Jagsonpal Pharmaceuticals Ltd

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A CSR Initiative

November 03, 2026

The Department of Corporate Services- Listing **BSE Ltd,** Phiroze Jeejeebhoy Towers, Dalal Street Mumbai-400001 **Scrip Code: 507789**	The Department of Corporate Services- Listing **National Stock Exchange of India Ltd** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400051 **Symbol: JAGSNPHARM**

Subject: Earnings Call Transcript for Jagsonpal Pharmaceuticals Limited Q2 FY27 Earnings Conference Call held on October 29, 2026 at 2:00 P.M

Dear Sir/ Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed transcript for the Jagsonpal Pharmaceuticals Limited Q2 FY27 Earnings Conference Call held on October 29, 2026 at 2:00 P.M for discussion of Q2 FY27 Financial Results.

The same is also uploaded on Company's website.

We request you to take the above on record.

Thanking you,

For **Jagsonpal Pharmaceuticals Limited**

PRATHAM RAWAL
Digitally signed by PRATHAM RAWAL
Date: 2026.11.03 15:49:38 +05'30'

Pratham Rawal
Company Secretary & Compliance officer

Encl.: A/a

“Jagsonpal Pharmaceuticals Limited

Q2 FY27 Earnings Conference Call”

October 29, 2026

MANAGEMENT: **MR. MANISH GUPTA – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – JAGSONPAL PHARMACEUTICALS LIMITED**
MR. AMRUT MEDHEKAR – CHIEF OPERATING OFFICER – JAGSONPAL PHARMACEUTICALS LIMITED
MR. NIRAV VORA – CHIEF FINANCIAL OFFICER – JAGSONPAL PHARMACEUTICALS LIMITED

MODERATOR: **MS. SOUMYA CHHAJED – GO INDIA ADVISORS**

Moderator: Ladies and gentlemen, good day, and welcome to the Jagsonpal Pharmaceuticals Limited Q2 FY27 Earnings Conference Call hosted by Go India Advisors. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Soumya Chhajed from Go India Advisors. Thank you, and over to you, ma'am.

Soumya Chhajed: Good day, everyone, and welcome to Q2 and H1 FY27 Earnings Con Call of Jagsonpal Pharmaceuticals Limited. We have on call with us Mr. Manish Gupta, Managing Director; Mr. Amrut Medhekar, Chief Operating Officer; and Mr. Nirav Vora, Chief Financial Officer. Please be reminded that discussion on today's call may include certain forward-looking statements and must be therefore viewed in conjunction with the risks pertaining to the business.

I now request the management to take us through the same and provide some more insight on the quarter and half year gone by. Post that, we'll open the floor to Q&A. Thank you, and over to you, sir.

Manish Gupta: Yes. Thank you, Soumya, and good afternoon, everyone, and thank you for joining us. If I have to describe the last 6 months in one statement, it will be that this is a period of a bolder Jagsonpal. Not only have we scaled up our ambitions, but we are also backing it up with investments, both on organic and inorganic front, without losing sight of shareholder interest.

Over the period, we have been able to accelerate our growth to now closer to 10%, on the back of strong growth in our power brands even as we invested disproportionately in new launches, in higher growth areas as well as organization building.

We completed 2 acquisitions, which provide us now with additional growth levers. We also take pride in the way we have been able to structure the transactions, which derisks us and retains the strength of our balance sheet for further initiatives.

Our vision is to be a INR500 crores organization by FY 2028, a multichannel, asset-light, specialty pharma platform that combines strong niche brands driven by disciplined execution and value accretive acquisitions. Over the last 6 months, every lever of that strategy aimed at acceleration is in play with organic momentum, inorganic scale and financial strength.

In the first 6 months, our organic growth has been 9.3%. While this is faster than what we did last year, it still is short of both our potential and expectations. A lot of work is going behind the scenes around the same, and we stay positive that the growth will only accelerate going forward. As mentioned earlier, the period also saw a scaled investment in our people and building new capabilities in the organization as also integration of the acquisitions.

While the wellness portfolio became part of JPL portfolio from 1st October, we fully prepared ourselves for the same in Q2 itself for an effective day 1 integration. Our EBITDA margins in H1 were at 22.9%, up 40 bps, even after these enhanced investments.

The trajectory is clear. We expect quarterly revenues to cross INR100 crores in Q3 of the current year, and we are on track of mission INR500 crores by 2028. With the cash balance of INR135 crores and a track record of successful inorganic growth, we are confident of fast tracking this journey through meaningful and accretive transactions.

With that, I will now hand over to our Chief Operating Officer, Amrut, to take you through the business performance and also progress on our acquisition.

