H2 of this financial year would be obviously a better in terms of top-line revenue when compared to H1.

We expect Quarter 3 and Quarter 4 to be on the higher end based on the order book at hand and the commitments received from institutional as well as regular buyers. Based on that and the operational effectiveness that we were able to achieve in Quarter 2, we remain hopeful of achieving our EBITDA margin improvement anywhere between 15% and 17% for this fiscal year.

Moving on to the subsidiary side, as stated, Innoxel Lifesciences would be turning EBITDA breakeven this year. It would be operationally breaking even and there would be losses due to

depreciation as well as interest and finance cost. For FY '27, Innoxel is poised to become the first year where it would be PAT positive.

On the other subsidiary, Varenyam Healthcare, it is going to be a profitable year for Varenyam from here on. This year, we are in line to have a 10% PAT on the top line of Varenyam. And that is translated in the numbers of Q1 as well as Q2. And we expect to maintain the same levels across Q3 and Q4.

Bajrang Bafna: Just to get on Innoxel FY '27, what could be the top line that we can assess based on the clarity from different clients on that and what could be the EBITDA margins in Innoxel in FY '27?

Bhahim Desai: So, FY '27 for Innoxel, the top line, obviously, depending the U.S. business and the EU business commencing from Quarter 1 of '27, we expect the top line to be anywhere between Rs. 110 crores to Rs. 130 crores, Rs. 135 crores in top line. And EBITDA would be anywhere between Rs. 35 crores to Rs. 50 crores for next fiscal year.

Bajrang Bafna: And just the base business, can we expect the similar growth trend of close to 15% in FY '27 also, standalone business with stable margins of 15% to 16%?

Bhahim Desai: The margin stabilization has happened. So, we expect the margins to continue. For further details on FY '27, we would be waiting for Quarter 3 because our order book for next year is still on the path of becoming full. So, I do not have a guidance for FY '27 on the base business for 15% growth, but we expect an overall growth of 10% to 12% over the next five years on the standalone basis.

Moderator: We take the next question from the line of Anupam Agarwal from Lucky Investments. Please go ahead.

Anupam Agarwal: Hi, Bhahim. Good afternoon.

Bhahim Desai: Good afternoon.

Anupam Agarwal: I was trying to understand, on the standalone business, on the revenue front, we have seen some sort of lumpiness over the last many quarters. I understand large part of the business is institutional here, but in terms of the order book, what sort of order book and stability are you seeing in the business going forward?

Bhahim Desai: So, Anupam, as I stated before, this in Quarter 2 almost the entire month of August was a non-operational month in the general injectable segment of the standalone business, which is one of the topmost revenue contributors of the organization due to upgradations in its manufacturing line. That obviously hampered the operational output of the organization, along with the fact that Quarter 1 was a high-revenue quarter for us. So, the institutional order book that we have right now was the orders in Quarter 2 were not executed. Those orders are being executed in Quarter

3, and the numbers should be reflected in Quarter 3 and Quarter 4 numbers on standalone basis based on the order book that we have in hand.

Anupam Agarwal: If I have to kind of eliminate the one-off situation of the upgradation, how much revenue incrementally we would have been able to do if the upgradation was not part of the plan?

Bhahim Desai: We would have been somewhere positive of last year's number. So, we could have expected somewhere around Rs. 60 crores to Rs. 65 crores of revenue on the standalone basis.

Anupam Agarwal: What sort of upgradation is this? Is it some sort of a long-term plan or does this happen every year?

Bhahim Desai: No, no, no. This was part of strategic long-term planning. We upgraded our lines to an ORABS line, which is obviously a higher sort of, so just to give you an understanding, in Innoxel, we have closed RABS, which is best in terms of sterility for aseptic filling. So, similarly for the ROW markets, we upgraded our vial line to an ORABS, which is obviously one step lower than the closed RABS line. That was done for our upcoming audits at the BPL facility.

We are expecting two major audits in the next year. One would be EU GMP audits of our newly built Beta-Lactam block. And the second would be PIC/S audit for our general block. So, for ensuring that we are compliant with the more stringent regulatory requirements, this was a planned upgradation taking place at the general line as well as in the Beta line where we have upgraded our water systems in order to be EU GMP compliant.

Anupam Agarwal: Just extending the standalone part again. The 1st Quarter revenue of Rs. 94 crores, if I remember, also included part of the deferred revenue from the 4th Quarter of the last year. Is my understanding right?

