



Windlas Biotech Limited

Reg. Off.: 40/1, Mohabewala Industrial Area  
Dehradun, Uttarakhand 248 110, India  
Tel.:+91-135-6608000-30, Fax:+91-135-6608199

Corp. Off.: 705-706, Vatika Professional Point, Sector-66,  
Golf Course Ext. Road, Gurgaon, Haryana 122 001, India  
Tel.:+91-124-2821030

CIN-L74899UR2001PLC033407

February 11, 2026

To  
Listing / Compliance Department  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai – 400 001

To  
Listing / Compliance Department  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G  
Bandra Kurla Complex  
Bandra (E), Mumbai – 400 051

**BSE CODE: 543329**

**NSE SYMBOL: WINDLAS**

Dear Sir/ Madam,

**Subject: Q3 & 9 Months FY26 Earnings Conference Call Transcript**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Q3 & 9 Months FY26 Earnings Conference Call Transcript.

You are requested to take the same on record.

Thanking you,

Yours faithfully,

**For Windlas Biotech Limited**

Ananta Narayan Panda  
**Company Secretary & Compliance Officer**

**Encl:** As above



“Windlas Biotech Limited  
Q3 & 9 Months FY26 Earnings Conference Call”  
February 06, 2026



**MANAGEMENT:** **MR. HITESH WINDLASS – MANAGING DIRECTOR –  
WINDLAS BIOTECH LIMITED**  
**Ms. KOMAL GUPTA – CHIEF EXECUTIVE OFFICER AND  
CHIEF FINANCIAL OFFICER – WINDLAS BIOTECH  
LIMITED**

**MODERATOR:** **MR. OMKAR SAWANT – STELLAR INVESTOR  
RELATIONS**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Q3 and 9 months FY '26 Earnings Conference call for Windlas Biotech 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 touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Omkar Sawant from Stellar Investor Relations. Thank you, and over to you.

**Omkar Sawant:** Thank you, Yashashri. Good afternoon, everyone and thank you for joining us today. To discuss Q3 and 9 months FY '26 business performance, we have with us senior management team of Windlas Biotech Limited, represented by Mr. Hitesh Windlass, Managing Director; and Ms. Komal Gupta, CEO and CFO.

Before we proceed with this call, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risks and uncertainties. The company also undertakes no obligation to update any forward-looking statements to reflect developments that occur after the statement is made.

Documents relating to the company's financial performance, including the investor presentation and press release have been uploaded on the stock exchange's and company's website. I now hand over the conference call to Mr. Hitesh. Thank you, and over to you, sir.

**Hitesh Windlass:** Thank you, Omkar. Good afternoon, everyone, and thank you for joining us today for our financial results for quarter ended 31st December 2025. We have uploaded the press release and investor presentation on our website as well as on the exchange's. I hope that everyone must have gotten an opportunity to go through it.

Initially, I would like to discuss the outlook and way forward for Windlas Biotech, followed by financial highlights for Q3 and 9 months of the company, which will be shared by our CEO and CFO, Ms. Komal Gupta. India's health care budget has crossed INR1 lakh crores, signalling stronger support for health infrastructure and affordable treatments.

Chronic and sub-chronic therapeutic segments are expanding rapidly due to lifestyle shifts, dietary changes and rising medicine consumption. Our expertise in fixed-dose combinations and modified release formulations positions us well to cater to this growing demand and support India's evolving healthcare needs. The Indian pharma market grew 11.8% Y-o-Y in Q3 FY '26 with volume growth of 1.6%.

Against this backdrop of modest industry volume growth, Windlas Biotech delivered another strong and consistent quarter, achieving record revenues with Y-o-Y growth of 19% in 9 months FY '26 and 20% in Q3 FY '26. We remain focused on creating value for our stakeholders.

For the first 9 months of FY '26, the company reported an earnings per share of INR24.02, reflecting 12% Y-o-Y increase. We continue to invest in strengthening our manufacturing

infrastructure. Our injectables and Plant 2 extension facilities are paying off with rising contributions to overall growth and Plant 6 is progressing towards mechanical completion by end of FY '26.

Looking ahead, we remain focused on creating long-term shareholder value through disciplined execution, diversification of our client base, operational efficiencies, talent development and expansion across dosage forms. I will now request Ms. Komal Gupta, our CEO and CFO, to discuss the financial performance highlights. Over to you, Komal.

**Komal Gupta:**

Thank you, Hitesh. Good afternoon, everyone. Our highest ever quarterly revenue streak holds steady for the 12th quarter. Company reported Y-o-Y revenue growth of 19% in 9-month FY '26 and 20% in Q3 FY '26 with revenue from operations of INR666 crores and INR233 crores, respectively.

