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**“Beta Drugs Limited
Q2 & H1 FY27 Earnings Conference Call”
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MS. RAJNI BRAR – COMPANY SECRETARY AND COMPLIANCE OFFICER – BETA DRUGS LIMITED
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MODERATOR: **MR. SRISURYA K – PHILLIPCAPITAL PCG DESK**

Moderator: Ladies and gentlemen, good day and welcome to Beta Drugs Limited Q2 and H1 FY27 Earnings Conference call, hosted by PhillipCapital PCG. 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 your touchtone phone. Please note that this conference is being recorded.

I now hand over to Mr. Srisurya K from PhillipCapital PCG Desk. Over to you, sir.

Srisurya K: Thank you. A very good afternoon, everyone. On behalf of PhillipCapital Private Client Group, I welcome you to the Q2 and H1 FY27 Earnings Conference Call for Beta Drugs Limited. Joining us today from the management are Mr. Rahul Batra, Chairman and Managing Director; Mr. Ashutosh Shukla, Director of Sales and Marketing. Mr. Nipun Arora, CFO; Mrs. Rajni Brar, CS and Compliance Officer, along with Mr. Natarajan Head of Strategy.

I will now hand over the call to Mr. Rahul Batra for his opening remarks. Following his address, we'll open the floor for questions and answers. Over to you, sir.

Rahul Batra: Thank you so much. Good afternoon, everyone. On behalf of Beta Drugs family, we wish you all a very Happy Diwali. To start with, let me take you to the key financial highlights. The revenue growth of Beta is at 29.2% as compared to H1 FY26. The EBITDA margin grew by 0.10% that is from 23.08% to 23.18%. The PAT showed a significant increase from INR24 crores to INR34 crores, which is almost 45% growth as compared to H1 of last year.

Now, before going ahead with the key highlights, we want to take you on the brief of the impact of trade margin capping on the MRP. The trade margin capping is nothing. This is as which was declared in the year 2019. Now, to give you a brief detail on this, of our total branded business, which we did in FY26 was INR123 crores.

The orals comprised of INR60 crores in that business, which has no impact at all from the recent NPPA guidelines, as the majority is being sold through distributors. The injectable business is INR63 crores out of total business, of which INR50 crores come from the scheduled drugs whose MRP is already defined by the government, so that will not have even a single impact.

The INR13 crores injectable business, which comes under the non-scheduled drugs, will also have no impact on our margins and growth as well as realization. The overall impact on the company seems zero or negligible. Now, let us take you to the key highlights of H1 '27. The own-branded business has grown by 17% in H1 '27 as compared to H1 FY26.

In exports, we have filed 76 new dossiers in different geographies, which include four dossiers filed in Europe. We have started bioequivalence studies with EU RLDs to be filed, in which we have five products to be filed in regulated markets, of which one is already concluded and rest are in process.

We have successfully launched four new products in FY27 and are on a plan to launch six more in coming months. With the effort and dedication from the sales team, we have successfully made five brands more than INR5 crores, in which one brand is almost touching INR10 crores sales annually.

Beta has finally got a breakthrough in Tata Hospital and we have got their some brands approved in this H1 FY27. The latest acquisition of Nivian Lifesciences has delivered a strong growth of 75% as compared to H1 FY26. The API business too has delivered 30% growth in H1 FY27.

Now discussing the business is vertical-wise. First is own brands. The own-brand business showed a growth of 17%, as discussed earlier. The OSD, oral solid forms contribution to the business has increased up to 50% in total business. We have successfully launched four new products and six more to be launched this year.

As discussed, we have got successfully our first purchase order from the Tata Hospitals. We are on track to do INR150 crores sales from our own brand for this FY27. Coming onto the exports, we have done 43 crores of sales in the first half of FY27 and we are on track to do our target for FY27.

Apart from one opportunity which we had in 2026, where we did some opportunity sales of INR25 crores and the balance INR16 crores would that came from the territories, out of total 41 in FY26, we have done more than INR26 crores, apart from the INR15 crores sales that we have done in FY27. Recently, we have got 35 new registrations, and on the verge to get 50 more registrations from this year.

We have also successfully cleared the audit of Azerbaijan and filed 20 new dossiers, of which 12 registrations are expected in FY -- in by in FY27. We have also filed four dossiers in EU and expected to receive an audit in this financial year only. Total of 872 new registrations are in pipeline, which we will be getting in next two to three years. In export, we are on track and will deliver a major growth in coming next two to three years down the line.

Coming onto the our latest acquisition Nivian. Nivian has delivered 75% growth, that is from INR18 crores to INR31 crores sales in first half of FY27. The acceptance of these products has been in the corporate hospital, which is a major increase in this FY. There has been a significant 60% increase in the prescriber base also.

The top five brands contributes around 63% of the total sales. At Nivian we are evaluating to launch our first recombinant in next two to three years. Nivian will continue to deliver a strong growth in this segment. In derma, we have seen a consistent increase in the secondary sales. The PCPM grew by 30% to reach an average PCPM of 2.5 lakhs in this half of FY27.