Amrut Medhekar: Thank you so much. Good afternoon, everyone. And as Manish described, quarter 2 was the quarter that we built the engine for acceleration. I want to assure you that the engine is already responding. There are 3 things that I would like you to take away today. One, the organic business is performing well. Two, our acquisition playbook is proven and repeatable. And third, the investments that we made in this quarter set up for a stronger quarter 3.

First, let us look at the organic engine. Coming to the market performance of Indian pharmaceutical industry, which is IPM as per Pharmarack, grew by around 12% during this quarter of July-September '26. During the same period, Jagsonpal delivered a growth of close to around 15%. For the first half of FY27, IPM, which is Indian pharma market growth stood at around 11%. In comparison to that, Jagsonpal recorded a growth of around 15%.

Looking at both these periods, we have continued to outperform the IPM in both quarters, July-September as well as first half, reflecting the growth momentum across our businesses. We delivered this on an asset-light model, so growth stays agile and cash generative. It starts with our power brands. The top 10 brands for the company constitute around 58% of our revenue. Nine of these brands ranked in top 5 in their markets.

Let's look at some of the power brands performance in quarter 2. Maintane, which is one of our large brands, grew at around 29% in quarter 2 against the molecule market growth of around 20%. Similarly, Metadec grew at around 14% versus market of 13%. Lycored grew at around 15% versus the market growth of around 13%.

Divatrone also outperformed the market. Endoreg grew at around 20% versus market degrowth. And PRU, which is our dermatology brand, grew much higher than the market, as well as Eukroma in dermatology segment also outgrew the market.

Now you can see that this growth is largely led by gynaecology, where we engage around 35,000 gynaecologists, which is most of the universe. Orthopaedics and dermatology remain our second and third driver with prescription momentum and doctor engagement both strengthening in these segments.

Second point is about inorganic playbook. We acquired Yash Pharma business in May 2024. It took us into dermatology, and it is now fully integrated in our platform. That is the proof of concept, and that is what we are running the same playbook again.

The Aequitas acquired in July '26 gave us an immediate entry to hospital and institution channel. It's a very first quarter with us. We have consolidated procurement and distribution along with Jagsonpal, removed some duplicate overhead, appointed a dedicated business head, and begun

rationalizing the portfolio towards the profitable growth. The first value-added launch is in preparation and hopefully by end of November, we will see that.

The Group Pharma Wellness portfolio, which is acquired this month, has 2 established brands, one in hematinics and second in respiratory, in 6 states in India and around 10,000 additional unique doctors have been added. It is already integrated with one of our largest business, create cross-training of the brands, medical marketing is completed.

The brand will be cross-sold through our existing field force and deeper penetration is planned in Madhya Pradesh, Uttar Pradesh and Karnataka, these 3 states. Taken together, we have moved from 3 strong therapy areas to 4-plus strong therapy areas and from no hospital presence to a meaningful institutional presence, and the doctor reach combined now reaching to around 1,37,000 doctors.

The third is the investment behind the next leg of growth. A large part of our quarterly investment went into people. With yearly increment cycle and the new Labor Code aligned salary structure, we have also reduced attrition. We are building the JPL hospital team so that we can cross-sell our portfolio into Aequitas network, which opens institutional tenders and first prescription opportunities for us.

Early results are encouraging, with MR productivity already up by around 10%, and our target is to go beyond the threshold of productivity that we aspire for. Structured training and better field force stability are showing up in our doctor coverage, call quality as well as territory productivity. We have also sharpened where we put our brand money, directing into the products and therapies with the strongest growth visibility while keeping us a few promising launches every quarter.

Finally, to close, we now have a stronger field force, a new hospital channel, and the acquired business in integration. That is why we are confident of more resilient, consistent and market outperforming growth from quarter 3 onwards. I assure you that we will see EBITDA accretive growth in quarter 3.

I now request Nirav, our CFO, to take you through the financials for the quarter. Thank you so much.

Nirav Vora: Thank you, Amrut, and thank you, everyone, for joining us. Allow me to take you through the performance for the quarter and the first half of FY27, which is translating into tangible progress under our acceleration playbook.

The quarter has been an important one for JPL, which continued organic growth, the acquisition of our controlling stake in Aequitas, and the announcement and subsequent completion of the acquisition of the wellness portfolio. With Aequitas becoming our subsidiary, we are pleased to announce our first ever consolidated financial statements along with the standalone financial results during the quarter.

Now talking about the numbers. Our standalone revenue grew by 9.3% year-on-year to INR81 crores during the quarter, while consolidated revenue stood at INR96 crores, indicating a growth

of 29%, reflecting the contribution of the enlarged business. For H1 FY27, standalone revenue reached INR164 crores, while consolidated revenue stood at INR179 crores.

