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Date: November 03, 2026

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001 **Scrip Code: 544292**	**National Stock Exchange of India Ltd** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400051 **Symbol: ONESOURCE**

Dear Sir/Madam,

Subject: Transcript of Earnings Call pertaining to Unaudited Financial Results of the Company for the quarter ended September 30, 2026

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of earnings call for the quarter ended September 30, 2026. This earnings call was conducted on October 27, 2026, i.e., after the meeting of Board of Directors, and is being shared for your information and records.

Request you to kindly take the above on record.

For **OneSource Specialty Pharma Limited**

Trisha A
Digitally signed by Trisha A
Date: 2026.11.03 13:08:03 +05'30'

Trisha A
Company Secretary and Compliance Officer
Membership Number: A47635

"OneSource Specialty Pharma Limited

Q2FY27 Earnings Conference Call"

October 27, 2026

MANAGEMENT: **MR. NEERAJ SHARMA – CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR – ONESOURCE SPECIALTY PHARMA LIMITED**
MR. ANURAG BHAGANIA – CHIEF FINANCIAL OFFICER – ONESOURCE SPECIALTY PHARMA LIMITED
MR. ABHISHEK SINGHAL – ONESOURCE SPECIALTY PHARMA LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to Q2 and FY27 Earnings Conference Call of OneSource Specialty Pharma Limited. 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 Mr. Abhishek Singhal. Thank you, and over to you, sir.

Abhishek Singhal: Thank you, Danish, and thank you all for joining us today for the earnings conference call of OneSource Specialty Pharma Limited for the second quarter and half year ended September 30, 2026. We have with us Neeraj, CEO and MD; and Anurag, CFO of the company, who will walk you through the key business and financial highlights for the quarter and for the first half of the financial year.

I trust you have the opportunity to review our results release and investor presentation, both of which are available on the company's website as well as on the stock exchange website. The transcript for this call will be posted on the company's website within the next week.

Please note that today's discussion will contain forward-looking statements, which should be viewed in the context of the risks inherent in our business. Should you have any further questions after this call, our Investor Relations team will be happy to assist you.

I now hand over the call to Neeraj for his opening remarks.

Neeraj Sharma: Thank you, Abhishek, and a very warm welcome to everyone joining this late evening for our Q2 results. Q2 was a strong quarter for us. In fact, it was our third consecutive quarter of sequential growth and in line with the trajectory which we had outlined in our previous calls.

So if you saw that revenue increased 37% year-on-year, 15% sequentially. And in the quarter, we actually delivered more than INR5 billion revenue., EBITDA grew 53% year-on-year, 32% sequentially. And the margin expanded more than 400 basis points quarter-on-quarter, reaching 32% for the quarter.

And the very fact that the pace of EBITDA actually was higher -- EBITDA growth was higher than the revenue growth, it really demonstrates the operating leverage, which is inherent in our business model. And in fact, if you look at the first half, put together both the quarters, it's been a 47% year-on-year growth of EBITDA.

So the growth both in this quarter as well as for the first half is actually been driven by the additional DDC capacity, which has come online in the last quarter, which is quarter 2, and which helped us both commercial as well as MSA revenue coming in, thanks to that execution. And really staying with our DDC line expansion, many of you saw our second cartridge line is

now running commercial batches, even though the geopolitics actually impacted its start by almost 6 months.

But the fact is that today, the line already since September, it is operational, and it has immediately doubled our total sterile production days. So the additional capacity -- as we had said last time, the additional capacity really supports both the new launches which are coming in and provide us a significant ramp-up of the commercial volumes, which we are expecting during the second half.

I'm also happy to share with you that even our third line has successfully completed its factory acceptance test in Germany and is now at our site as we speak, ready for qualification. I mean this line also the arrival was longer than anticipated, obviously, due to this extended transit times because of what's happening in the Gulf.