Recently, we have registered and our first consignment is on a way to be deliver for high-end cosmetics from Europe. We have successfully in-licensed some products, which will be launched in December '27 '27 this -- '26 this year. Derma will make a great brand in next two to three years, which we are aiming for.

The CMO business has grown by 21% in H1 in H1 FY27. The NDDS has played a big role in getting new partners. We have successfully partnered with two three new Indian giants for the CMO business. The CDMO business will keep up the pace in the future as well. The API business has shown a growth of 29% as compared to H1 last year.

With the ongoing investment in the new facility of intermediate, the API business will get a big boost in terms of margins and supply. The key focus on this new investment is to step our presence in the export market with intermediates in-house. The API business has a lot of room and opportunity to grow further.

We have scaled up the new products development and will be the first one to launch many molecules as the first generics in India only with the support of API. To conclude, at Beta, we'll continue to deliver 20%, 25% growth for next three to five years with a sustained margins between 23% to 24%. We are constantly evaluating biosimilar market. We are looking to tailor it capital-efficient strategy for both marketing and manufacturing. We are also evaluating to manufacture oncology medicines outside India, where we already have on-the-ground presence. Thank you. Now, we are looking forward for the questions.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. The first question is from the line of Disha from Sapphire Capital. Go ahead, ma'am.

Disha: Hello. Am I audible, sir?

Moderator: Yes, you are audible, ma'am.

Disha: Yes, thank you so much for this opportunity. Couple of questions, sir. Firstly, congratulations on a good set of results, sir. So, we've seen our EBITDA margins at around 22%. Going ahead, I think you're guiding for around 23%, 24% sort of margins. What do you think will be the key growth driver? And for the next year, what sort of margins should we look at, given the increasing contribution from the CMO business, the API business, and the Nivian business?

Rahul Batra: Mr. Natarajan, will you answer, please?

Natarajan: Yes. So Disha, I think the trend towards increasing margins is going to be aided by a few factors. One is, of course, the change in the mix. If you look at our businesses, our branded businesses have close to 70% gross margins. Our CMO business is closer to 51 -- 50%, exports is closer to 55%, 60%.

So as the business mix changes, even without any cost optimization or even factoring in other externalities, we believe the EBITDA margins will trend higher purely because EBITDA margins are also tend to be a function of gross margins and our gross margins will trend higher. Additionally, as you know that we have set up a backward-integrated plant for APIs, which will not just help us file dossiers for geographies like Europe, but also will help us reduce cost and hence, of course, aid in the expansion of gross margins.

And, of course, as the scale of this business goes up, there is a tremendous amount of operating leverage which kicks in. So, I think the guidance towards 25% EBITDA margins is very conservative, keeping in mind the factors that I just listed above.

Disha: Fair enough, fair enough, sir. Sir, for this half way scene, the oncology business, the growth has been a bit impacted because of the debottlenecking that was happening and also because of some supply constraints. What is the update on that? Are we seeing any improvements on-ground?

Natarajan: Yes, I think the detailed explanation will be given by Mr. Nipun. But I can tell you that the debottlenecking exercise is over and we are seeing now, you know, optimal production at both the factories. So, in terms of the growth in the branded onco, we are still sticking to our original guidance of 20% to 22% growth for the whole year.

In terms of CMO, I think the growth will be further propelled by the improved supply of Platin APIs, which was impacted. If you look at our platin sales between H1 of this year and last year, they were pretty much flat, in spite of the increase in the prices, primarily because of the API supply constraints.

So, I think overall, all the businesses, we maintain our guidance in spite of the branded business delivering a 17% growth. At an overall level, I think we are comfortably in the range of touching 535-plus.

Disha: Fair enough, sir. So, on this Nivian side, just wanted to understand, what is the current margin what's the current margin profile for this business? And for this year, obviously, you're guiding for 50% growth, but will we be able to continue such high growth going ahead as well? Like how what sort of growth are we looking at for FY28 from this business?

Natarajan: So on the margin front, the gross margins are closer to 50% for Nivian. And we are yet to see the synergy benefits from Beta flowing in into Nivian. So, obviously, there will be an upswing on the gross margin side. On the growth prospect for Nivian, see it's a very large market and very scattered outside of the top two.

So, there is plenty of headroom for future growth. And as Mr. Rahul was mentioning that we also intend to get into recombinant hormones, which will kind of expand our addressable market to almost twice the size that is today. So, a 30%, 35% growth over the next two, three years is not something outside the realms of possibility.

Disha: And what could be the EBITDA margins also for this business? And where do once the synergy benefits kick in, like where do we expect that number?

Natarajan: I think today, we are closer to 18%, 18%, 18.5%, and with synergy benefits coming in, we should be able to touch 23% to 25%, similar to what we are doing in Beta.