This reflects our disciplined execution and robust performance aligned with stringent quality and regulatory norms. The budget reaffirms healthcare and pharmaceuticals as strategic national priorities and the company is strategically positioned with our focus on quality manufacturing and scale to leverage estimated sectoral growth opportunities.

Generic Formulations CDMO vertical grew 20% in 9 months FY '26 and 23% in Q3 FY '26, driven by expanding customer base, increasing wallet share and new product launches. Trade Generics and Institutional verticals grew 18% in 9-month FY '26 and 7% in Q3 FY '26. We remain focused on delivering accessible, affordable and authentic medicines across our target geographies of Tier 2 and Tier 3 towns in India.

While also leveraging increased footprint of institutional purchase programs like Jan Aushadhi. Exports vertical grew 29% in 9 months FY '26 and 36% in Q3 FY '26 with increased penetration to RoW and semi-regulated markets. Excluding the impact of ESOP expenses, EBITDA for 9-month FY '26 was INR89 crores, 13.3% of revenue and PAT INR60 crores, 9%.

While Q3 FY '26 EBITDA stood at INR32 crores, 13.6% of revenue and PAT INR22 crores, 9.6%. For 9-month FY '26, company reported EBITDA of INR79 crores and PAT INR50 crores. For Q3 FY '26, reported EBITDA was INR24 crores and PAT was INR15 crores. Our focus is on creating sustainable value for all stakeholders by delivering affordable, high-quality medicines.

We are committed to strengthening organizational capabilities that align manufacturing infrastructure, product strategy and high-performing teams. We will continue to deepen customer partnerships, expand our product portfolio, derisk the business and reinforce operational and financial discipline. That's all from our side. We can now begin Q&A session. Thank you.

**Moderator:**

We'll take our first question from the line of Aniket from Cr Kothari Sons and Stock Broking.

**Aniket:**

First of all, congratulations for such good numbers, 9 months. My question is -- I have two questions. First one is I wanted to know much more about any upcoming capex, which you guys are planning and related funding mix and what kind of number it would add to current revenue capacity, which is around INR1,100 crores?

**Komal Gupta:** In terms of capex, our Plant 6, as you are aware, we are about to complete Plant 6 mechanical completion is expected to be completed by end of FY '26. On which the expected capex is about INR50 crores to INR60 crores. Most of it is already incurred in coming period, about INR10-odd crores should get added.

So other than that, the maintenance capex of about INR15 crores continues. So this is -- with this, we would reach INR1,000 crores revenue capacity from all the plants, excluding injectables. And from injectables, we are talking about INR100 crores additional. Having said that, there is also upside possibility through efficiencies like we have worked in past. So these are the known capex right now.

Beyond that, as we approach good capacity utilizations in injectables, we can -- so we have decided by then either we get an acquisition opportunity or we start building on a new dosage form. So we would announce something once we have -- once we start investing and spending money beyond this.

**Aniket:** Okay. And my second question would be regarding are we expecting any like U.S. FDA or EU GMP anytime soon for the Plant 6 as it is already near mechanical completion?

**Hitesh Windlass:** No. As you know, Aniket, we are not targeting the U.S. market. And even Plant 6 has been added to primarily support all 3 verticals. And as you know, more than 95% sales we are doing to India. So the utilization of Plant 6 will also be more focused towards India and then it will gradually support the other verticals also. So no, we are not looking at U.S. or Europe for Plant 6.

**Moderator:** We'll take our next question from the line of Dhwanil Desai from Turtle Capital.

**Dhwanil Desai:** Congratulations for very good execution and very good numbers. So my first question is on the Trade Generic side, I understand we can't look at this from a Q-o-Q perspective, maybe more importantly, 9-month basis also, it's growing at 18%. But we are in that INR45 crores, INR50 crores range for last few quarters. So do you think we need to have a slightly different playbook to continue to grow at 25%, 30% from here on? What are your thoughts on that? And how do you look at this segment for next couple of years?

**Hitesh Windlass:** Sure. See, as you know, we remain very positive about growth potential in TGX and institutional verticals in the long run. This is driven by several things, macroeconomic factors, the patient level economics because the savings that a patient gets when he looks at -- when he buys Trade Generic products; and Windlas' own strategy, which we have talked about as authentic, affordable, accessible, so AAA kind of a strategy.

And I believe that growth in this vertical is driven by geographic expansion, adding more products, portfolio expansion and addition of new institutional accounts with a strongly aligned sales force. So we continue to consistently work on these fundamentals and chase our growth aspirations for this vertical.

**Dhwanil Desai:** Okay. Got it. Second question is, I think we have done very well on the CDMO and export side. And so two parts to that question. One, injectable, you said that it's been helping us in growing this segment. So how should we look at it? Should the utilization continue to improve and hence, the CDMO growth should be slightly higher than 14%, 15% that we have been doing? And on

export side, post approval from Philippines, how should we look at export growth going forward?