But as you also know that these are very bespoke lines, and I think I explained in my previous calls and interactions with many of you that these are lines built for much larger batch sizes, and therefore, they require quite rigorous qualification involving multiple European vendors. So keeping that in mind, while we are making every effort for it to start in Q4, but the commercialization might get pushed to the start of FY28. However, I just want to reiterate here that we'll have all 3 lines fully operational and available for FY28.

And this is not just the filling capacity. I think that's what is important to highlight here and what really differentiates OneSource from every other CDMO is that every one of our lines are backed by full end-to-end capabilities, whether it is not only cartridge filling, but assembly, labeling, packaging and so on, including cold chain all under one roof. And this differentiates us not only in India, but even globally.

Our semaglutide footprint continued to grow during the quarter, and our partner, Hikma, launched the first generic semaglutide in Saudi Arabia, which really expands our presence in a very important market, which is off patent. Also, more hearteningly, the Dr. Reddy's API has commenced, I think which they also spoke about in their earnings call. And this would really help relaunch in Canada as well as launch across multiple other markets where they already have an approval. And apart from Dr. Reddy's, also the supply ramp-up from our other Canadian customers is also on track for the quarter 3.

Now moving on to our second strong leg of our business, which is emerging very fast, which is biologics. It's increasingly becoming a very key growth pillar for us. And during the quarter, we had multiple new project wins, which is both from new customers who we onboarded as well as existing customers. We have onboarded 2 projects for end-to-end development to commercialization projects from a U.S. biotech. We secured additional new program for one of the top global animal health companies and our existing customer.

And this, as you know, comes back-to-back from the previous quarter where we had EU customer wins. These wins, whether the U.S. or Europe, these really reflect the integrated offering, which we have, which we call from gene to device in biologics, which again, very few

CDMOs offer and the fact that India's growing position as a trusted hub of global biologics biosimilar development as well as manufacturing.

Now same is reflected in our biologics RFP funnel, which is at highest ever with multiple projects in advanced stages. And all this is really going to be driving the growth beyond FY28 for us. As far as our base business, especially the injectables, we discussed last quarter, we are adding new capabilities, including prefilled syringes and new lyophilization capacity.

And the planned shutdown, which is of the site is, in fact, currently underway. It started at the back end of quarter 2. But the new capacity will be available from next quarter onwards. And both at the same time, both our injectable and softgel business grew last quarter with multiple launches actually happening in several markets during the quarter.

Another thing, which we're always proud of, our compliance track record, where during the quarter, we successfully completed multiple regulatory and customer audits. And also as the new capacity comes online, maintaining the track record is really what the whole team is focused on.

Just to conclude with the Line 2 already commercial, Line 3 progressing, new launches coming through and coming and more coming in the next coming quarters, a very strong biologics funnel and momentum across the business. We are really set for our next phase of growth. We expect second half to be stronger than the first. And basis that, we are also reaffirming our FY28 outlook, which we have given of $400 million revenue and $160 million EBITDA.

And also really important as we build the capabilities, capacities and the customer relationships, this, we believe, will really sustain the growth beyond the current year and beyond our guidance period.

Finally, I really want to thank our teams for their commitment and our customers for the trust they continue to place in us. And I really want to thank everyone here and would be happy to take questions along with Anurag, our CFO.

Abhishek Singhal: Danish, we're good to go. Can you please take the Q&A?

Moderator: Sure. Thank you so much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question comes from the line of Rupesh Tatiya with Long Equity Partners.

Rupesh Tatiya: Am I audible?

Neeraj Sharma: Yes, Rupesh. Go ahead.

Rupesh Tatiya: Congratulations, Neeraj on fantastic set of results. First question is on capacity across all our businesses. So softgel, what is the capacity utilization? Steriscience, I think we had a planned shutdown. So if you can quantify what kind of revenue loss we saw in Q2? And is that capacity going to be available in Q3 or it's going to take a bit of time?