- Disha:** Sir, for the export also, we're guiding for a very high growth for the exports. What sort of margin differentials do we see for exports compared to domestic sales? And what sort of contribution from exports are we looking at for the next year and for this year?
- Natarajan:** For this year, I think we have guided to closer to between INR90 crores to INR100 crores of sales on the export side. And see, the FY28, FY29, I think year-wise giving a growth projection, rather than that, what we are looking at as export business is something that can deliver closer to about INR300-odd crores of business over the next three, four years.
- The reason I don't want to give out an exact guidance is that the tender it's -- the export market is purely a tender-driven business. So, over a period of three to four years, I can easily deliver a 30%, 35% growth. But sometimes the tenders do slip into from one financial year to another financial year. But on an average, you can expect easily a CAGR of around 30% on this business. And given the base where we are, I think that's an easily achievable target.
- Moderator:** Thank you. Disha, may I request you to please join the queue for the follow-up questions? The next question is from the line of Avnish Burman from Vaikarya Investment. Please go ahead, sir.
- Avnish Burman:** Hi, good evening. Congratulations on a great set of numbers. Just a couple of questions. Rahul, you mentioned that the CMO side obviously has seen a step jump in quarterly revenues run rate. One contributor is the NDDS product that you had launched. Is it fair to assume that the margins that you make in this NDDS product on your CMO segment, it will be higher than your average CMO margin?
- Rahul Batra:** Absolutely. For NDDS, we don't share the cost sheets. It is about the new development which we have done. The EBITDA the gross margin is absolutely much higher what we are right now getting in the other products for this specially for this product.
- Avnish Burman:** Great. And also safe to assume that the future NDDS pipeline that you have, so when obviously, they will contribute to the branded business. You are also planning to offer CMO services for the pipeline NDDS product, right?
- Rahul Batra:** Yes, we will be offering to our own brands, also to CMO business. CMO have been a very integral part of our growth journey. So we will be providing these products to the other partners so that the product equality should come in the market.
- Avnish Burman:** Right. Okay. And this very interesting thing you mentioned about the recombinant products in Nivian, any timelines or any more color that you can give because this could, like you said, I mean, quite be very big.
- Rahul Batra:** So there is one product which is called FSH. We are in a discussion with one company to develop this product along with the Phase 3 trials and so, almost it is on a final stage to start the development and the total timeline to launch this product officially in Indian market will be between two to three years.

- Avnish Burman:** Okay, great. And last question, Nivian revenues for FY26, if you can just give me that number?
- Rahul Batra:** Mr. Natarajan.
- Natarajan:** It's in the range of around INR43 crores.
- Avnish Burman:** INR43 crores for FY26. Thanks, team, and congratulations once again.
- Rahul Batra:** Thank you.
- Moderator:** Thank you. The next question is from the line of Vinay Lakhera from RatnaTraya Capital. Please go ahead.
- Vinay Lakhera:** Hi, sir. I had a question on the CMO business, like what is the new guidance for the year? And what is the state of the Platins business that affected last year's revenue?
- Rahul Batra:** Yes, Mr. Natarajan, please.
- Natarajan:** So we are guiding the CMO business for FY27 in the range of around INR180 crores to INR190 crores.
- Vinay Lakhera:** INR180 crores to INR190 crores. And what about the -- we had like there was issues in the Platins business last year, has that base effect already completely come into the system?
- Natarajan:** Sorry, that's -- the audio was not clear. If you can just repeat the question.
- Rahul Batra:** I'll take up, Mr. Natarajan. So basically, the Platins the supply is still a constraint, but still without Platin also, we'll be able to make up whatever the guidance is.
- Moderator:** We have lost the line for the participant. The next question is from the line of Rishi Maheshwari from Aksa Capital. Please go ahead.
- Rishi Maheshwari:** Hi. Thanks for taking my question, and congratulations to the management. Two questions. One is, what is the organic growth rate in branded oncology, if I have to exclude the portfolio changes? I am just trying to understand the market share gain over here.
- Natarajan:** Sorry, see the organic growth rate for the branded oncology business is closer to 20% to 22%, as I'd mentioned. Now, the market is always in a state of flux. New products come in, old products go out of flavor. So, you can't really evaluate the market saying that what would be the existing products' growth rate going forward, right?
- Because the market itself is growing at maybe 15%, 10% to 15%. And when we are trying to do a 20%, 22%, we are taking market share from other incumbents. But to say each and every product will go at the same pace would not be correct. It's a mix of newer products coming into the market, it's a mix of product innovations, novel formulations, and obviously, the volume

growth. It won't be fair to put a number on a brand which was introduced in let's say 2010 to expect that to grow at the same pace today.

Rishi Maheshwari: My idea was to understand the concentration of revenue also within the domestic oncology -- branded oncology business. Is there any specific drug which is far more influential versus the others?

Natarajan: As Mr. Rahul was saying that we have one brand which is more than INR10 crores out of a total pie of an annualized revenue run rate of INR150 crores. So, clearly, the concentration is low, and that's the nature of the market also. Typically, brands do tend to kind of plateau at INR15 crores, INR20 crores at best. And therefore, it's a basket of products that dictates how successful you are in the branded oncology segment.