Standalone gross margin stood at 64.1% for the quarter, whereas it was 64.7% for the half year, indicating an improvement of close to 70 bps over the corresponding previous period. Standalone EBITDA margins for the quarter remained broadly stable at 22.7%, despite planned advance investments in people, marketing, and medical inputs, as indicated by Manish in his speech, while our consolidated EBITDA margin stood at 19.3%.

At the bottom line, standalone PAT stood at INR13 crores, while consolidated PAT was INR12 crores, with a margin of 15.5% and 12.8% respectively. Despite the enhanced dividend payout and our ongoing investments in acquisitions, the company continues to maintain a strong cash position with cash and bank balance of over INR135 crores, and we continue to generate net operating cash of INR25 crores at a consolidated level during first half of FY27.

Following the completion of wellness portfolio acquisition and the discharge of part consideration during October '26, our focus is now on leveraging combined commercial capability and realizing business synergies. We are confident that these initiatives will support business performance in Q3 and continue to contribute sustainable growth over the longer term.

With that, I conclude my comments on the financial performance. Thank you, and we shall now open the floor for questions and answers. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Ankur Kumar with Alpha Capital.

Ankur Kumar: Sir, I wanted to understand on this INR500 crores revenue vision for the next year. So currently, we are around INR300 crores on the standalone side. And we have been growing at like 10% CAGR for the last couple of years. And the acquired businesses, I think, are around INR75-odd crores type annual run rate. So given these numbers and this 10% type growth rate, the INR500 crores is looking like a tall ask. Sir, can you please explain how are we estimating that?

Manish Gupta: So this, obviously, is an aspirational number, but we have a very clear road map on how to achieve it. And this is without considering any further acquisitions beyond what we have already done. So while historically or last 6 months, we have been growing at 9.3%, obviously the past doesn't mean it will stay at that level.

We are certainly confident of growing faster. We have very clear and distinct plans for that. A lot of investment has been already made, both at the product front, new launches as also on the people front. And as Amrut mentioned and even I alluded to, we will be seeing faster growth going forward.

So it's a pure organic growth that will lead to these numbers over next 2 years, nothing beyond that. It's all about execution and strategic execution, which generally we have been good at. Yes, we do agree that the growth was not so good in the year gone by, but things have already started looking up. Amrut, if you want to add.

Amrut Medhekar: I mean, as Manish said, Ankur, if you look at month-on numbers, so our trajectory has been relatively better. So on the branded prescription side, in fact, our growth is in excess of double digit. So I think going forward, I already committed to you that quarter 3, you will see a much better and enhanced, and more importantly, an EBITDA growth.

As far as the numbers are considered, we are committed to this INR500 crores vision, which we are sure to deliver with our current basket and without considering any further acquisitions into this INR500 crores number. So it will be purely driven by the same team with organic growth of the similar product profile that we have currently.

Ankur Kumar: Got it, sir. And sir, on the margin side, what are our estimates for when we are reaching this INR500 crores? Because I think standalone is still quite good in terms of 20-plus margins. And -- but in consol side, this quarter, I think there is not much contribution from subsidiary. Well, there is revenue contribution, but profit side, it's not much?

Manish Gupta: So I think on a blended basis, we are confident of reaching the 22% mark again. Standalone, obviously, will be much higher. But you would appreciate that hospital business is a lower margin business. It will stay a lower margin business, but it will become far more profitable than where it is today. So collectively, we are very confident of over 22% EBITDA margin for the collective business.

Ankur Kumar: Got it, sir. And sir, in Q3 side, you are estimating INR100-plus crores revenue. So can margin go to 20% from Q3 onwards or like it will take time? How are we thinking on that, sir?

Manish Gupta: Q3 will definitely deliver more than 22%. It's generally Q4, which is a bit of a drag in India, which pulls down the margin. But otherwise, on the 3 quarters, we are quite confident -- okay, I probably -- yes, on a consolidated basis, we'll be very close to 22%, if not more.

Ankur Kumar: 22% on the consol side you mean, as in we will be able to improve margins on the hospital business and the other business?

Manish Gupta: Yes, collectively. Individually, hospitals won't reach those levels, let's be clear about it. But yes, collective margins will still be in excess of 22% or thereabout.

Ankur Kumar: Got it, sir. Sir, last question will be on the stand side, you have given great details in terms of products. So what is our expansion strategy? Are we looking for adding more products or like we are looking for more expansion in these existing products, sir?

Amrut Medhekar: So in quarter 3, as I mentioned for the acquired business of Aequitas, we have planned a new brand, which should possibly get commercialized in November end, and go-to-market can be in the first week of December. But other businesses, other vertical therapies, we don't have any plans of any new product launches in quarter 3.

