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*for* **GOOD HEALTH**

August 5, 2025

National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1,  
G-Block, Bandra Kurla Complex,  
Bandra (E), Mumbai – 400051.

**Stock Symbol: JBCHEPHARM**

Dear Sir,

**Subject: Transcript of Investors/Analysts call**

**Ref.: Disclosure under regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 30 read with Schedule III and Regulation 46(2)(oa) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find Transcript of Conference Call which was scheduled for Investors and Analysts on July 31, 2025 at 3.30 PM IST in relation to results and developments for the first quarter ended on June 30, 2025. The same will also be available on the website of the Company [www.jbpharma.com](http://www.jbpharma.com).

We request you to take this on record.

Thanking you,

Yours faithfully,

**For J.B. Chemicals & Pharmaceuticals Limited**

**Sandeep Phadnis**  
**Vice President – Secretarial**  
**& Company Secretary**

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**J B Chemicals and Pharmaceuticals Limited**  
**Q1 FY '26 Earnings Conference Call**  
**July 31, 2025**

This transcript is published as is what we have received from our vendor who manages the conference call. We would request you to go through the audio recording in case you want to reconfirm anything that has been mentioned in the transcript

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**Moderator:**

Ladies and gentlemen, good day, and welcome to J.B. Pharma's Q1 FY '26 Earnings Conference Call as on the 31st of July 2025. 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 call, please signal an operator by pressing star then zero on your touchtone phone.

I now hand the conference over to Mr. Jason D'Souza, Executive Vice President at J.B. Pharma. Thank you, and over to you, sir.

**Jason D'Souza:**

Thank you, Reyo. Welcome to the earnings call of J.B. Pharma. We have with us today, Nikhil Chopra, CEO and Whole-Time Director; Kunal Khanna, President, Operations; and Narayan Saraf, the CFO at J.B. Chemicals and Pharmaceuticals Limited.

Before we begin, I would like to state that some of the statements in today's discussion may be forward-looking in nature and may involve certain risks and uncertainties. A detailed statement in this regard is available in the Q1 FY '26 results presentation that has been sent to you earlier.

I would like to hand it over to Mr. Nikhil Chopra to begin the proceedings of the call for his opening remarks.

**Nikhil Chopra:**

Thank you, Jason, and welcome to all of you on today's call. Let me begin by addressing the significant strategic development that was announced recently. On June 29, Torrent Pharma



announced its intention to acquire controlling stake of KKR in J.B. Pharma to be followed by a merger of J.B. Pharma itself.

The transaction creates a diversified health care platform with deep capabilities in chronic and international CDMO segment. I will briefly share the highlights of the transaction with all of you. Torrent shall first acquire a 46.39% stake for a cash consideration of INR11,917 crore as per specified SPA. This will trigger the mandatory tender offer where the price has been fixed at INR1,639.18 per share. This will be followed by a merger of 2 companies with Torrent being the surviving listed entity once the scheme is effective. The transaction remains subject to CCI and other regulatory approvals, which have to come in place.

Meanwhile, coming back to J.B.'s performance for the quarter. Business is as usual at J.B., and I'm glad to share that J.B.'s operating momentum continues to impress. The business is amongst the fastest growing in India within the Indian pharma market. During quarter 1, overall revenues increased by 9% to INR1,094 crore with operating EBITDA, excluding noncash ESOP and one-off charges, grew by 13% to INR330 crore. Our net profit showed a 14% increase of INR202 crore, given enhanced margins and cost alignment.

The gross margins during quarter 1 came in at 68.3%, growing 210 bps year-on-year. This followed consistent cost optimization initiatives, a favorable business mix and pricing growth. Operating EBITDA margin stood at 30.2%, higher by 120 bps year-on-year and once again, reemphasizing our focus on profitable growth. Just to also share with you, 30.2%, our EBITDA margins are the best up till now what we have been reported.