Rishi Maheshwari: Fair enough, sir.

Rahul Batra: I'll just add up in this. Just understand, there are different types of cancers prevailing in the market, right, which a person get. So, every cancer disease has a different medicine. There are a lot of medicines depending on the stages of the cancer, depending on the different cancers. The single product cannot be that larger in particular segment.

Rishi Maheshwari: No, I understand that. I appreciate that. On the CMO business, what proportion of the third-party manufacturing revenue is repeat business? And how visible, I understand you've already given an or a growth guidance on this one, but just if in case you can elaborate, how visible are the customer orders for, say, the next year or so?

Rahul Batra: We have been doing CDMO business since last 15 years now, and any partner is associated with us, we have never lost them. And see, we at Beta are the low-cost manufacture for anti-cancer medicines, and we are one of the largest, having two plants only for the manufacturing side, along with the support of a API makes us unique in the market, and become the preferred choice for any person who is coming into the oncology or any person who wants to shift their production to any plant. So, we don't see any issues in the CDMO business. Rather, this business is maintaining its pace, and this year, we have shown a very positive growth on the CDMO business side.

Moderator: Thank you. Rishi, please come back to the queue for the follow-up question. The next question is from the line of Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri: Hello. Thank you so much for taking my question, sir. Firstly, congratulations on a really great set of results, sir. Sir, a few of my questions will be more bookkeeping-related. So, I just wanted to understand, what is our current cost of debt, right? Because I think we have very low debt, around INR50 crores, right? But then we are paying a quarterly interest of more than INR2 crores. So, could you help me with the cost of debt that we have, sir?

Nipun Arora: Hi, Darshil. Our cost of debt generally varies between 8% to 9%. And if you are comparing last year's cost of debt, last year, there were convertible debentures on which an interest of close to

7%, 7.5% we used to pay. So, now that has gone because those convertible debentures were converted into equity in the early this year.

Darshil Jhaveri: Okay. So sustainably, I think we would have very lower cost of debt, right? Like that will be lesser, hitting the because even in September, Yes?

Nipun Arora: Yes, we have lower cost of debt as of now, because you must have seen that PAT margin is increased mainly because of the cost of debt reduction only, the debt which was there in the form of debentures.

Darshil Jhaveri: Correct, sir. And sir, just another question from my end, sir. I think most of our segments, you're guiding for more than 25% growth, right? So, overall, can we say that your guidance like of 20%, 25% growth is slightly on the conservative side, sir? Because the way we are growing, I think we can easily beat that like year-on-year also. And sir, EBITDA margin that we're guiding are including other income or excluding, sir?

Natarajan: Let me address the growth part. Yes, the guidance is on the conservative side. We would prefer to keep it that way, and idea is to underpromise and overdeliver. On the margin front, the reported margins that we have kind of disclosed include the other income. The EBITDA includes other income.

Nipun Arora: So, if we exclude the other income, then the margin is 22%. And if we include other income, then margin is 23.18%.

Moderator: Thank you. The next question is from the line of Anubhav Mukherjee from Prescient Capital. Please go ahead.

Anubhav Mukherjee: Congrats on a very good set of numbers. Sir, I have some basic questions, as I've started tracking the company only for some time. Sir, how does the receivable days differ for the different business segments we are in?

Nipun Arora: Basically, what happens is, our total days receivable is 116 days as of now, which used to be 113 days in 31st March 2026. In CDMO business, generally, we have a credit period of 75 days to 90 days. In branded business, we have credit period of 60 days to 70 days. In exports, generally, we go for either advance payment or LC payment. And in Nivian also, I mean, this is again like branded only, so 70 days would be Nivian. But yes, there are some institutional debtors, which are public institution debtors, so that takes sometimes much of a time, close to 100 days, 120 days.

Anubhav Mukherjee: Okay. And these institutional debtors are mostly for the branded business?

Nipun Arora: Yes, for branded business, for the tender business -- tender branded business. Government institutions.