We have planned some launches in quarter 4. So that's about the new product. And therefore, as far as expansion is considered also, we are not planning any manpower addition to our current budgeted numbers.

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

Sajal Kapoor: Last November, so same time last year, I nudged you to be more aggressive on inorganic growth and you have delivered. So Aequitas and Group Pharma in a single quarter, so credit where it's due. But that has created another problem for me as an investor. And I will try and explain where I'm coming from.

So Amrut, in January, when we interacted, you guided to upward of 10% growth and 1.5x IPM. That's the number that you gave on that call in January earlier this year. Since then, the organic has come in at 10%, 9% and 9.3% over the last 3 quarters, while Pharmarack shows 12% to 19%.

Amrut Medhekar: Yes. 12% to 16.8%.

Sajal Kapoor: Yes. And from Q3, Amrut, Group Pharma comes in through a BTA, right? So it will sit inside a standalone and standalone then stops being a clean organic number. So my humble request is so that we as investors can track both organic and inorganic separately, starting with the Q3 deck, will you be kind enough to introduce a separate line for organic growth?

Manish Gupta: Yes. I think that, see, we have been always very open in our communication and that information will be provided in terms of split between organic and inorganic growth. It will not be like a separate line item, but it will be part of the commentary.

Amrut Medhekar: So, Sajal, just to add to what Manish said, we'll certainly add the -- for the transparency sake, we'll certainly add the numbers as you seek. However, those numbers will be split into 2 parts because Group has been present only in 6 states. So we will give you apple-to-apple, what is happening to those 6 states vis-a-vis the state outside of those 6 geographies because though outside those 6 geographies, it's a technically ground 0 launch for us, right?

So you'll appreciate that will be a hardcore earnings for each of the MRs who is outside those 6 states. So that will be organic for the JPL. And within those 6 states, obviously there will be some base, which is roughly around INR1.75 crores of the established 2 brands that we are talking about. That will certainly tell you as to how much they are contributing.

Coming to your point number 1, that we have been always talking about beating the market performance. Yes, the numbers, as Manish alluded to in the beginning, that we have been flattish at around 10% quarter 1 also and quarter 2 also. Branded pure-play prescription is upward of 10 percentage, contributing around 11%, 11.5%. However, this is also lower than my own expectations. And trust me, those numbers will completely change going forward in quarter 3.

We know that the trajectory has been better as compared to past. So it has moved from a single digit to at least double digit. And now we are certainly set up with a platform to take it forward. And as promised, we are looking at upward of 1.5x of the IPM growth, Sajal.

Sajal Kapoor: Right. No, that's helpful, team. And to both of you, so you have skin in the game, right? I mean if the stock performs, if the organization does better, you are the direct beneficiary yourself. So you have "Ownership-led soul in the game," as they say.

With that context, projecting 5 years out, what kind of Jagsonpal will make you feel a tad disappointed that this is not the kind of Jagsonpal Pharma we envisaged and we have not delivered against our own sort of expectations, forget shareholders. I'm just trying to understand that kind of vision for Jagsonpal Pharma 5 years out. Nothing about next quarter or next year, forget all that.

Amrut Medhekar: Completely appreciate, Sajal. As I think Manish has mentioned it twice in his opening statement that we are completely focused currently on our INR500 crores vision of Mission 2028. I understand that cannot be called as an LRP or a long-range planning. That work has already started, and we will possibly come back to you with much more granular and detailed, I will say, road map for a 5-year journey as well.

Currently, we are 100% focused on what is visible for us, relatively much closer to us, which is 2028 calendar year, Sajal, for hitting that INR500 crores and purely organically, no inorganic play within this.

Manish Gupta: And Sajal, I'll just add on to this. This playbook can change when we are talking of 5 years because we have multiple paths to decide. Currently, we are a singular market company that has its strengths and that also has its own challenges.

So we are obviously in discussion with our promoters and shareholders, the critical shareholders on what could be the next 5-year journey. And that may entail us beyond what we are doing today. So we will come back to you once we are ready with the plan, but there may be certain broadening of strategy as we go along.

Sajal Kapoor: Sure, Manish. And lastly, just from a business model perspective, there are some smaller companies in India. So maybe I can name RPG Life for the context here. They are also doubling down on API because they believe that backend and owning the backend is very relevant and increasingly important from an exports or outside India perspective.

Currently, I know our focus is purely domestic. And in that context, there are some very good CMOs in India where you can just leverage manufacturing and outsource all of it. But in grand scheme of things, if we have to grow bigger and even enter emerging markets in Africa or elsewhere, how do you see the backend from a business model perspective?

Are you comfortable not owning the backend, i.e. the API, and continue to play on that outsourcing asset-light model? Or you reckon that might change in future, if not next year?