On DDC, is it -- is the new line 500-liter batch size line? Or are we still on the 200-liter batch size, and when do we expect this capacity to reach optimum utilization Line 2 DDC? So first question is on capacity across all our businesses.

Neeraj Sharma: Yes, Rupesh, thanks for asking. I think as we've been maintaining -- I'll start because I spoke about the DDC capacity. I'll answer that in that order. So the new line, which is there, we've mentioned it last time also is actually going to be increasing the output simply because it can work with a much larger batch sizes.

So -- and this is a line which will run 500-liter batches for us. And this is what is -- when we say doubling our sterile capacity, that's what we're really doing. So it's already the 500-liter batch size, which will happen on this line.

In fact, all the new lines which are getting added are able to handle significantly larger batch size. And that's why I mentioned with the increase because these are fairly bespoke lines, the qualification period takes much longer, and that's what you saw with the second line which come in. So it will all be 500 liters and even larger -- in fact, these lines can handle even larger batches.

As far as injectables, as I mentioned, the site where we took a shutdown. In fact, the shutdown started only at the back end of the quarter ending September. And the shutdown will last this current quarter.

And then starting January, the lines will be available. These will significantly increase our lyophilization capacity and capability, which you know there is a big gap in supply and demand as far as lyophilization capacity and globally.

In fact, most of the shortages, if you see in Europe or in U.S. if you see FDA's shortage list, 70%-75% is contributed by injectables and lyophilization is a big contributor to that. So we are looking at really improving those supplies for these markets.

And finally, on softgel, I think we continue -- the traction continues. We have had multiple launches, which happened. The capacity utilization continues to increase. But you also remember, we have said that in our current site, there is no possibility for us to expand further.

That's the reason we are going in for a greenfield site as far as softgels are concerned, which would not only add significant new capacity, but also provide us opportunity to get into completely new area of containment and high potent softgels, which is again a demand -- significant demand coming in from customers. So I hope that answers.

Rupesh Tatiya: Yes. Just one clarification and second question I'll ask. So what is the capacity utilization in softgel? I mean is it 60%-70%? Or is it optimum? I mean if you can quantify? And this new line because the capacity is 500-liter, which is 2.5x the existing line, 3 quarters to go to optimum utilization or go to optimum utilization really fast. So those are the clarifications.

And then the second question is, I mean $400 million revenue for FY28. So Q4 exit run rate will be, let's say, $90 million, 38% or 36% margin will be within striking distance of that as a Q4

exit run rate? Generally, we give this exit run rate across our company. So that is the second question.

Neeraj Sharma: Yes, Rupesh. So as far as on the cartridge line, it's a fairly quick ramp-up. There is significant demand, as you're aware, both from existing customers, existing markets and the markets which are opening. So that the ramp-up to optimum capacity is fairly quick as far as the cartridge line is concerned.

For softgel, it's because there is a key requirement from customers who are moving from other -- the CDMO part who are moving from other manufacturing sites to us. So it takes a finite time. So it's ramping up. We started adding capacity last year, and we increased almost 3x that capacity.

Now a significant part of it is already covered. And we already have a visibility of -- as I said, visibility of 80% plus from a capacity utilization point of view. That's why because we can't increase the capacity at this site, we are going in for a new greenfield.

As far as the question on the FY28, as I said, right, I said we've reiterated our guidance for the full year, and we will have all 3 lines available for FY28. It is just the fact that because it's a bespoke line, the qualification takes longer. So whether it will be available for full quarter 4 or part or not, that's something which I mentioned earlier. So to answer your question, FY28 lines available, and that's why we are reiterating our guidance.

Rupesh Tatiya: Okay. Okay. Just one quickly in biosimilar, will we be part of KEYTRUDA across all our partnerships because I think Formycon is almost like a first to file is my understanding. If you can answer that question and then I'll be back in the queue.

Neeraj Sharma: Of course, Formycon is a key customer. But I will not be able to talk on specific molecules. Having said that, I can tell you that with all our customers, we have some of the largest products in the biosimilar space.