- Anubhav Mukherjee:** Okay. Over last three, four years, even with the increasing like export and branded business, our receivable days have like increased. Is it because of more tender business or what is driving this?
- Nipun Arora:** Our volume is also increased. If you see, only three days are increased, from 113 days, it has changed to 116 days. This is, I mean, very negligible increase.
- Rahul Batra:** Anubhav, I'll give you an insight on this. Nipun, let me take up. Basically, the total branded business which we are targeting this year is around INR150-odd crores, out of which the total institution business we are targeting that is around INR20 crores, INR25 crores. For government business, the payments do they do commit that the payments will come in 90 days or 120 days, but most of the time, it crosses six months.
- So, that's why this receivables are bigger. Otherwise, the government payments will never die. The government payments do come on their due time. But sometimes some governments do not have their budgets allotted for the payments, and that part of business is not big in terms in the branded, that is only around INR20 crores, INR25 crores from the total of INR150 crores which we are doing in the trade market.
- Moderator:** Thank you. The next question is from the line of Bhavika Singhvi from Niveshaay. Please go ahead.
- Bhavika Singhvi:** Hello. Am I audible?
- Moderator:** Yes, ma'am.
- Bhavika Singhvi:** Yes. Thank you so much for the opportunity. So sir, the first question I have is on the Platin side. Like in the Q4 call last year, you mentioned that you have muted the domestic Platin business, but expecting to continue the export side. But in Q1, you indicated that because of the realization and net price increase -- will improve.
- So, just wanted to understand that how we see the Platin business to going forward? Do we expect it to grow because I think this H1 has been flat despite the price rise because of I think API availability. So, how we see the Platin business going forward like for FY27 and even FY -- like going forward in one, two years, if you can answer that? And the second question I have is on the own-brand growth.
- Basically, I can see that in Q2, there has been a flat and I think in the last call, it has been mentioned that there has been temporary shutdown. So, just wanted to understand that how much that has impacted and what are the other reasons for this flat growth, and what we can expect run rate going forward in H2 for us to able to achieve the target which we are aiming the INR150 crores? If you can explain this two question to me.
- Rahul Batra:** The Platin business, I will explain you, and regarding the branded sales growth, Mr. Ashutosh will take up this question. For Platins, generally, we are not concentrating on the Platin business. The reason is the availability of the API. We do have orders in hand, we do have order book for

this Platin, but since the manufacturers are very less in India, there are one or two manufacturers who are manufacturing Platins, so we are not depending our growth on the Platin.

Sometimes the requirement is for 5,000 vials, we are just feeding the market with 1,000 vials or 1,500 vials for that particular product. So, this is how we are managing the platin thing. But for export, we do have an opportunity for Platins, where we do not have to rely on the Indian manufacturers, we can always import on the -- for export purpose on advance license basis. So, that will be that will be taken care.

And yes, Platin business, overall, it was flat this half, but you will see some growth in the next half of this year. And for the Yes.

Bhavika Sanghvi:

Yes, just a follow-up on this, that we are not planning to discontinue the Platin business, because I think the cap is which has been increased, is going to come normal in December this year. So, just wanted to understand that how we see, because I think last to last quarter, we were a little skeptical because of the price and all, costing and all. So, just want to understand.

And also, like we had our Platin as a part of our CMO business as well, so what's currently like are we just focused on export or it's also a part of our CMO business?

Rahul Batra:

No, it will be a part of all the business verticals, Platins, but yes, if the requirement is for 10,000, so we will be delivering 3,000, 4,000, so that market should not be dry, so that we should be available in the market with these brands also. And yes, the Platin business, you will see some growth in the next half. The only reason we are doing Platin is it has been supported by the government by increasing the MRPs.

Since the MRPs have been increased, so the realization is much better as we used to do earlier in the previous year. Now, the only issue left is the availability of these Platins. So, we are from our side trying our best to source Platins at a best price and trying to get a delivery at a good time so that we can feed the -- our current order books in both CMO and branded business. Now, coming onto the question flat growth of Q2 for our own branded business, Ashutosh ji, can you please take up this?

Ashutosh Shukla:

Yes, sir. Good evening. As was mentioned by Mr. Natarajan that there was a temporary shutdown of the plant because of debottlenecking exercise, around INR6 to INR7 crores sales got impacted and shifted for H2. If you see H2 sales of last financial year, we did business of around INR62 crores, and in this H2, we are expecting business of INR80 crores. So, all put together, H1 plus H2 in this financial year, we will be closing sales close to INR150 crores, which is roughly around more than 20% growth.

Moderator:

Thank you. Ladies and gentlemen, you may press star and one for asking question. The next question is from the line of Axay Shah from VVD Asset Managers. Please go ahead.

Axay Shah:

Thank you for the opportunity, and congratulations for the good set of numbers. Sir, we have acquired the land for R&D purpose, and now in last con-call, we have said that we are going to

dispose it off. But it is not showing in asset held for sale, so are we going to use it for any other purpose? And if it is, for what purpose? Yes.

Rahul Batra: We are not using it for any other purpose. Rather, we will be disposing it off. We are just finding a correct price to dispose it off. So, maybe another six months or one year, since we have paid already and it's in the asset, so we do not want to sell it off in a less margin. So, we are just waiting it off to be disposed of at a good price.

Axay Shah: Okay. And sir, I joined a little late, so it may be a repetitive question. But your H1 growth in export is not that much encouraging, and you have reduced your export growth guidance to 30% from 50%. So, what are the challenges there, and how are we overcoming it?

Rahul Batra: Export last year in H1 '26, we did INR41 crores. What happened, in last year, we got an opportunity sales of one single order of INR25 crores from one country. So, this year, we didn't get. Otherwise, if you to see the total sales which we are doing regularly in all the countries globally, so we did only INR16 crores. But this year, without opportunity sale, that opportunity sale which we did not get this year, from INR16 crores, we went up to INR43 crores.