Manish Gupta: Yes. Sajal, that's what I was alluding to when I gave my comments after Amrut. That we are very clear on the next 2 year's journey. But if we were to take it further, which way to end because without manufacturing, you cannot do anything outside India, okay. Be it emerging markets or regulated markets and whether it is formulation manufacturing or API manufacturing, no doors are open unless you have something to do anything outside India.

So that's a journey which we are yet to decide. We clearly have a clear plan for next 2 years, but we are in discussion with our promoters, as I mentioned, and our Board in terms of taking the next steps because fortunately, in terms of where we are, both in terms of capital as also capital

commitment, we have lots and lots of flexibility. And there are a fair bit of good assets available in this country in either of the direction we may choose to take.

So we are definitely seized on the matter. We do not have a clear answer for you yet, but it will go one of the ways that you are potentially alluding to.

Sajal Kapoor: No, that's perfect. That's perfect. And promoter-wise, Manish, we have one of the best promoters available in the country. So that should not be a problem. And I see yourself as a promoter as well. So I think, yes, promoter, we have got best-in-class and hopefully, with a little bit of luck, we should be able to get there. But yes, thank you for all the responses, and all the very best. That's all.

Moderator: Our next question is from the line of Mihir Damania from Fident Asset Management.

Mihir Damania: So I have a question on your acquisition playbook. So first of all, let's say when you think about or when you acquired Aequitas Healthcare or the wellness portfolio of Group Pharma, I wanted to understand the rationale between selecting those 2 specific companies or assets rather than just going deeper and stronger in your core areas, like maybe a gynae or a derma, maybe improve your rank in your covered market.

Because one can assume that the synergy benefit. Just going deeper into your own portfolio might be a lot more accretive in value. I wanted to understand why you ventured out to 2 very different core areas when you can just go deeper, considering your scale and size?

Manish Gupta: So I'll partly respond to it and then Amrut will give more details. And this is consistent to what I have always said. Any acquisition is a bit of strategy and also a bit of opportunity. You may wish for a lot of things to be done, but it has to fit your strategy and also a price that you're willing to pay for it.

So yes, I'm not at all suggesting that we are not open to acquisitions in gynae and ortho where we are already strong. Those are certainly desirable, but there were very few opportunities or very expensive opportunities in that area. We did look at some, but clearly, they were outside our scope of what we want to do. Now coming to specific these 2 assets, Amrut, if you can give a clear rationale for the same.

Amrut Medhekar: Thank you so much, Mr. Damania. First part -- let me start with Aequitas. For Aequitas, the clear thinking was that if you look at historically, the legacy of Jagsonpal had always been into the trade channel, which is doctors sitting outside the hospitals. And we had not been present in the hospital segment. However, the industry has moved far beyond from almost 2% contribution to in excess of around 11.5% contribution purely coming from the hospital -- corporate hospital chains.

I'm not considering here public hospitals or government hospitals or dispensaries. Pure-play corporate chains are now contributing in excess of 11.5%. So that's a huge surge, and that's the area that we wanted to tap immediately before it becomes too late for us. And Aequitas provided us that handle, that entry point, because it is a niche player across majority of the corporate hospital chains.

So that access we have got now. Besides they doing their own volumes, we'll be able to cross-sell some of the JPL brands, Jagsonpal brands, into that channel. So that's answer to your question number one.

Question number two was regarding Group Pharma opportunity. Group Pharma has been a very interesting opportunity for us because what we always look at is in terms of the legacy of that organization, the well-entrenched distribution and doctor relationships for at least 1 or 2 good brands in that organization.

And I think that was clearly an opportunity area because, one, it's a very old organization, almost similar culturally vis-a-vis Jagsonpal. So there was no cultural integration issues or even in terms of, I will say, people issues because similar kind of pay structures and around structures were existing. So it was an easier play, easier integration process for us.

Number three, very interestingly it provided a geographical expansion opportunity outside the 6 states where Group Pharma does not exist today in these businesses, these brands. So I think this was more of expansion opportunity for us in terms of these 2 brands getting scaled up. And last and most important, even the margins were similar in nature for Group Pharma as well as for Aequitas.

And lastly, it's a co-prescription business. So hopefully, the scale-up will be much easier for us to do in a strength area of Jagsonpal. So I hope I answered, Mr. Damania, both your part of question.

Mihir Damania: Yes. Very clear. My second question is more on -- so if you look at the IPM growth, seems like a bulk of the growth is also coming from, let's say, new product introductions into the market. Now you alluded that you are willing to launch a few new products, but have you thought about maybe in-licensing some of the brands from, let's say, an MNC or like any other competitor? It's not like an acquisition strategy, but something where you think you can do a much better job than the brand owners currently do.