Moderator: Our next question comes from the line of Abdulkader Puranwala with ICICI Securities.

Abdulkader Puranwala: Sir, my first question is with regards to the supplies for Dr. Reddy's. Any indication you can provide as to how the ramp-up is happening in terms of the revised APIs what you would have got? And how are you looking forward for the next 6 months in terms of the capacity reservation for this client?

Neeraj Sharma: Yes, Abdul, thank you for your question. So I think it is very much in line with what commentary they already made on their earnings call. The supply of API has, as I mentioned already, has already commenced. And within this current ongoing quarter, we expect the supplies to start. Supplies to start first, obviously, to the Canadian market and then also multiple other markets where we already have approvals in emerging markets, India and multiple markets.

And in fact, there are markets where the approvals are going to be coming in over the next 2 quarters. So we see that the numbers which they have given in their earnings commentary, we see those -- we don't see any reasons to not follow exactly those -- what they have said.

Abdulkader Puranwala: Got it, sir. Very helpful. And sir, I'm referring to your presentation, Slide 9, where you talk about 6 new order wins, which includes 2 biologic products. So sir, you would help us understand what are those balance 4 about, whether it's in the DDC segment or apart from it also you're pursuing something?

Neeraj Sharma: So these are -- when we talk about multiple wins, these are across. So the wins are in biologics, there are wins in DDC and there are wins in base business. That's how we actually operate and see. So it's across. As I mentioned earlier, the momentum is across our businesses. And the wins are both from a new launches perspective as well as existing. So...

Abdulkader Puranwala: Sure, sure. My next question is to Anurag, sir. Sir, if I go through your cash flow statement, the trade receivables for the first half of fiscal '27 has gone up a bit. So anything to read about or it just about the shipments, which would have happened towards the later part of the quarter?

Anurag Bhagania: So thank you, Abdul. I want to actually give you the big macro picture. If you really look at the developments over the last couple of quarters in terms of the overall shipping lines and the lead times in terms of supply, getting the access to the containers and everything, there is multiple impacts that we are seeing as a result of all this geopolitical development. People that I talk to, people that I meet up, at least as a CFO community, I see everybody is experiencing about 2 to 3 percentage points impact on the P&L.

When I look back in terms of comparing it to our results, I see that since most of our raw material is actually pass through, we don't have any significant impact at least as far as the P&L is concerned. We've got implication on fuel, freight costs, shipping lines availability. But at least we've seen significant control as far as the P&L is concerned.

But we do see some implication of these delays in terms of the overall cycle times when it comes to our working capital. The delayed deliveries to the customer does impact at least 45 to 60 days in terms of the overall cycle time. I do believe that it is not structural. It is temporary, and it is only a timing impact.

Hopefully, within a quarter or 2, we should start seeing this getting normalized. Of course, there is implication as a result of the significant higher volumes in the last couple of quarters, which also shows up into the overall receivables. But clearly, there is no quality issue on the receivables.

Abdulkader Puranwala: Understood, sir. Very clear.

Moderator: Our next question comes from the line of Girish Bakhru with OrbiMed.

Girish Bakhru: Congrats on great numbers. Neeraj sir, can you comment on how many sterile days Line 2 was available in Q2? And how much did it run?

Neeraj Sharma: So I think like I mentioned that this was -- September was the month when we started the line getting active. But the fact remains that, as I said, on an annualized basis, it doubles our sterile days. And that's what is, I think, the key metric you should be looking at. And thanks to this line, the ramp-up of not only the commercial sales, which we are going to do for Canada and other markets, but also gives us the ability to do MSAs, both for existing customers, which have been pending as well as add new customers, which also, as you know, we have not been able to do for last 1 year, thanks to the capacity constraint, which we had. Now with this, immediately, we have got multiple options and multiple opportunities available to onboard customers and meet the demand of existing customers, especially when now Dr. Reddy's is coming back on track.