I shall now turn attention to our domestic business. The domestic business delivered 14% growth year-on-year to INR678 crore during quarter 1 FY '26. As per IQVIA, we showed 13% growth of quarter 1 FY '26 relative to 9% increase shown by the industry. Within domestic business, as per IQVIA, our chronic portfolio continued its growth trend, achieving 15% growth year-on-year. Quarter 1 also showed acute business increasing by 12% year-on-year.

Ophthalmology portfolio has also delivered a growth of 19% improvement over -- year-on-year as per IQVIA data. Our leading brands and their franchises continue to perform well and continue to outperform the market growth. Our acquired portfolio is going from strength to strength. As per MAT June 2025, Sporlac as a franchisee has grown to INR146 crore as compared to INR70 crore in June '22 as a comparison when we had just acquired the portfolio. Sporlac also recently entered the top 300 brands list in the country.

Azmarda is now a INR75 crore brand and present in one of the fastest-growing segment in cardiology that is heart failure. The Razel franchisee has performed well in a short period and for the first time has crossed INR100 crore as a franchisee as per IQVIA MAT June 2025. This is a significant development considering the franchisee was INR69 crore as per June 2023 IQVIA. So across,



whether we talk of Sporlac, we talk of ophthalmology, we talk of Razel, we talk of Azmarda, all our franchisees continue to deliver very good performance.

I shall now turn attention to our international operations. During quarter 1, we saw a 2% growth of INR416 crore led by our CDMO business in the international operations. The CDMO business showed 8% improvement year-on-year to INR115 crore, given sustained momentum. The business has an attractive development pipeline of products of global significance with its key partners. International Formulations saw revenue of INR283 crore from INR290 crore previously, while Branded Export business recorded a growth of -- recorded growth for quarter 1 FY '26 and the other businesses that is Russia, U.S. and South Africa remained flat or marginally declined for the quarter.

For the CDMO business, the first commercial quantities of new products such as Iodine Liquid, Throat Spray, variants of Immunity Lozenges in Asia Pac and EU markets have already been dispatched, which we have been talking earlier in our commentary in the investor call. This is what we wanted to share the detail that this is a progress that we have made in the world of CDMO business with new products now being dispatched in some of the Asia Pac and EU markets.

We are expecting 3 to 4 important new launches in the next 12 to 18 months. J.B. continues to remain focused on driving top line momentum, cost optimization and organization efficiencies. The sustained emphasis on the domestic and CDMO business will continue supporting both growth and profitability. Backed up by a strong financial foundation and deeply execution-oriented culture, we are well equipped to steer confidentially -- confidently into the next phase of our evolution.

I would like to now hand over to our CFO, Mr. Narayan Saraf, for his views. Over to you, Narayan. Thank you.

**Narayan Saraf:**

Thank you, Nikhil. Welcome, everyone, to our Q1 FY '26 earnings call. I will now take you through the financial highlights. Revenues for the quarter stood at INR1,094 crore, reflecting a 9% year-on-year growth. The domestic to international business mix was 62% and 38%, respectively.

The domestic business delivered revenues of INR678 crore, growing 14% year-on-year, aided by traction in chronic, ophthalmology and acute portfolios. International business grew 2% year-on-year at INR416 crore. CDMO segment grew 8% year-on-year to INR115 crore, and we expect the momentum to continue.

The International Formulations business declined by 2% year-on-year to INR283 crore. Other businesses of Russia, U.S., South Africa were impacted, while exports, branded generics grew. The API vertical grew 38% year-on-year with revenues at INR18 crore. Gross margins for the quarter came in at 68.3 percentage versus 66.2 percentage in Q1 FY '25. This expansion of 210 basis points was aided by price growth, cost optimization efforts and favorable business mix.



Operating EBITDA, excluding ESOP costs and one-off impact due to proposed merger scheme was at INR330 crore, marking a 13% year-on-year increase. Operating margin, excluding ESOP costs and one-off improved to 30.2 percentage versus 29% in Q1 FY '25, thereby reflecting 120 basis points improvement. PAT margin, excluding one-off impact, is at INR214 crore, improved to 19.6 percentage versus 17.6 percentage in Q1 FY '25, marking a 21% year-on-year increase.