Amrut Medhekar: Yes, yes. So Mr. Damania, we had always been evaluating those opportunities. However, as Manishji said, that ultimately it depends on what are you ready to pay because most of these in-licensing opportunities, those provide scale to you, but at a very, very low margin.

So we have been carefully evaluating those opportunities, and we are still in the process of evaluating 1 or 2 opportunities, which may eventually fructify. We do not know which way it will finally move, but we are in active discussion is what I can say right now.

Secondly, in terms of new product successes, I think if you look at the split of our contribution or growth levers, which is element of price growth, volume growth and new products, we are completely aligned with the pharma industry in India. So our contribution of new products is equally good as good as any other therapy company or any other IPM contributor.

Mihir Damania: Got it. And my last question, I think a lot of participants have kind of pushed about your organic standalone growth. Let's say in the next couple of quarters are more -- or let's say in the next

couple of quarters, do you expect your standalone revenue growth to be in line or better to the IPM growth rate? Is that a fair assumption to...

Amrut Medhekar: Yes. So I'm not providing you a very long term this thing, but quarter 3, as we had already committed, we are targeting a 3-digit number of crossing INR100 crores, and that certainly means that our growth will be in excess of 1.5x of the expected pharma industry growth in quarter 3.

Moderator: Our next question comes from the line of Harshil Parekh with BTH Capital.

Harshil Parekh: Just one question on the Group Pharma business acquisition. Sir, this business comes at what margins? Is it like, for example, Aequitas business is at a lower margin, right, the hospital business? So just wanted to understand the margins for the Group Pharma business?

Amrut Medhekar: It is similar to Jagsonpal, sir.

Moderator: Our next question comes from the line of Urmish Shah with Moneywisers.

Urmish Shah: I just had 2 questions. First one is on the de-growth in Indocap and Equirex in terms of Brand MAT. Could you just give me the reason of why we are seeing a de-growth?

Amrut Medhekar: These are 2 different therapy brands. Indocap is primarily a GP physicians, and orthopaedic and rheumatology. These are the top of 4 specialties who currently contribute to the brand. It had its own challenges because it has been a legacy brand, very old molecule.

We are trying to make some innovation in terms of packaging as well as in terms of broadening its current use, and that's taking little time, but hopefully we'll see those outcomes happening because the first part of the innovation is already under -- I'll say, under good execution and go-to-market should happen somewhere, I think, November. So we will see that revival of the brand, sir.

And the second brand that you mentioned is about Equirex. This product belongs to a category which is currently kind of not freely sold. It comes under restricted. It's part of NRx portfolio, and therefore, we can't do much in terms of availability and sales of the brand. We can only work on the prescription generation, which the team is currently doing. And we are going to double-down our efforts to ensure that this brand also comes to a double-digit growth.

Manish Gupta: So just to add on, we do have clear plans on Indocap. And coincidentally, it has not de-grown, but it has grown slower than the market. It's 4.5%.

Amrut Medhekar: 1% less, 1% less than the market, sir.

Manish Gupta: Yes, yes. But on Equirex, yes, it will be a bit of market determined growth purely on account of NRx.

Urmish Shah: So sir, when you say that the first phase of innovation will bear results in November, so can we expect in the -- at least in the next financial year that these figures may be improving?

Amrut Medhekar: Yes, sir. Of course. I mean all the efforts are on to do that. And I'm very confident that we'll see at least part results in quarter 3 itself, even though we may have just 45 days of the quarter available for us, yes.

Urmish Shah: Right. And sir, one question on the product mix. Now since we have had 2 acquisitions in terms of Aequitas and Group, going 2 years down the line, 3 years down the line and with our vision of INR500 crores, what would be the product mix that you envisage in terms of contribution to the top line?

Amrut Medhekar: Currently, we continue to be in the similar therapy area. So only one area which was clearly missing out from Jagsonpal was hospitals and critical care portfolio, which has got added. And with that, we have 2 more big specialty, so to say, which got added. One is critical care specialists themselves, and second is infectious disease specialists in the hospital segment.

So these 2 got added. Otherwise, we remain focused on our key therapies, which is gynaecology. Purely from the contribution point of view, this is the largest contributor for Jagsonpal, followed by orthopaedics and then followed by dermatology.

Moderator: Our next question comes from the line of Gulam Soni with an Individual Investor.

Gulam Soni: Can you hear me?

Amrut Medhekar: Yes, sir.

Gulam Soni: Yes. So my question is that, sir, we have INR287 crores of revenue in FY26. Now we are aspiring for INR500 crores in FY28. So, going beyond FY28, are we expecting kind of doubling the bet from FY26 in FY29?

Amrut Medhekar: Can you repeat the question?