Bhahim Desai: Some. It was a very small amount from the last quarter of last financial year.

Anupam Agarwal: Any specific reason why Q1 was this high? And is there a seasonality in this order-driven institutional business?

Bhahim Desai: So, the institutional business, there is some sense of seasonality to it. But when we talk about Quarter 1 numbers, there was a large institutional order that BPL backed towards the start of this calendar year, for which the execution is supposed to be completed between 18 months. That started from April of this year.

So, the first tranche of that institutional order was completed in Quarter 1. The next couple of tranches are expected to be completed in this financial year and the last tranche is expected to be completed in the 1st Quarter of next financial year. So, just to give you a little bit of brief on the institutional side. So, that is the seasonality of it because that is how the government is taking those orders.

Anupam Agarwal: What was the contribution of export and domestic mix in the standalone business?

Bhahim Desai: So, export stood at around 40% of the revenues and domestic stood at 60% in Quarter 1. In Quarter 2, it was 70% export and 30% domestic.

Anupam Agarwal: What is the update on the domestic order that we received last year, the Rs. 210 crore institutional order?

Bhahim Desai: That is the order that I spoke about, that the first tranche of it was completed in Quarter 1. Second and third would be completed in the H2, and the last tranche of it would be extended to Q1 of next financial order.

Anupam Agarwal: I will come back in the queue if I have.

Moderator: We take the next question from the line of Bhagwan Choudhary from Shubh Capital. Please go ahead. As there is no response from the current questioner, we move on to the next participant. The next question is from the line of Dhruvesh Sanghvi from Prospero Tree. Please go ahead.

Dhruvesh Sanghvi: Hi, Bhahim.

Bhahim Desai: Hi, Dhruvesh.

Dhruvesh Sanghvi: So, can you expand this time a little bit on what exactly Varenyam Healthcare does? Because now the revenues are respectable, Rs. 60 crores, Rs. 65 crores. I mean, roughly Rs. 65 crores. And when we say that this is branded on the critical care side, what is the market like? Where can we be? And what has been the overall experience and the margin profile of this business?

Bhahim Desai: So, Varenyam Healthcare is a branded domestic generics business. We have our own brands that get manufactured at BPL as well as several other manufacturers across the country. Currently, around 45 different brands are being marketed in the country. It is a pan-India division and over 200 MRs are working on the field at Varenyam. It is currently a single division organization with more divisions lined up in the next 18 months. And currently, we are into anesthesia, critical care, and pain management side of the IPM.

If we talk about anesthesia, where our core competencies lie, we are in the top five when we speak in the country. We are behind the likes of Neon Labs, Troika, Themis, and Samarth. And we are steadily taking steam and climbing the ladder when it comes to anesthesia.

The overall understanding of this particular market, if we talk about the reported numbers in anesthesia, somewhere around Rs. 700 crores to Rs. 800 crores of the total market. But since it is a purely injectable market and a lot of it is directly to the institutions, which include corporate hospitals, semi-government, as well as government institutes, most of these data is not captured by pharma record or IMS of the world. So, it is a grossly underrated number when we talk about that.

So, the overall market opportunity for anesthesia in particular we believe it is somewhere between Rs. 1,500 crores to Rs. 1,800 crores for the IPM and it is growing on a steady basis. Since there are only handful of competitors in this particular segment, we expect our revenues to climb as we gain trust and goodwill over the time that we have been operating in the market around five to six years. And we have been, in the past, the first company to launch one of the molecules in India after doing clinical trials and getting DCGI approval for the same. We would also be one of the companies launching another drug in a short span of time, which would be manufactured in India for the first time.

So, on the innovation front, Varenyam has always been at the forefront of innovating in anesthesia space, coming out with incremental innovations may be a smart packaging required for cold chain management or it could be a product which was not present in the domestic space and which after thorough clinical trials and getting the subsequent approvals was launched or maybe a product which is currently just being voted and we would be the first ones to get it in the market after getting and manufactured locally.

So, we have been very active in ensuring that we cover the length and breadth of the division at hand, while also carefully planning on the next division, which could help the company grow further.

Just to give you a little bit of brief on the overall aspects of Varenyam, we expect to cross the Rs. 100 crore mark in the next 18 to 24 months. And we aim to be at least a Rs. 250 crores to Rs. 300 crore top line company with three to four divisions that are in pipeline as we speak right now.