On the cost front, employee benefit expenses increased 16% year-on-year to INR194 crore. ESOP cost was at INR14 crore versus INR12 crore last year same quarter. Other expenses increased by 16% to INR252 crore due to one-off charges of INR15 crore on account of the proposed merger scheme.

Depreciation increased 5% year-on-year to INR43 crore versus INR41 crore in Q1 FY '25. We remain sharply focused on advancing top line growth, driving disciplined cost management and enhancing operational efficiency across our diverse portfolio. Our domestic and CDMO businesses continue to serve as key growth and profitability engines, reinforcing the strength of our multi-segment strategy.

With the core enablers of sustainable growth now firmly established, we are well positioned to capitalize our future opportunities. I'm confident in our organization's ability to deliver consistent value creation for our shareholders and stakeholders in the years to come.

With that, I conclude my opening remarks. I now request the moderator to open the forum for the Q&A session. Thank you very much.

**Moderator:** Sure.

**Jason D'Souza:** We have a question that just come on the wall. It's on the international business. What is the overall outlook of the international business for the year? And how do we see all the 3, the International Formulation, the CDMO and the API business playing out?

**Nikhil Chopra:** So CDMO, as we have been guiding earlier, should grow at between 12% to 14%. At quarter 1, the business grew at 8%. We have good visibility of order book for CDMO for quarter 2 in terms of the growth perspective. Our average run rate this year will be around INR120 crore. That is what we had guided earlier.

And next year, this figure would be ranging between INR140 crore to INR150 crore. So CDMO continues to be on a good wicket. Our Branded Generic business declined for the quarter, but if you look at the overall trend of the business, second half of the business ramps up.

So there also, we have good visibility of order book for quarter 2. So by end of quarter 3, you should see that business growing at high single digit. That is what the visibility we have got for our international, Rest of the World Branded Generic business.

**Jason D'Souza:** On the domestic business, the follow-up question, which is there is that we've seen a very strong 14% growth, do we see this growth rate continuing for the remaining part of the year?



**Kunal Khanna:** Yes. If we look at the recent trends and the last quarter also, our growth has been fueled by major brands and the key franchisees of those brands. Our volume growth has been 350 bps higher than the market, while the market volume growth as per MAT June was close to 1.5%, we have registered 4% plus. So we will continue to see these growth trends with all our key brands fueling the growth, and we should be in the range of 12% to 14% with 300 bps to 350 bps higher than the market.

**Jason D'Souza:** We can take the questions back in the queue.

**Moderator:** Sure. The next question is from Rashmi from Dolat Capital.

**Rashmi:** Yes. And just one question again on the export business. You have mentioned that the export branded business have clearly declined mainly in the Russia, South Africa and the U.S. market. If you can explain that in each market, what has exactly happened and why this quarter is subdued?

**Kunal Khanna:** So specifically for the markets, Russia, the season was slightly slow. And anyway, most of the -- if you look at the trends, the actual demand pickup usually happens from H2 onwards. So September onwards, we will see a good demand pickup. South Africa, there have been some private and large institutional accounts where there has been a slightly muted growth. But with some of the grants and sanctions kicking in, we see a good positive trend coming in H2 for us.

U.S., while it was slightly slow to start with, we have good order visibility as we see our business for the next 4 to 6 months. There was some slight pricing pressure for 2 of our key molecules, but all of that will be neutralized as we see into the remaining part of the year. So these were the key reasons, but we do see all these markets picking up in the next 2 quarters, which would help us drive high single-digit growth going forward.

**Rashmi:** And U.S., would you mind just giving a quarterly run rate? What is the run rate generally we have for U.S. sales?

**Kunal Khanna:** We generally don't get into those kind of segment-wise disclosures.

**Rashmi:** Okay. And another question is on Azmarda. Now the sales are back at around INR75 crore. So how is the profitability over there with the intense competition and all? Are we able to improve the profitability as well? So if you can comment more on that particular project?