So, there is a consistent growth in the export business. Moreover, we have not guided like 30%, as Mr. Natarajan also said, that we want to guide low, but we want to deliver better. As I told earlier, that there are 872 new registrations which are in pipeline, which we are yet to get in coming two to three years, out of which we will get some 50 registrations in this year only. So, the export guidance is not is although we have given less, but 100% the export will be delivering more growth in coming years.

Moderator: Thank you. The next question is from the line of Smit Doshi from Okane Capital. Please go ahead.

Smit Doshi: Yes, am I audible?

Moderator: Yes, sir.

Smit Doshi: Yes. In your opening commentary, you have mentioned two things. First is with regards to biosimilar marketing Sir, sorry, you are not audible.

Moderator: Sir, sorry, you are not audible.

Smit Doshi: One minute. Am I audible?

Rahul Batra: Hello?

Moderator: Sir, can you please come a little closer and speak?

Smit Doshi: Yes. Actually, in your opening remarks, there are two things mentioned. First is with regards to biosimilar partner market evaluation, and second is with regards to oncology manufacturing outside of India. Can you please throw some more color on this for better understanding?

- Rahul Batra:** Mr. Natarajan, can you please?
- Natarajan:** Yes. On the biosimilar front, the idea is to evaluate opportunities for manufacturing and marketing where our capital outlay is not high. As you understand, biosimilar as a business requires a very high capital commitment upfront, and the gestation periods are very long.
- So, our view is that we would want to take a business model which doesn't require capital commitment or rather limits our capital commitment upfront, and over a period of time, as the business gets established, we kind of go we kind of double down on that business. So, that is what Mr. Rahul mentioned that, we are looking for a capital-efficient model to get into biosimilars, and we are obviously evaluating multiple opportunities on that front.
- On your second question, there are certain countries which are our focus geographies, which we have constantly maintained in our investor communication as well, including LatAm, North Africa, Middle East, APAC.
- Some of these countries are very large addressable markets, where we have a very strong distributor relationship, and we may want to establish a manufacturing footprint in some of these geographies, because as the as the world moves towards localization, we believe that catering to these opportunities would require some kind of a local presence.
- Smit Doshi:** Okay. So, would it be a greenfield or any acquisition or something like that?
- Natarajan:** It is going to be customized basis the country and the opportunity. It would be difficult to give a very a blanket response to that.
- Moderator:** Thank you. The next question is from the line of Vamsi Krishna, a Retail Investor. Please go ahead.
- Vamsi Krishna:** Yes, hope I am audible.
- Moderator:** Yes, sir, you are audible.
- Vamsi Krishna:** Yes, hi. Beyond the company's existing growth plans, what's the next major strategic bet for Beta Drugs, maybe that could transform the business beyond FY30, maybe be it into therapeutic segments or complex oncology products, capabilities, assets?
- Natarajan:** I think that is what we spelt out. We are evaluating opportunities to get into biosimilars and other complex oncology businesses. Obviously, those will take time, so those will be a strategic road map even beyond 2030.
- Vamsi Krishna:** Thank you.
- Moderator:** Next question is from the line of Bhavika Singhvi from Niveshaay. Please go ahead.
- Bhavika Singhvi:** Hello, am I audible?

Moderator: Yes, ma'am, you're audible.

Bhavika Singhvi: Yes. So, just on exports, I wanted to understand that how much has been the forex impact this quarter we have seen. And also, just wanted to understand that how much growth has come from the value, volume and the realization driven, if you can make me understand that?

Management: So, basically, what happens is like we import also and we export also. So, we import raw materials from China in Adelaide lab and we export in Beta Drugs and Adelaide. So, what happens is that we got a positive edge over here because when the dollars go up, we are getting higher amounts. So, our foreign exchange fluctuation is on a positive side, close to INR3 lakhs or INR4 lakhs. If I go precisely, it is INR2.5 lakhs.

Bhavika Singhvi: Okay. And so, I also want to know the update of the EU GMP audit, which we are expecting to happen this month. So, like what is the status of it? Because I think in the last call, as you mentioned that it will happen once the dossier will be filed. And I think we have done with the dossier. So, just wanted to understand on that?

Rahul Batra: See, we have been giving this information in the market that we are expecting EU maybe this quarter, this quarter. But to be very honest, we have been following it up very aggressively with the EU auditors. Earlier, there was a line inspection, which used to happen in India.

So, without dossier, they used to come and inspect the plant. But now, there are new changes that they want the product dossier to be filed in Europe so that they can come and inspect the plant. So, to do that, we had to do some product development as per the EU basis.

We are already done with that. We have already filed four dossiers for different clients. Now, we are expecting a letter very soon. Maybe it can happen in 2 months, 3 months, 4 months. So, we are expecting an audit very soon from EU.