Dhruvesh Sanghvi: And currently, what are the margins like? I understand we are in investment phase here. And let's say, if we potentially go to the Rs. 150-200 crore mark in this business, how does that work? And the headcount to achieve that, is it like 200 to 250 is enough or we need to then increase the headcount to 300, 350 here?

Bhahim Desai: No, so in order for us to cover more territory and ground, with India also poised to double down on the number of hospitals that it has, definitely number of people on ground will increase for us to have a more effective coverage.

So, yes, but I expect that number to be well within 300 for this particular division. We expect growth potential in this division alone to be somewhere between Rs. 120 crores to 150 crores, which should be achievable in the next few years while we also expand in other divisions in therapeutic areas.

For this particular division since 99% of our products are injectables and directly catered to the institutions, the margins are not as high as the prescription market. But we have successfully been able to expand our margin profiles from 39% last year to 45% this year until the H1. And we continue those margins to be around the same levels for H2 as well. So, there has been a good...

Dhruvesh Sanghvi: This is operational margins, right?

Bhahim Desai: These are operational margins, yes.

Dhruvesh Sanghvi: 40% operational margins.

Bhahim Desai: Yes.

Dhruvesh Sanghvi: And I will move to the standalone business. In terms of, like, I missed the initial commentary, but you mentioned that in spite of the fall in the current quarter for various reasons mentioned, we still are targeting a 15% growth Y-o-Y. So, is that right? I mean, just a one-line summary, if you have already mentioned it, I am sorry.

Bhahim Desai: No, no, I have mentioned it already. We are expecting based on the order book that we have in hand. And we expect that based on the execution of those orders, our year-end numbers would be somewhere between 12% to 14% or 15% higher than in comparison to last year. So, that is correct. That is the correct guidance that has been given.

Dhruvesh Sanghvi: Bhahim, just one point here that suppose if, I mean, with these new changes in terms of the global tariff structures, I know that we are not supplying to any of the so-called regulated markets, but with so much pressure or competition now India facing in terms of some sort of indirect taxation, taxation towards us, does it not heat up the competition for you in the smaller markets? Because now, isn't it natural to assume that a lot of large companies or mid-sized companies will start to warm up for the small, small revenue pools, which smaller companies like us were targeting historically? Does it increase competition for us in the smaller markets? Have you started seeing any of these things?

Bhahim Desai: So, great question, first of all. Just to give you a little bit of brief on the tariff side, the U.S. has imposed tariffs on two aspects, two different types of products coming into the U.S. as of now. That is the branded products as well as the patented products.

Now, as things stand, generics, any and all types of generics are completely exempted towards any type of tariffs. So, initially, in the first few years of commercialization, especially from Innoxel, we do not have any products which are falling under branded or patented side of the business. Those are generics.

Dhruvesh Sanghvi: No, my question has nothing to do with Innoxel. I am sorry.

Bhahim Desai: No, I understand. I was actually covering that part and coming to the other question that you asked. So, it will not be covering from the Innoxel side. While the other aspect what you asked is that because of this, the natural tendency of other manufacturers would be to shift to other markets.

While, yes, on books, it does look like that, but the markets that we have been operating in were anyways quite heavily, it was a heavy competition market to begin with from the get-go. And there was a niche that was created for our organization because we started way back in early 2000s where we were one of the handful ones supplying to these various ROW markets.

We have long-standing relationships with our partners in these particular markets. May it be Africa as a continent, Latin America, Southeast Asia, or this CIS region. So, due to that, there is obviously a natural advantage that we have where our partners are with us since a decade or more. It does give us that little advantage of having that old partnership in place. But we are not sitting idle and just banking on that. That is why there are structural changes being made at the standalone business in order to get more stringent regulatory authorities to come and approve our plant. So, we can further go into newer territories using those accreditations.

So, EU GMP at our new Beta block would help us get into markets where we are not currently at. PIC/S accreditation in our general block would help us go into markets where we are not currently at. So, definitely we are also, on a standalone basis, working to ensure that while the competition may increase in the other ROW markets, we should be well-poised to enter newer markets where, again, there is a more stringent regulatory check required. I hope I was able to answer the question.

Dhruvesh Sanghvi: No, no, no. I think that was very fair. And thank you for the detailed reply. I will just take liberty one more time and one more question and then I will join back the queue. On Varenyam Bio, what is the status of the CapEx? What was originally planned? How much is already spent? And by when we will be ready for the approval stage or if you can just lay down the pipeline there for the bio, Varenyam Bio, the manufacturing?