**Kunal Khanna:** Surely, as the sales increase, we do see better operating leverage kicking in, which helps the profitability of the brand. As we had mentioned that our first target almost 6 months back was to steadily hit 120,000 to 125,000 units per month, and we have reached that scale. The market reflection is also showing growth and closer to double-digit growth. We will continue to be on that path. For the next 3 to 4 months, our target is to reach 140,000 units going forward.



**Rashmi:** Okay. And one last question on the integration expenses. We have seen -- just a clarification. We have seen INR15 crore integration expenses in the Torrent's result also, which is included in other expenses and the same thing. So the total integration expenses spent was around INR30 crore. Am I correct?

**Narayan Saraf:** Yes. So INR15 crore is the cost which we are...

**Jason D'Souza:** We can comment only on our expenses.

**Narayan Saraf:** Our expenses, which is INR15 crore.

**Jason D'Souza:** Just before we take the next question, we have one more question that's on the wall. The acute portfolio has rebounded pretty strongly in Q1. Would we see this momentum continue to sustain in the next few quarters?

**Nikhil Chopra:** So within acute portfolio, if you look at what I shared earlier, Sporlac as a brand has performed very well. It has been growing at a pace of high-teen growth. Rantac and Metrogyl as a franchisee, if you look at IQVIA figures also has been flat for the quarter. So entire growth was driven by the work that the teams have done in the world of probiotic and the newer versions of probiotic.

And equally, some of the versions of our eye drops, majorly in the world of acute portfolio that is moxifloxacin and combinations and anti-allergics and pain eye drops, they have also performed well. So our Ophthalmology and Sporlac business have shown high teens growth, and Rantac and Metrogyl have been flat for the quarter.

**Jason D'Souza:** Great. Just another question, and we'll go back to the queue. GCs have come up pretty high at 68%. How do we see GCs playing out in the remaining part of the year?

**Narayan Saraf:** So we hold our guidance where we are looking at the GCs in the range of 67% for the full year, and we will continue to hold that guidance of 67% for the full year. Thanks.

**Jason D'Souza:** We can go back to the queue, operator.

**Moderator:** Sure. The next question is from Sumit Gupta from Centrum.

**Sumit Gupta:** Yes. So few questions. So first, on the...

**Nikhil Chopra:** Now you are not audible.

**Sumit Gupta:** Yes. So can you tell us the split of the domestic growth in volume price?

**Narayan Saraf:** So 14% is the domestic growth, price is around 7% and volume is also 7%.

**Sumit Gupta:** Pardon?



**Narayan Saraf:** 14% is the growth of domestic business, out of which price and volume are 7% each.

**Sumit Gupta:** Okay. Okay. And with respect to the like margin guidance on the operating EBITDA front, so do you still maintain this 27% to 29% for full year?

**Nikhil Chopra:** Yes.

**Narayan Saraf:** Yes.

**Nikhil Chopra:** Yes. If you look at the guidance that we had given at the starting of the year was 27% to 29%.

**Sumit Gupta:** Yes.

**Nikhil Chopra:** So historically see and track us, our guidance, we always want to be at the top percentile of our guidance. So that will continue to be there for the year.

**Sumit Gupta:** Sure. And sir, lastly, on the API business, it witnessed a strong growth of nearly 40%. So can you highlight what drove this? And how should we see this business over the next, let's say, 2 to 3 years?

**Kunal Khanna:** So we have always maintained for us, API's priority more from captive consumption perspective. And this growth is largely coming in from some of the demand, which was pushed last year because of higher inventory for our key products. So nothing substantial or significantly has changed. Last year was a slightly slow year for us. So from a Q1 perspective, it was also operating on a lower base. No substantial or significant changes per se or upside on the demand front.

**Sumit Gupta:** Okay. So was there like any particular molecule which you can highlight?

**Kunal Khanna:** No, we have always been largely -- a lot of our demand has been kicking in from diclofenac API, which we tend to export a lot, and that offtake has been positive for us in Q1.

**Sumit Gupta:** Sure.

**Jason D'Souza:** Thanks. Thanks, Sumit. There's just one more question that's come on the wall. The Opthal business has rebounded pretty -- has recorded very strong growth at 19% as per IQVIA. Is this the reason primarily because of the new product launches or is it because of the historic old products?