Girish Bakhru: Understood. And in past, you have commented, I mean, of course, numbers from Line 1, something around 60,000 pens per day. If I were to just -- I mean, compare that batch size related factor, I mean one should assume that this 60,000 will basically grow by 2.5x, right, by Line 2?

Neeraj Sharma: Yes. It's like-to-like base. So I think if you look at the yields and so on, it's basically roughly 50,000 to 55,000 on the first line. And if it goes to 500 liters, it comes to about anywhere between 120,000 to 130,000 because yield varies from product to product, from customer to customer. But yes, more or less, that's the math.

Girish Bakhru: Understood. And I mean, of course, not really wanting the pricing number, but when we, let's say, look into FY28, can you give some broad comment on blended realization, which we can see? Will it stay largely same or reduce while the volumes will increase with the new line and more markets in the emerging markets, including Brazil, Turkey all opening up. So how should we look at the realization?

Neeraj Sharma: I think our realizations are -- there is not a major shift we are seeing in realization. As we've always said that our pricing to the customers has always been volume-based and not market-based, whether it's emerging markets or Canada or anywhere else, and we don't see that changing.

We have also said that the very fact that when there is an increase in batch sizes in a sterile business, the cost of manufacturing per unit comes down, and we are happy to share the savings there with our customers. So it's a fairly win-win. The customers who are efficient enough and able to allow us to go to larger batch sizes, that efficiency benefit they get because we also get and we share that efficiency with them.

Girish Bakhru: Got it. And just last one, if I can squeeze. I know FY28 is still firming up, but how much DDC can we forecast FY28 guidance of 400 million sales ballpark, is it 50% or much higher?

Neeraj Sharma: I can only tell you that the very fact that I mentioned that our 3 lines, we are eagerly awaiting the third one to add and so are our customers. So it will be -- DDC will be a strong contributor to our FY28. It will be like it will be a contributor to our second half. It will remain a very strong contributor to our FY28 numbers.

Moderator: Our next question comes from the line of Chirag Shah with White Pine Investment Management Private Limited.

Chirag Shah: Congrats for a good set of result. Neeraj, my first question is more on the batch sizing that you indicated. So if I have to break between Line 1 and Line 2. Line 1 is, we can assume it as optimal batch sizes, right? 6 days a week, etcetera. Line 2 where we would be and how should we think about the flow through to EBITDA level, because of that?

Neeraj Sharma: Chirag, thank you for your question. Although your question wasn't -- your voice wasn't very clear. But whatever I understood from you that the earlier line, the first line had a max batch size what we could do in that line was 200 liter, and that was what all our customers had moved to. Remember, we started on the same line at 30 liters and ramped up to 200 liters.

On the new line, that's how basis the demand. Currently, the capability of the line is to go up to 750 liters. But the customers right now are ramping up to 500 liter. I think that's what the case is. And the very fact that there is very strong demand, which is there, both from existing customers, existing markets as well as new markets which are going to be getting approvals, customers are going to be getting approvals and the new customers which are coming on board.

So there is, as I said, robust demand, and that's the reason we have said that we are also very excited with the fact that the third line is already at our site. It's exciting development for us. And the fact that I already mentioned we have a very strong opex leverage in our business because the cost is more -- the incremental cost is very limited compared to the incremental revenue. And you will see that's how you already see the EBITDA margins improving for us quarter-on-quarter, again, thanks to the opex leverage. And that's the reason of us giving the guidance what we have given.

Chirag Shah: Okay. Let me rephrase. I think sir you missed out my question. What I was trying to understand is in terms of efficiency level in terms of number of batches that we run per week and obviously, the size of the batch, Line 1 is at optimal level, right? So efficiency gains coming from Line 1 is limited operating leverage gain. Where are we in Line 2?

You indicated that customers have gone up to 500, but not all customers would have been, right? So the current results that we have, what element of what you call excessive costs are still line which -- and how should we think about it as you increase the revenue size from Line 2?