Bhavika Singhvi: Okay. And so, also, I can see in the community that there has been mention of one API capex additional happening. So, can you throw some light on it, like what we are doing with that particular capex?

Rahul Batra: So, API right now, what we were manufacturing only the APIs and we used to do it from different stages. To further strengthen it, we are coming up with new plant that is for intermediates. So, the intermediate we used to procure from China, we just want to be self-reliant and produce those intermediates in India itself.

So, this is how the API is shaping up. So, right from intermediates till API till finished formulations, we just want to do everything in-house comprehensively. The major investment has gone to the new intermediate plant which will be what we are used to taking it from China, we want to manufacture in India only.

Before the plant starts, we are already done with some research development part and we have developed 20 odd intermediates for different APIs which we will manufacture in that plant in next coming 2 to 3 months.

Moderator: Thank you. The next question is from the line of Avnish Tiwari from Vaikarya Investments. Please go ahead.

Avnish Tiwari: Hi Rahul. Maybe if you could draw something on what happened in 2019 and prices for the end consumers sort of came down for the on-call drugs and maybe how did your margins shape up but also how did your volume, was there any elasticity that lower pricing at the end could increase the affordability in Tier 2, Tier 3 towns and hospitals so you can protect your pricing but as well as can reduce your volumes also shoot up because of that.

Rahul Batra: Sure. So, you are absolutely correct. So there are two types of MRPs which are prevailing, two types of things which are prevailing by NPPA. One is the price fixation by the government that are called the scheduled drugs and one is which has just come out, that the price has to be fixed by the manufacturer from first point of sales.

It is the same thing which happened in 2019 where we revised our MRPs and from there onwards we have been maintaining the same amount of gap in our products. So that's why there also we didn't see any impact on our margins and our realization. The same thing has come in 2026 where we see actually on our realization and our margin there will be no impact.

Simultaneously even if like we are in our total business 50% is our orals business. So oral even though the MRP goes down these products are not being sold from corporate hospitals. These are being sold directly from the distributors. So even if the MRP goes down the realization will remain the same. The patient will be getting the benefit out of it.

Avnish Tiwari: Right. So I guess more patients can afford this. So overall that should help grow the oncology volumes let's call it this way which will be beneficial to you eventually because your pricing and margins are the same?

Rahul Batra: Absolutely. And being one of the largest manufacturers we seen some good side that we might get some benefit out of this new law which has new thing, which has come into the market by the government.

Avnish Tiwari: Great. Thank you. Wish you best.

Rahul Batra: Thank you.

Moderator: Thank you. The next question is from the line of Ajay Surya from Niveshaay. Please go ahead.

Ajay Surya: Thanks for the opportunity. Sir I'm pretty new to the company. So just wanted to understand on the growth strategy. So, for example, like we've grown almost 30% this half year, but when I

maybe removed the Nivian acquisition which we did. So on a like-to-like basis the growth is pretty much subdued on a like 15% basis?

So just wanted to understand like for maybe this year and our FY30 vision of maybe of potentially INR1,000 crores. Can you give us some quantitative growth like splitting how much of that will be organic branded oncology export or the CMO API derma and the Nivian part?

And also sir maybe just want to understand because in last couple of years like there have been few external risks which have affected the business. So like platinum availability API availability has remained a bit concerning or strained and also the capping which has affected the business and also like now institutional revenues taking a bigger portion.

So how can that affect working capital and also the exports as far as I understand from the call is that more tender driven. So and also like a lot of registrations are still pending. So what portion of export growth is supported by confirmed order versus like expected registration and tenders which are pending and only once they get approved then only maybe export growth can come in. So I just wanted to get more clarity on the growth front from you?

Natarajan:

Thanks. See in the interest of everybody's time we had released a document after our 26 results in which we had kind of laid out our vision 2030 and I think that articulates how each of these businesses are going to drive growth. I will sincerely request if you can go through it. Happy to address any questions once you've gone through that material. But overall we believe the key growth engines for Beta would continue to be our branded business our exports.

And when I say branded I also include Nivian in that which will continue to deliver. Nivian will, of course, deliver a much faster growth and our branded enquire as I said the guide for a 20% to 25% growth rate over the medium term.

And our exports business will have an exponential growth primarily driven as you rightly mentioned through the commercialization of products as and when they get approved. So that's the basic framework of how we see you know achieving the INR1,000 crores. In terms of specifics I'm happy to address your questions once you've gone through the document.

Moderator:

Thank you. The next question is from the line of Kumar Saurabh from Scientific Investing. Please go ahead.

Kumar Saurabh:

Hello. So my question is on Nivian. I think we have done 66% acquisition. Do we have any plans of acquiring the rest of the stake and also if you can highlight a little bit about how this growth has been achieved. I think we have tried to penetrate incorporate hospitals and you know we have got an entry, but you also mentioned 60% of prescriber base has been covered till now. So if you can talk a little bit about the Nivian group how this has come and what we are planning and do we plan to buy the remaining stake given it is a business which is doing very well for us?