Gulam Soni: So, sir, we had INR287 crores of revenue, and now we are aspiring for INR500 crores of revenue, right, in FY28?

Amrut Medhekar: Correct.

Gulam Soni: So going beyond FY28 with some operating leverage, and that MR strength is also increased and some operational excellence that we have demonstrated in last 2 years. So are we expecting to double the PAT from FY26 base?

Amrut Medhekar: Double the sales?

Gulam Soni: PAT.

Amrut Medhekar: I think with the guidance that we have given both on sales front and the EBITDA margin front, it is very easy to decipher where the numbers will come. Because we are -- our model is the same asset light and also depreciation and all is never a leakage in our scenario, excepting for tax. So it is very easy to arrive at those numbers. I do not want to tell you whether it is feasible or not. You do the math, you will arrive at the outcomes.

Gulam Soni: Okay. Thank you, sir. My another question was that we have some very good managerial bandwidth in terms of Amrut sir and Manish sir. So beyond INR500 crores, what are the brands or kind of therapy areas in chronic or sub-chronic that we are targeting to make some big brands like the legacy ones from JPL?

Amrut Medhekar: So as I mentioned, sir, for this INR500 crores vision, we are currently focused purely on these 4 therapy areas, which I mentioned: gynec, ortho, derma, and obviously critical care, which is newly added. Beyond that, we are exploring opportunities because eventually we want to build an organization which is focused on sub-chronic and chronic segment.

We want to reduce our dependence on the acute therapy, because those are more cyclical in nature and does not bring the sustainable and predictable numbers for us. So chronic and sub-chronic is going to be our focus area, and therefore, any opportunity coming our way into chronic segment, we will certainly evaluate. But as mentioned earlier, currently the kind of valuation that we are seeing for those kind of targets is certainly not what we would like to pay currently.

Moderator: Ladies and gentlemen, we will now take one last question, which will be from the line of Vansh Gupta with Prescient Capital.

Vansh Gupta: Am I audible?

Amrut Medhekar: Yes. Please go ahead.

Vansh Gupta: Sir, last quarter, we had spoken about brand premiumization in our portfolio, which I believe the management had spoken of that would lead to higher gross margins. However, if I look at our gross margin on the standalone business, they have hovered around 64%, 65% for the last 8, 9 quarters. So could you please shed some light on what can be a sustainable gross margin for us going forward?

Amrut Medhekar: Your voice is little bit not audible, sir. If you can maybe just keep mic little away and go little slow.

Vansh Gupta: Right, sir. Am I audible now?

Amrut Medhekar: You are audible, sir. Just speak a little slow. We can decipher.

Vansh Gupta: Sure. So sir, last quarter, we had spoken about brand premiumization leading to higher gross margins for our business. However, if I look at the gross margins on the standalone business, they have hovered in the range of 64%, 65% over the last 8, 9 quarters.

So can you please share what can be like a sustainable gross margin for us going forward given that we've also acquired Group Pharma, which is like a 70%, 80% gross margin business? So could you shed some light on what can be like a sustainable margin going forward?

Manish Gupta: So let me answer this. See -- and you will notice that we are presenting 2 sets of numbers. One is standalone and consolidated. I think our standalone margins because that is fundamentally a branded business for us, will be continuously improving. We are close to 65% currently, and

this number should improve year-on-year through 50 to 75 bps based on product mix, price increases and whatnot.

The margins in Aequitas business are much, much lower given the nature of business since it's a critical care business, hospital business and whatnot. It's a price-driven business. So that will follow its own margin trajectory, will certainly improve from where we are initiating the business from, but that journey will be far slower and it will nowhere match with JPL gross margin at any point of time. And the margin will be, of course, what will be presented in consolidated numbers.

Vansh Gupta: Got it. So just like directionally, can we expect improvement in our gross margin as well going forward? Or should they be in the same region as they are right now on a consolidated basis?

Manish Gupta: On a consolidated basis, we should be closer to where we are in the Q2.

Vansh Gupta: Okay. Got it, sir.

Manish Gupta: Yes, because that's the first quarter of consolidation of Aequitas.

Vansh Gupta: Got it, sir. And sir, when we talk about brand premiumization, are we essentially referring to like new brands that we are intending to launch? And is it so that we are expecting majority of the bulk of our growth that we're expecting for the rest of the year, are we expecting bulk of that growth to come from newer products that we are launching? Or are we expecting some existing brands to do well for us?

Amrut Medhekar: Obviously, the business is based on the existing brands. New brands will take their own sweet time because these are more trust and credibility based, which will take their own sweet time. And sometimes it is multiple quarters and sometimes it is multiple years also to build up a very scaled brand.

So even though the trajectory looks very high in terms of percentage growth on the new brands because the scale looks very, very small. But in terms of real growth, absolute value growth, it will be driven by the existing brands.