**Kunal Khanna:** No. In fact, if we look at our portfolio, the overall chronic and acute, the historic legacy portfolio, which we were carrying have all registered significant growth. Brands like Vigamox, Vigadexa, Travakom have all been registering double-digit 12%, 13%, 14% growth plus. So this has -- this growth has largely been a function of our acquired portfolio registering very strong demand in the market. When we started off, this business was trending at close to INR40 crore quarterly run rate.



Now we are close to INR50 crore, and we will keep on building on this portfolio which we have. New launches have happened. They are contributing, but it's going to take some time before they become a significant contributor to the overall portfolio.

**Nikhil Chopra:** A couple of additions in ophthalmology. Today, we have a field force of 105 people. We cover around 14,000 ophthalmologists. The market has been growing at low single digit, and we've been the fastest-growing company today in the ophthalmology segment growing at 19%. Today, we are sixth ranked company. And our aspiration is that probably 9 months to a year from here, we should be in top 5.

**Jason D'Souza:** Good. Just the last question, and we'll get back to the queue, which is on the wall. In terms of the other income, which is at INR15 crore, what is the reason for it? And how do we see operating cash flows for the entire year and for the quarter?

**Narayan Saraf:** Yes. So the reason of the other income being INR15 crore is because we had the surplus cash, which we have invested into -- as per our treasury policy, which has yielded us good returns. And the cash flow, we clearly expect the yearly cash flow to operating EBITDA in the range of 75% to 78% for the full year '26.

**Jason D'Souza:** We can go back to the queue.

**Moderator:** Sure. The next question is from Gaurav from Antique.

**Gaurav:** Yes. Sir, this quarter, we've seen almost a 16% year-on-year growth in staff cost. Have there been any field force expansions that you've undertaken this quarter?

**Narayan Saraf:** No. So there has been no major expansion in the field force. It's mainly because of the clearly increment and the field incentive that we have provided.

**Gaurav:** So this would be the new base going forward, right?

**Narayan Saraf:** Yes.

**Gaurav:** Okay. And in terms of the acquisition consummating, what do you think are the major milestones for the J.B. management to deliver so that acquisition kind of concludes within this fiscal year?

**Jason D'Souza:** I think Gaurav whatever is stated in the press release is as much as what we can state, which is already out there. So I think beyond that will be very difficult for us to comment. But for us, at J.B., it is business as usual.

**Gaurav:** Okay. Any guidance on the India business? We've delivered very strong growth, 14% on a year-on-year basis. We've said that we will deliver 300 bps to 400 bps outperformance to the market. So do we see the market growth coming up to 10% and this 14% being delivered on a full year basis for us?



**Nikhil Chopra:** The market should grow 8% to 10%, depending upon the base variability. And as guided earlier, we should be able to grow 300 bps to 400 bps better than the market. That guidance continues to be there.

**Moderator:** Thank you.

**Jason D'Souza:** Just before we take the next question on the CDMO business, the question which has come in is how do we see Q2 playing out, which is a low base and also looking at Q3, Q4, which is a high base. So do we see CDMO back to double-digit growth?

**Nikhil Chopra:** So CDMO is, what has been shared earlier, our average run rate for H1, that is Q1 and Q2 should be at around INR120 crore, which we should be able to deliver. And probably for H2, the run rate should be close to INR130 crore. And then gradually, we'll start next year with average run rate of around INR140 crore to INR145 crore. That is where we stand. And by end of the year, as guided earlier, our CDMO growth should register -- the growth should be between 12% to 14% for the year.

**Jason D'Souza:** Thank you. Yes. We can go back to the queue.

**Moderator:** Next question is from Akshaya Shinde from SMIFS Limited.

**Akshaya Shinde:** I have just one question. So any development you want to share in export formulation business with respect to ROW market expansion? That's it. Yes.