Neeraj Sharma: See, in terms of efficiency, yes, you're right that the Line 1 is running at optimal efficiency. Line 2 has given us the opportunity to do MSAs. So obviously, the utilization in MSA is different from utilization in commercial. And it's going to be a ramp-up. Remember, as we start the market volumes are ramping up and accordingly, our line will also be ramping up because there's a mix of MSA and CSA. A typical steady-state picture is that in any line, it should be 75%, 25% -- 75% commercial, 25% MSAs. And that's how we expect steady state for the second line also to be.

Chirag Shah: Okay. And second housekeeping question for -- so one, what is this consumables that we see as a line item in raw material? Because it varies a lot. So is it linked to any specific business? Or what exactly is what we classify as consumables? And second, employee costs, there have been steady increase since last 5, 6 quarters now. So are we still in hiring phase? How long we need to hire, when that will stabilize for us?

Anurag Bhagania: Yes, Chirag. Chirag, thank you for those questions. Chirag, consumables is a variable. It will depend upon the activity levels. Every time we take a fresh batch, every time we take an engineering batch, every time there is a significant ramp-up in volumes around any of those things. It will vary in those particular quarters. I mean those are clearly a function of the level of manufacturing activity.

And as we had said in the past, I mean, we are in line with our guidance in terms of ramping up our overall capability within the organization and building up the employee base in our Unit 2, which is our flagship site, which is ramping up capacity 2x to 3x within this year, clearly was a function of what we want it to be. And we are on track with that. Clearly, there is nothing that surprises us in terms of the employee cost increase.

The way you should look at our business is these are elements of fixed cost that we will have to enable the manufacturing lines with because these are specialized capabilities. These are capabilities that require high level of quality observations. And for building all of that, it's a conscious focused effort towards building that capability and which we are working towards.

Moderator: Our next question comes from the line of Harshal Patil with ASK Wealth Advisors.

Harshal Patil: Congratulations for a good set of numbers. Sir, just one question to start with. The ETR, the expected tax rate, I believe you've got a lot of deferred tax also into it. So just wanted to know how should we look at this expected tax rate for '27, '28 going ahead? And how long would the deferred tax benefit be available to us?

Anurag Bhagania: Sorry, I missed the name who asked the question. Very quickly, this is Anurag. At this moment, we anticipate that we should assume that the current level of ETRs will continue through till FY28, at least till the third quarter of FY28.

Harshal Patil: Okay. So till the third quarter of FY28, sir, we should be assuming the current rate of taxation. Is it that you said?

Anurag Bhagania: That's right. I mean these are our brought forward losses, which we continue to utilize as we start -- as we continue to generate more profits and these will continue to remain at least for a significant part of FY28.

Harshal Patil: Got it, sir. Just another second question on basically the capacities, I believe we've discussed it, but just one point to understand with respect to the new lines as well as the existing. So in general, sir, if I have to -- as I understand it, this looks to be more as a strong demand and a supply constrained space. But when it comes to commissioning of new lines, I really, how -- what kind of a time frame does it take to scale up, let's say, from a 10%, 15% of a utilization to maybe 70%, 80% of the utilization level?

Neeraj Sharma: So I think it's -- as I explained, these lines are not your typical lines. These are bespoke lines which have been made to be able to deliver the kind of batch size output, which we -- which customers really require basis the robust demand, which we have. I think what you need to understand that's why because bespoke lines, having multiple vendors. These take -- the whole

qualification process takes time. Especially the new line which has come in, which has got a German isolator, a German filling line.

So because of that bespoke nature, the whole qualification time from the installation of the line to the start of commercial batches, it takes a significant amount of time. But at the same time, the ramp-up, the good thing is once these lines start, the utilization is fairly quick. In fact, the current line, which -- second line, which we have started is, again, we are very quickly looking at a very, very significant utilization.