**Komal Gupta:** So Dhwani, as you are aware, we refrain ourselves from giving future guidance, either overall revenue-wise or bottom line-wise or even vertical-wise breakup. But we continue to stay positive on all three verticals and we see that there is growth opportunity in all of them. And we want to continue to focus on our efforts to open more horizons and to ensure better execution. And that is where we want to leave it. The results, we believe, must follow.

**Dhwani Desai:** Just one request, ma'am. I understand you don't want to give any quantitative guidance, but at least qualitative color on some of these things would be really helpful in getting better understanding. That's the only request I have?

**Komal Gupta:** Yes. In terms of qualitative color, it's -- so there are a few things, Dhwani, that we cannot say because of the competitive reasons. And then there are others that we are working on, which we don't want to unnecessarily confuse our investors by mentioning them until we see the results coming in because, honestly, there are several factors in exports that we are working on, the kind of results that we get are binary or time taking in that.

So we might be at 70% and then we get to know this is not working out. And then there are others which we don't expect and they happen earlier than expected, in terms of exports. And in CDMO, we have been mentioning that we continue to work on the long-term growth strategy where we want to continue to increase our customers.

We want to continue to increase the product portfolio. We want to look at the pipeline products and spend money there. And we want to increase our business development teams to be able to execute much better. So we continue to do that. And the results might vary in a vertical or in a short period or in a quarter, but we continue to strongly work on the long-term picture and we want to continue to focus on all the growth drivers, the ones that we have been mentioning even since before IPO. So that continues.

**Moderator:** We'll take our next question from the line of Gautam Gosar from Monarch AIF.

**Gautam Gosar:** Congratulations on good set of numbers. Sir, my first question is on the CDMO business. So I think we -- this quarter, we saw a strong growth in the CDMO business. So I just wanted to break down this growth. So can you help us understand the volume growth for the quarter as well as 9 months? And majorly, was this growth driven by higher contribution from the injectable business or was it completely volume-driven?

**Hitesh Windlass:** One thing that we can share, Gautam, is that most of our growth comes from volume, right? Because we are a cost-plus business and API prices are not increasing. So the growth is primarily volume oriented. And for sure, there is improved contribution from our injectable facility as well as from our Plant 2, which -- extension which we commissioned in the late last year.

So definitely, those actions that we had taken, the investments that we had made are lining up in the right direction. So this is something that we can share. In terms of numbers and all those, as you know, we have remained -- we have chosen not to give breakups on those because that tends to confuse rather than clarify a picture.

- Gautam Gosar:** Okay. But any number on the volume growth per se in this quarter?
- Komal Gupta:** Yes. Volume growth has been more than it was in the earlier -- in H1. That is true. So -- and volume growth is more than the revenue value growth, Dhwani.
- Gautam Gosar:** Okay. And my second question is on the Plant 6. So you said that the mechanical completion will get by FY '26. From when can we expect the commercial operations of this plant and when the revenue flow will start from this plant?
- Komal Gupta:** See, like we did in Plant 2 extension, we will start taking some benefit through in between 6's in terms of using the machinery required until we are clearly completely able to use 100% of Plant 6. There can be partial contribution already, it can start coming in through various ways, but net-net, in first half of FY '27, we should be ready to also do the commercialization. Exactly when is what we are figuring out.
- Hitesh Windlass:** Yes. Of course, we are always pushing for earliest rather than later. But the stages are mechanical completion and then quality systems validation and then finally, customer audits. So all those three stages have to go for every new facility.
- Komal Gupta:** And we are trying our best to ensure that that does not become any constraint to our growth. So that we would expect.
- Gautam Gosar:** Understood. Fair. And last question, just a bookkeeping question. What would be our net cash position as on 9 months?
- Hitesh Windlass:** I'm sorry, can you repeat your question?
- Komal Gupta:** Cash flow generation, because the balance sheet is not audited in limited review, we want to refrain from mentioning those numbers, but there is improvement versus H1.
- Moderator:** Next question is from the line of Avnish Burman from Vaikarya Change LLP.
- Avnish Burman:** Congrats on a good set of numbers. My first question is on -- if you look at the IPM growth, December has been kind of a turning month. I mean we saw a very strong value and volume growth in December. Can you qualitatively give your sense about why did that happen? And the volume growth, is it possible to split that into chronic versus acute?
- Hitesh Windlass:** See, I mean, I think -- first of all, thank you, Avnish. I think that, in fact, in our side, we have been thinking why the industry volume growth has been so muted, right? And we have been also discussing around whether the data capture is full around especially government programs like Jan Aushadhi and Ayushman Bharat-related purchases, is that even being captured by the industry data reporting agencies like IQVIA and AIOCD.
- So I mean, of course, and -- but regardless, even if, let's say, the volume growth represented by the reporting agencies is -- has been what it is, in the past several quarters, this has been in the negative. Now it is coming to 1.6%. So I mean, I don't know if we can say that huge changes there, right, in Q3.