Bhahim Desai: So, Varenyam Bio was the total CapEx outlay is around Rs. 120 crores, which is expected for the entirety of the plant. As of now, the general block is completely constructed. We are beginning the second phase of our construction, which would be the oncology block as we speak. Around Rs. 35 crores to Rs. 40 crores of investment has already been completed through internal accruals at BPL. So, from BPL, I mean. And the rest will be going on as the plan gets further and further till the operations begin. We expect to be completely operational by FY '26 end and the regulatory phase to start by early '27. And which was our guidance to begin with, that we expect the commercialization to happen anywhere in '27. So, that is where we are at currently. We are on track to achieve that as we speak as of now.

Dhruvesh Sanghvi: I will join back the queue.

Moderator: We take the next question from the line of Bhagwan Choudhary from Shubh Capital. Please go ahead. As there is no response, we move on to the next question from the line of Anupam Agarwal from Lucky Investments. Please go ahead.

Anupam Agarwal: Thank you for the follow-up. Bhahim, just extending to last participant's question on Varenyam Bio, are we earlier than what was indicated before?

Bhahim Desai: I wouldn't say we are earlier. I would say we are on track. And we would continue to, obviously, for us, it makes more sense that we get this current phase completed as soon as possible. But we also understand that this phase is as important as any other phase because this sets the foundation for clearance of various stringent regulatory authorities and what we have learned from Innoxel so far. So, I would say that we are on track. I wouldn't say we are early or we are late.

Anupam Agarwal: And you mentioned regulatory to start from early FY '27. So, what kind of audits are we expecting? Which agencies and how much time will it go through?

Bhahim Desai: So, early '27 onwards, there would be various GAP audits that would be taking place from our consultants, our GMP consultants. There would be various qualification activities going on before that. Then post that, there would be products which would be manufactured as exhibit batches. And using those products, we would be filing with our EU GMP as well as obviously WHO GMP would be part of our plan over there as well. But the first filing that would happen would be in '27 for the EU authorities.

Anupam Agarwal: FY '27 for EU, okay.

Bhahim Desai: Yes.

Anupam Agarwal: Just coming to products, so like you communicated before as well, the products will be largely similar what we are making in Innoxel.

Bhahim Desai: Yes. So, there are a few molecules at Innoxel which has large potential in the ROW emerging market space. But because of certain constraints, certain cost of goods that are not going to be able to be lower from Innoxel, those products would be taken at Varenyam Bio and would be catered to those markets, specifically in the Latin American as well as Oceania region, such as Australia. So, those are the plans at Varenyam Bio. But apart from that, a large portion of the BPL portfolio is also very lucrative when it comes to these particularly emerging markets. So, both of the product portfolios would be used partly from Innoxel, partly from BPL.

Anupam Agarwal: Any guidance on terms of revenue that you want to give out maybe from the first year of operation at Varenyam Bio?

Bhahim Desai: I would say, Anupam, it is a little bit too early for me to give you that guidance as of now. Once we are somewhere close to completion, we will be able to give you that based on the number of products that we would be targeting from the get-go.

Anupam Agarwal: Coming to Innoxel, you mentioned FY '27 to be about Rs. 110 crores to Rs. 135 crores in revenue.

Bhahim Desai: Correct.

Anupam Agarwal: Would you want to call out the mix between how much will be milestone revenue here and how much will be commercial supplies?

Bhahim Desai: A little bit difficult, but what I can do, I can give you an indicative number on what is confirmed as of now. The rest would be keeping, like it would keep adding. The moment I add a project to my current list of projects, certain milestone payments get added to it, right? So, that number would vary, but I would say around Rs. 65 crores of milestone revenue is confirmed for FY '27 from the Rs. 120 crores, Rs. 130-odd crores of top line revenue that we are targeting. Rest would be from our commercial supplies that are poised to start from Q1 of '27. But the mix would be changing depending on the number of new projects that will be taking in Q3 and Q4, because those milestone payments would be reflected largely in the next financial year.

Anupam Agarwal: You mentioned that there were six PMO that we have. Basically, new seven contracts that we signed. Six are CMO and one is licensing. Do you want to throw some light on what these products are and who are the clients, sort of?