But remember, as a sterile process, which we have said, the overall utilization I'm talking about is still in the range of 225 to 230 sterile days in a year. So because of all the work which it takes media fills and the various quality reviews, which happen, that's why we've got 225 days. And we expect that the current line to be doing those 225 days fairly rapidly, considering the demand which we have fairly rapidly.

Harshal Patil: Okay. Okay. And probably with the Line 3 that is slated to be on in probably Q4 or early days of FY28, I believe towards the first half of '28, we should be expecting the same ramp-up pattern for that as well, which is 225 to 230 sterile days in a year.

Neeraj Sharma: That's correct. That's correct.

Harshal Patil: Sir, just last 2 bookkeeping questions, if I may kind of squeeze in. I just also wanted to know for this thing -- for this Q2 results, do we have any impact of currency fluctuations on the margins or something like that?

Anurag Bhagania: There is a marginal impact of currency fluctuation. It is reported in the financials called out separately. So you will be able to see that in the publicly available financials. It's about $ 350 k or so.

Moderator: Next question comes from the line of Mohammed Patel with Edelweiss Public Alternatives.

Mohammed Patel: Can you hear me?

Moderator: Yes, we can.

Mohammed Patel: Yes, I have a question which is twofold. So one is how is semaglutide doing in the markets in which our customers have got approval? And how are our customers doing currently?

Neeraj Sharma: Yes. So Mohammed, I think as you have seen, right, that this was a product which was always constrained by supply rather than the demand, whether it is the markets which are the largest in the world like U.S. and Europe, all these other markets which are now available off patent, whether it is Canada, Brazil, India and many others.

And I think the demand stays robust. I mean the very, very clear visibility which we have on numbers from India, if you see how sema from February, which was before the patent expiry of anywhere between 20,000-25,000 units a month is now looking at more than 200,000 units a month as of September.

And this is when typically, India takes -- for a chronic therapy like this, it takes 3 years to stabilize. So there is still a very strong growth path available there. As we see in markets like Canada, which is obviously the largest market outside of U.S., we have seen already the market growing from 8 million units to 12 million units. And currently, post genericization, today, it is more or less, we are talking about 16 million, 17 million units and continues to grow, again, because the generics have just launched in.

Unfortunately, Dr. Reddy's had to come out of the market and now it will be back. So once everyone all the players are sufficiently -- the product is sufficiently available, we will see that market to continue to grow. We have said earlier, and there's enough market analysis available that markets like Canada, markets like Brazil should be anywhere between 4 to 6x of what they are today.

So there is a very, very strong tailwinds behind this. And the fact that we have all the major customers in these markets, Canada, all 4 approvals with us. Brazil, many, many customers waiting in the wings for approval. India, multiple approvals. So I think all this, the market movement is supporting the robust demand, which we are seeing.

Mohammed Patel: So is it safe to say that FY28 customer projections are strong at the moment?

Neeraj Sharma: Yes. I mean that's the reason of the fact of our commitment of capex is based upon both what we see our customers giving robust demand as well as what we are seeing overall market demand going up.

Mohammed Patel: I have one last question. How should we think of OneSource growth beyond FY28?

Neeraj Sharma: Yes. So I think I mentioned. So the fact is that all our businesses, we have long legs beyond FY28. I'll start with drug device combination as more markets open up, you see FY28, FY29, Europe starting to open FY30, '31, the big market, U.S. will open Western Europe, U.S. So there is the DDC itself having very, very long legs. In emerging markets, you'll see growth already quite significant.

So that's the reason that our capacity expansion had been kept in line with the fact that these products have got a number of markets opening up, large markets opening up. When it comes to our second pillar, which is biologics, the guidance period which we have given, all the revenue in the guidance period is coming from what we call MSA, which is a pre-approval R&D revenue. And post that is the time FY29 onwards is when the commercial revenues start.