Vansh Gupta: So sir, when we are confident about the improvement in our EBITDA and our top line in Q3 and I believe Q4 as well, are we expecting bulk of our growth to come from the existing brands? And if that is the case, could you please share which brands are you bullish on for the remainder of the year?

Amrut Medhekar: Currently, the top 10 brands, which I mentioned in my opening statement, those brands will contribute majority for the EBITDA.

Vansh Gupta: But there's no specific brand that we believe is going to help carry majority of the growth?

Amrut Medhekar: There is unlike many pharma businesses, we are not 2-brand or 1-brand driven organization. Our brands are almost of reasonable size across businesses and specialties. And therefore, that blend and mix will continue. However, we intend to make majority of these brands leaders into their

own respective therapy areas. And equally, we are pushing each of those therapy areas to build up for us.

So I can't pinpoint that this 1 or 2 brands will constitute majority of growth. But I'm very sure that these 10 brands which constitute today roughly 60% of the business will largely contribute towards growth. And of course, new products will only accelerate from here. Currently, it is 2.3%, 2.5% of our overall contribution of growth. It will only go up from here for new brands.

Vansh Gupta: Got it, sir. And sir, just one nuance I wanted clarity on. I believe in the last quarter as well, we had spoken of the Pharmarack data with the IPM growing at about 19%. And this quarter as well, IPM has grown higher than our revenue.

And I just wanted to understand, given that Pharmarack data is essentially secondary sales, so that should translate into revenue growth for us as well. So if there is any lead lag relation between Pharmarack data and our top line, can you just give us like the expected timeline for when we can expect that to reflect in our revenue as well?

Amrut Medhekar: I can't comment on these external audits and market research as to how much lead and lag is there. But suffice it to say that we are seeing, I would say, merging of the 2 data hopefully in a couple of quarters. Currently, obviously it is little running faster than what we have primarily reflected for us. Secondaries are obviously growing in line.

Vansh Gupta: But is it fair to assume...

Amrut Medhekar: See, they have been reflecting anywhere between 12% to 16.8%. 16.8% is our highest pivot that they have shown in any given month in last 6 months.

Vansh Gupta: No, but I mean last quarter...

Amrut Medhekar: Because I just want to also differentiate, largest proportion comes from the prescription branded for us, and that growth is in excess of double digits, so it is more than 10% for sure, internally also for us. However it is not growing at the rate at 16.8% as reflected. So this 16.8% is secondary market, which is stocked in-house data. So hopefully it will be translated very soon.

Vansh Gupta: Right. So again...

Manish Gupta: You have to also bear in mind, the IPM data that these agencies provide is on sampling basis. So you'll always see a mismatch, okay? I mean our internal numbers are real. That's what I would -- so I don't want to be either carried away or getting defensive about what IPM reflects because that's their data. Our data is our data. We can stand behind our data. We are confident of faster growth. But yes, we are nowhere as yet near the IPM reflected growth.

Amrut Medhekar: We want to get closer to that.

Vansh Gupta: Got it, sir. That makes sense. Just one last question on my end, sir. Given that it's been a quarter or so since we acquired the Aequitas portfolio, are we facing any challenges in the ramp-up of the portfolio?

Manish Gupta: Not at all. It has rolled out the way exactly we had envisaged. So you have to bear in mind that hospital business is rate-driven contract-driven business. So contracts are taken for a year typically. You would also notice that there has been price pressures in the last 12 months, especially on the APIs and all front.

These are critical care products you can't do much about. So nothing has been a surprise. The corrective actions that we have taken will start reflecting in the financials only from Q4 onwards because we have done a lot of work on the supply chain, better procurement and more efficient procurement and whatnot. All of these benefits will only start accruing from Q4.

Amrut Medhekar: And Mr. Vansh, you will appreciate that within 90 days, these are 2 acquisitions. So team has really worked hard internally to ensure that the integration is very smooth and very welcome for the family. So these have been very well planned and executed on the ground.

Vansh Gupta: Right, sir. Understood. So would it be fair to assume that we're still holding on to our guidance of INR100 crores top line by FY28 for the Aequitas portfolio?

Manish Gupta: For the full year, yes, nothing changes for us.

Moderator: Thank you. I would now like to hand the conference over to the management for closing comments. Over to you, sirs.

Nirav Vora: Thank you, participants, for all your questions and engagement. Should you have any further queries, please reach out to our IR team at Go India Advisors. We remain committed to transparent communication and to creating long-term value for all our stakeholders. Thank you once again, and wish you a good evening. Thank you.

Amrut Medhekar: Thank you.

Moderator: Thank you. On behalf of Go India Advisors, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.