Bhahim Desai: Unfortunately, from the CMO front, I won't be able to divulge too much of information. But what I can do is I can give you a split of domestic or international clients. I would say that around 50% of the CMO deals signed are large domestic players, Domestic MNCs and the 50% of the CMO deals are international clients which are either based in EU or the U.S. On the licensing front, what we have signed is, it is an injectable product. It is a general injectable product that has been signed and that would be under ANDA route.

Anupam Agarwal: Under ANDA. Okay. Just breaking down the 20 products which are in pipeline, between 505 NDAs, the complex ANDAs and long-acting injectables, do you have a break-up there?

Bhahim Desai: Yes, so between ANDA and 505(b)(2), there is a good 60-40 split, where 60% are these complex ANDAs, 40%, 40%-45% are 505(b)(2)s. For long-acting injectables, we have three programs which are under the long-acting banner. So, I can give you that number.

Anupam Agarwal: Just last question on the cost side. So, Rs. 14 crores, Rs. 15 crores cost. Is there a scope to maybe reduce the cost on a monthly or a quarterly basis here? Or is this sort of an annual run rate kind of a thing that has to be incurred and then on scale-up of revenue is something that efficiency would come in?

Bhahim Desai: No, so this cost base is fairly now stabilized. There won't be, I think obviously we are all trying to ensure that we run the operations as cost aware as possible. But for the size of the plant that it is, this is going to be a fairly stable cost base. We will, however, try and ensure that we have some sort of reduction in various, I mean, there are certain subsidies that being a startup that would be there, but obviously that is not part of the OPEX. That would probably go towards the finance cost and the reduction in finances. So, again, coming back to your question of OPEX, I think we are fairly stabilized. And we see that this would be something that would be required for us to continue operations at this level.

Anupam Agarwal: What is the R&D expense from this Rs. 14 crores, Rs. 15 crores?

Moderator: Sorry to interrupt you, sir. May we request you to please rejoin the question queue as we have several participants waiting for that, sir. We take the next question from the line of Shubham Chaudhary from Shubh Capital. Please go ahead.

Shubham Chaudhary: My question is, how are you positioned on working capital and receivables after the Q2 slow down?

Bhahim Desai: Sorry, can you please repeat? Your voice is not very clear.

Shubham Chaudhary: How are you positioned on working capital and receivables after the Q2 slowdown?

Bhahim Desai: So, we are actually much better poised in terms of working capital. There were a lot of receivables which have been received in this quarter. In fact, the temporary working capital loans which were taken, packing credits which were taken to supply these large orders are already prepaid, and the debt levels have gone down on a standalone basis. So, the slowdown will not affect in terms of our working capital, in particular, if that is what you are asking. That is not going to be affected, basically.

Shubham Chaudhary: So, my next question is, what is the funding roadmap for Innoxel? The internal accruals or promoter receivables or external investors?

Bhahim Desai: So, we are looking at all possibilities right now. I won't be able to tell you something specific as of now. But right now, Innoxel is pretty much on being able to manage by itself when it comes to its OPEX due to the milestone and licensing revenues that are coming. Wherever there is any type of shortfall which is there, obviously the promoters are stepping in to ensure that the gaps are fulfilled. If there is any possibility of any strategic investment at a later stage, then that is a separate conversation and maybe we can, when there is something concrete, we will be able to throw some more light on it. But as of now, there is no need for us to have that additional infusion.

Shubham Chaudhary: So, how do you plan to improve disclosures to attract the institutional investors post Innoxel dilution?

Bhahim Desai: See, Innoxel, being a business which is primarily for the U.S. market, Confidentiality will remain a key in terms of the products and the partners. So, the disclosures will not be as open as I can give for other ROW markets. So, that factor is going to remain going forward. But yes, we can transparently give you more insights on the deal sizes whenever those happen in terms of the total milestones that are expected.

We can throw more light on the number of CMO programs at work at present. We can throw some light on what would be the split between the CMO clients that we have in terms of domestic or international clientele. And to a certain extent, we can give you guidance on the overall

numbers that the company can do. But pretty much anything beyond that becomes confidential and it can hamper our contracts that we have, which obviously all have strict confidentiality rules.

Moderator: We take the next question from the line of Dhruvesh Sanghvi from Prospero Tree Asset Management. Please go ahead.

Dhruvesh Sanghvi: I just want to reconcile the numbers related to out-licensing agreements. The last count I had somewhere in December '24, we probably had commitments of out-licensing agreements. We have booked agreements of Rs. 100 crores, out of which I think until March '25, we have booked nearly Rs. 25 crores. If you can similarly tell that from the history of Innoxel till date, what has been the total out-licensing agreement number and how much is already booked in the P&L revenues?