So in fact, those commercial revenues are of a very different order of magnitude than comparable small molecules. So very strong growth coming from biologics. Also the base business. So all the capacity, which we are adding in our injectable business, which will be getting filled as over the next 2- to 3-year period. I mentioned soft gelatin where a completely new line coming up and a new modality of high potent softgels coming up. I think that you will see all those contributing to the growth beyond FY28.

Mohammed Patel: High double digit is something that we aspire?

Neeraj Sharma: We have not given the guidance -- as we progress, we'll give you an outlook during FY28 of what's going to be beyond that.

Moderator: Our next question comes from the line of Abdulkader Puranwala with ICICI Securities.

Abdulkader Puranwala: So first one, Brazil, so I understand a few generics have got an approval. But sir, any color what is we are getting from our customers as to when they are likely to launch this product there?

Neeraj Sharma: Yes. So it's a very interesting market, Abdul, simply because it's, again, very high incidence of diabetes, obesity, a very, very strong focus on body positive and aesthetics and so on. So it's a very, very interesting market. Right now, while there are a couple of approvals, but there is only one generic, which is the local Brazilian company, which has actually launched the product.

Many of our customers are waiting in the wings to get the approval. And I think some of them have already announced publicly that over the next quarter or 2, the approvals will come. And we are ready. We are ready to support their demand, and you will see -- you will soon see approvals coming in.

Abdulkader Puranwala: Understood. And sir, lastly, one bookkeeping question. For the current quarter, that is Q2 FY27, if you could share what was the MSA to CSA ratio for the DDC business?

Neeraj Sharma: So it has started because the availability of the line, as I said, was from September onwards. So since then, we were able to do MSA. We are still -- because the new line had a very limited period, it will be difficult to give -- it will not give you the correct picture. But as I said, in a steady state, we should be 75-25 between commercial and MSA revenues.

Moderator: Our next question comes from the line of Sanjay with Ampersand.

Sanjay: Can you -- in addition to this EBITDA margin guidance, can you give something about your return on capital employed and deleveraging plans?

Anurag Bhagania: Sanjay, we clearly have a clear line of sight in terms of moving forward with our cash generation engine. We are currently in a significant investment cycle. And as we've said in the past, we will continuously move towards generating free cash going forward.

At this moment, we anticipate we will continue to remain under 1.5x EBITDA margin in terms of our debt levels. We do anticipate that by end of FY28, we should be in high 20s in terms of our ROCE returns. That's what we anticipate at this moment. We are clearly moving forward towards that goal.

Moderator: Our next question comes from the line of Gourav Bhama with JM Financial.

Gourav Bhama: Sir, my question has been answered. Congratulations on the good set of numbers.

Moderator: Next question comes from the line of Prabhat Agarwal with Finvestors.

Prabhat Agarwal: Just wanted to ask one question. You mentioned 12 launches this season. So how many are GLP-1 DDC versus sterile injectables?

Neeraj Sharma: So Prabhat, I think as I mentioned, the very significant launch, which we did was in Saudi Arabia by our customer, Hikma of semaglutide, which is very key. And across the portfolio, the launches have happened in soft gelatin, in injectables in our markets like in U.S., in Europe, in some of the emerging markets.

So it's a fairly large list. And obviously, we don't -- we can't talk about individual customers, only the ones which are in public domain or which are okay for us to be announcing. But I can tell you that this is across modalities, across markets and across customers.

Prabhat Agarwal: Okay Sir, one more thing I wanted to ask. By financial year '28 EBITDA is expected $160 million, so is this adjusted or reported?

Neeraj Sharma: No, it is. We have -- all our EBITDA numbers are reported numbers.

Moderator: Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for the closing remarks. Thank you, and over to you, team.

Neeraj Sharma: Thank you, everyone, for this late evening and really appreciate all the questions, and thank you for participating. Have a nice evening.

Moderator: Thank you so much, sir. Ladies and gentlemen, on behalf of OneSource Specialty Pharma Limited, that concludes today's call. Thank you for joining us, and you may now disconnect your lines.