Management:

So I'll address the second chart first which is the growth part. The growth has been primarily through deeper penetration I think increased prescription of our products. And as you rightly

mentioned getting impaneled in multiple corporate IVF chains. Just like oncology Nivian also is moving more and sorry IVF is moving more and more into organized IVF chains.

So therefore getting impaneled in those chains becomes a very critical driver. And if you see that most of our brands have delivered a very stellar growth. So the growth is completely organic coming from the brand, which are now you know getting recognized by the prescribers.

Of course, we do plan to launch a few products in the next half of the fiscal which will also add to the growth. Second part is if you look at the addressable market that Nivian caters to today would be in range of about INR1,500 crores to INR1,800 crores. And given our size I think there is plenty of headroom for future growth.

Both through higher prescription and also through increased coverage. In terms of the plan to acquire the remaining 30-odd percentage I think that is open-ended. One of the reasons we acquired Nivian was because we were getting a very phenomenal team, which had worked in the IVF industry for close to two decades and the idea was to retain them and to retain them I think the best way was to kind of give them equity in the business that they are building.

Kumar Saurabh:

Great sir and thanks for a great quarter because I think last two three quarters there were a few turbulent times and as you had told last time we are expecting a good result which has come. Just one last question sir on this whole margin thing of the whole oncology trapping. I was there on the call and what I understand is it is not going to have any major impact.

But I hope you are taking care of all the scenarios where there could be a back and forth from the hospital side or on the distributor side. And despite of that the way our portfolio is distributed we are not going to see major impact on the margin. I hope that is a fair assessment?

Rahul Batra:

We are taking care of entire compliance on the NPPA front and will ensure that our realizations are not being disturbed.

Kumar Saurabh:

Great. Wish you all the best sir. Thanks a lot.

Rahul Batra:

Thank you.

Moderator:

Thank you. The next question is from the line of Bhavika Singhvi from Niveshaay. Please go ahead.

Bhavika Singhvi:

Hello, am I audible?

Moderator:

Yes ma'am.

Bhavika Singhvi:

So sir just to follow up on the previous question I asked. The reason I ask about the capex on the intermediate side because I think in the last few calls you have mentioned about the KSM capex which we were planning to do. Like we have also bought an existing plant for about INR9 crores

and did an investment of INR15 crores, INR17 crores and now we are mentioning about intermediate?

So just wanted to understand that these two are different or this is like a one like a plant which we were talking about. And also if you can share what total capex is also expected. Like are we also planning to do capex going forward for the same facility? Also wanted to understand on the API revenue side like from the current run rate do we expect a spike in that like in the growth in that or we assume that it will sustain like what we are doing currently?

This is one of the question. And the second question I have on the CMO business. So you mentioned about the NDDS which we are doing and you said that it has been helping us to in our CMO business. So also wanted to understand as we are now focusing more on the own brand. So how much we see the NDDS product going in the own brand and what are the current revenue we are doing from the NDDS like in this quarter how much we did from the NDDS product if you can share that information? That's all.

Rahul Batra:

So taking up all the questions will be very difficult now and we have already mentioned about the NDDS thing. So on the API front we can brief you that yes it's the same plant, which we have been talking about the KSM and intermediate is same word. So it's the same plant we have done investment and this plant will be starting live by December or January.

Almost the entire machinery is in place. We are just doing some qualifications and some approvals are yet to come from the department. So this plant will be live by January 27. And coming on to the API business growth. So till now we have been selling API in Indian market. There have been a lot of markets since we have got the plant audited from Kufa Press for API also.

We are expecting the approval to come in next one or two months. So once we get our -- plant is also the API plant will be PIC/S approved. So this will open up many opportunities to supply API in different countries overseas as well. So the opportunity there this business has not been even tagged and has not been even covered by us till now.

So the opportunity is big and to further enhance it to further enhance the opportunity we are coming up with Intermediate so that we should have a proper DMF available. DMF and ASMF available within us. So tomorrow if an audit comes we can get both the plants audited for the Intermediate for KSM and for the API. So the opportunity is huge.

Moderator:

Thank you.

Natarajan:

Just a quick introduction for everyone who's tracking the company newly. They can reach out to Valorem Advisors who are our IR firm and they will help us. They will help you connect with us to address your questions.

Moderator:

Thank you, sir. Ladies and gentlemen, we will take this as the last question for today. I now hand over to Mr. Rahul Batra for closing comments. Over to you, sir.



*Beta Drugs Limited
October 22, 2026*

Rahul Batra: Thank you. Thank you all for attending our Concall. We at Beta will continue to deliver 20%, 25% growth. Along with it, we'll keep on evaluating different opportunities coming on the way on the oncology side, whether it's biosimilars or production in different countries. We want to be at the top of manufacturing and marketing oncology medicines in India and overseas. Thank you.

Moderator: Thank you. On behalf of Beta Drugs Limited and PhillipCapital PCG, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.

Management: Thank you.

Management: Thank you.