Bhahim Desai: No, no.

Dhruvesh Sanghvi: A broad ballpark is fine.

Bhahim Desai: Yes, so there are two things, two aspects that we have to understand that the licensing fee is not only for the products that Innoxel has developed by itself. It is also for a one-time license cost for undertaking exhibit batches for a CMO project as well. So, the last year numbers is a mix of both these numbers, which would be the CMO licensing fee as well as a CDMO licensing fee as well. So, first of all, I just wanted to get that clarified.

Second, it would be very difficult for me to give you a number, but if I have to give you a ballpark number, then I would say, again, I don't have that information to give you somewhat of an accurate answer.

Dhruvesh Sanghvi: No problem. What I am trying to look at is that if last year, okay, in the last 8 to 10 months, how many more out-licensing agreement deals in terms of numbers you have signed? Because I think when we hit some milestone, you had put some circular. So, I am just trying to understand what has been the additional deals done in the last six to nine months because I have the last December '24 number. So, that is where I am coming from. If you can, I just want to understand the progress in terms of conversion towards out-licensing agreements.

Dhruvesh Sanghvi: So, see, in terms of, in totality, if I have to tell you a bit from December onwards, we have signed deals in double digits. Quarter 2 was around 7 that I already disclosed. Quarter 1 was somewhere around another 6 to 7. Honestly, I don't have that number with me. I can get back to you on an individual basis on email. I can give you that total number of deals that have happened from December onwards and give you the number that you are looking for more specifically.

Dhruvesh Sanghvi: No problem. Again, I mean, while we started, let's say from the fundraise time, we were thinking of 15 to 20, precisely probably 18 or 19 products. And of course, some changes would have happened on the way that we will drop a couple of products and some might have got added.

But the number is still going to remain 20 or we are going to significantly increase. And because that will have some cost implications as well. So, if you can provide some thoughts here.

Bhahim Desai: So, as of now, Dhruvesh, we started with roughly around 20 to 22 products at that point of fundraise that you are referring to. From there on, there have been a few projects which have been scrapped because they were no longer relevant or maybe their competitors moved in earlier or the market potential that was anticipated was not there. So, a few projects dropped out, but in contrast, there were other projects which filled in as well. So, the number still is around 20, 21, roughly.

But what has now been outlined by the management is that in the lifetime of the organization, we would be having around 40 products and we would maintain that 40 products under our own banner. That is, we would be developing those 40 products and then out-licensing them up to a total of 40 products from this particular plant.

Dhruvesh Sanghvi: That's helpful. And yes, I also wanted to ask that we initially thought that the EU approval will come probably earlier than US FDA and naturally we were surprised by the reverse thing happening. What is the overall learning out of this? I mean, why so and if you can give some thoughts on that.

Bhahim Desai: No, so we had confirmed dates for May. It was the same week that India-Pakistan war happened. Because of the travel advisory, we had a confirmed inspection from Portugal. And because of that, there was a trial advisory and those inspections got cancelled for those dates. And then we were given a later date, much later date. Since we were already in touch with the Belgian authorities as well, the Belgian authorities confirmed earlier on and now the new inspections are going to happen shortly from the Belgian authorities.

Dhruvesh Sanghvi: So, now it is triggered through the Belgium authorities, is what you are saying.

Bhahim Desai: Yes, because the first week of May is when we completed. Second May, we completed our US FDA audits. And I think in the next few days, the war broke out. So, that is when the inspections got delayed, because May, it was confirmed dates we had from the Portugal authorities and because of the war, the delay happened. There is nothing other aspect to it apart from that.

Dhruvesh Sanghvi: Thank you and looking forward to seeing another round of discussion maybe six months later.

Moderator: Thank you. Ladies and gentlemen, we take that as the last question for today. I would now like to hand the conference over to Mr. Bhahim Desai for closing comments.

Bhahim Desai: So, again, thank you all for tuning in for Quarter 2 of FY '26, financial results for Quarter 2 of FY '26. We welcome all the questions and we look forward to the improved performance in the H2 of FY '26 going forward. Thank you again for joining in and taking the time out. Jai Hind.

Moderator: Thank you. On behalf of PhillipCapital (India) Private Limited, PCG Desk, that concludes this conference. Thank you for joining us. And you may now disconnect your lines. Thank you.

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