**Kunal Khanna:** So in ROW market, basically, we have filed a lot of products over the last 2 years. And the first phase of the pipeline getting approvals should essentially kick start from September, October of this year, which are going to be 8 to 10 molecules across 14 to 16 key markets. There will be launch quantities, which should ideally start flowing in from Q4 of this financial year and full commercial annualized benefit, we should start seeing accruing in financial year '27.

We had these new launches over 3 phases. The first phase of pipeline starts getting approvals now. The second phase of our pipeline starts getting approvals from H2 of next financial year. So this will keep happening for the next 2 to 3 years, which should be significant value addition to our ROW markets.

**Jason D'Souza:** Thank you. Can you hear us?

**Akshaya Shinde:** Yes. This is helpful.

**Jason D'Souza:** Thank you. We'll just take -- there's one more question that's on the wall. Cilacar T has entered into the top 100 brands in the country in the month of June. How do we see the performance of this brand? And do we see this entering into top 100 in MAT very soon? What are some of your thoughts here?

**Kunal Khanna:** Yes. We are very hopeful that the fact that it's entered in the top 100 for a month's time, we should be able to continue to see the momentum because it's a franchise which is growing at almost 20% plus.



We hold leadership position in this franchise. We have done a lot of work in the area of diabetic hypertension and created a very niche position for Cilnidipine plus ARB in this particular segment.

The market therapy shaping work continues, which is expanding the market and we being a market leader are seeing good results on that. So we are very confident that in the near future, very soon, we will see this top 100 reflection as part of the MAT reflection as well.

**Jason D'Souza:** We can go back to the queue.

**Moderator:** Next question is from Gaurav T from Antique.

**Gaurav T:** Yes. Sir, what would be the R&D spend for this quarter? And what would be the same number for 4Q and 1Q of last year, please?

**Kunal Khanna:** It's very negligible for us, just about close to 1%, and it's pretty much in line with what it was in Q1 of last year as well.

**Gaurav T:** And this would be mostly towards International Formulations?

**Kunal Khanna:** Yes. Essentially, yes, a significant part of it goes towards International Formulations. And as we mentioned that we have done -- we have been working a lot on building our international pipeline, which are being registered across 3 phases. So a substantial part of this goes towards building up that pipeline.

**Jason D'Souza:** I have one last question on the wall, which is on the Razel franchise. Razel has recorded extremely strong growth in this year and ever since it has been acquired, how do we see this portfolio playing out over the next 2 to 3 years? Do you see the strong growth rates continuing?

**Kunal Khanna:** We are fairly confident that this momentum which we have built on the brand post its acquisition, it will continue. As mentioned earlier, it was reflecting INR60 crore, almost 24 months during the acquisition, it is close to INR100 crore. And a lot of these combinations, which we are working on Razel brand and the single molecule, we have been able to build the momentum on that.

So the statin has been a good value addition, which allows us to further drive productivity with our core cardiologist prescriber base, which includes cardiologists as well as consulting physicians. And the work which we are trying to do on the lipid side with this brand has yielded positive results. So this will continue to grow at the same pace as what we have seen over the last 12 months.

**Jason D'Souza:** Great. Thanks. I think I don't see if there are any more questions that are left. And I just would like to hand this over back to Nikhil Chopra for his closing remarks.



**Nikhil Chopra:** Thank you. Thank you all for attending the conference call. Business continues to be as usual at J.B., which I shared earlier. Once again, reemphasizing the fact figures, close to INR1,100 crore top line, that is what we could report for the quarter. Best-in-class India growth, 14%.

That is what we could achieve. Operating EBITDA, excluding one-off, INR330 crore, PAT INR214 crore, that is excluding one-off, which is growing at 21%, 68.2% gross margin and 30.2% operating EBITDA margins. That is how at least we could achieve these all figures for the quarter, and we will continue to be a value-accretive company for our stakeholders and shareholders, and thank you all for showing the confidence in us. Thank you once again.

**Narayan Saraf:** Thank you.

**Moderator:** Thank you very much. On behalf of J.B. Pharma, that concludes this conference. Thank you for joining us. Ladies and gentlemen, you may now disconnect your lines.

**Jason D'Souza:** Thank you.