But I feel that with rising income levels, with more lifestyle issues in terms of food consumption and also improving access, the overall consumption has to grow in volume terms. And it's more a matter of probably when the data starts getting reported clearly or if it is real data, then actually these things looking to look better. So I mean, not a very clear answer, but that's my take on what the industry numbers are showing.

**Avnish Burman:** No, that was great. Just one question for Komal. Komal, can you just tell us what are your top APIs, top 4, 5 APIs in terms of volume that you consume?

**Komal Gupta:** Giving away names of APIs would be difficult. But we can say that top 5 or in fact, the top 10 contribution overall in our purchases would not be more than 5%. So really, it's not -- and they keep changing. So it's not valuable information from your perspective also.

**Avnish Burman:** Okay. Just one bookkeeping question. When do we start seeing the depreciation coming in from Plant 6, from which quarter? And how much is it expected to increase by, let's say, the current quarterly run rate of INR7.6 crores, INR7.7 crores?

**Komal Gupta:** Exact timing, as we mentioned, we would -- we are working on that. But in next year H1, sometime, we expect the capitalization to happen. And then the -- so either Q2 starts having the depreciation or Q3, I don't know exact timing. And about how much, like it has happened in past with us, initially, our depreciation levels are higher because we follow WDV method.

So if you consider INR60 crores capex accordingly, how it works out in terms of breakup of plant and machinery and everything, we need to figure that out in detail, but broadly, you can consider maybe INR60 crores per annum into -- INR60 crores into, say, 15% to 18% somewhere, I don't know. Initially, that should be the number annually.

**Moderator:** Next question is from the line of Avnish Tiwari from Vaikarya Change LLP.

**Avnish Tiwari:** This export business you have done very well. Is there anything you noticed as a driving factor despite the fact that macro there was uncertainties, although the FX is beneficiary because the rupee has depreciated? So just articulate what are the positives and negatives you are seeing? I mean, these deals out of the U.S. and Europe, but anything you find in your end market, what kind of experience you're having either positive or negative?

**Hitesh Windlass:** Avnish, so the -- as you correctly mentioned and I want to just reinforce, we have 0 sales to U.S. and 0 sales to Europe, right? So -- and of course, also the tariff issues, pharmaceuticals or generic pharmaceuticals from India were exempted from there. So -- but in the markets that we are operating in, which is the RoW markets, which include Southeast Asia, CIS, Africa, it has been business as usual. No real big changes have been happening. So the customers, the products, they're all working on a very long cycle time.

So whatever you register, we register for -- it takes a long time to get approved. And then so the connection -- the customer relationships as well as the product overall viability is not very short-lived. It is actually quite healthy. So -- and we have not noticed any large changes or things like that.

Even the forex rates have been changing, yes, but we are cost plus in exports also. So we have not seen much impact. In export clients also don't go after immediate revisions of POs and things like that. They are quarterly based kind of orders and things like that. So nothing very consequential to really talk about.

**Komal Gupta:** Yes. And in fact, the positive results coming in are a result of a few factors that we explained 2 or 2.5 years back, like getting South Africa audit clearance or starting having one customer there and things like these. So this is part of one of the few successes against a lot of efforts that have been going there.

**Avnish Tiwari:** Great. The second question I had was that the growth you are seeing in CDMO space, which is much higher than the industry volume growth of your end market, what is driving that lately, especially? Is it that high-end specialty kind of drug these are outsourcing or is it mostly they are moving into more high end and they're outsourcing more into the lower-end side and with this whole schedule and compliance, you tend to gain because you are a better quality manufacturer or something else you want to point out?

**Hitesh Windlass:** So I think, Avnish, it's a combination of the things that you mentioned, schedule-M compliance, better delivery, on-time delivery to customers, greater business development team and alignment of that team, motivation of that team and our execution on supply chain, manufacturing lead times. So it's a combination of all these things. And so like hard to break it up into any of these. But for sure, what I can say is that the alignment of all these factors has to -- is what we try to push for.

**Avnish Tiwari:** And typically outsourcing is at the low-end medicines or the high-end medicine also you are seeing some outsourcing to you from these marketing companies?

**Komal Gupta:** We think it has always been both low and high end. We don't think that there is a change in the pattern, but at least the top four, five CDMO players have always been getting a combination of very complex and difficult to crack drugs as well as a few just volume products. We -- from our side, we like to have more complex ones in comparison to the simpler ones.

**Avnish Tiwari:** Okay. But there is no change in mix you're observing, let's say, 9-month '26 versus 9-month '25 in terms of mix of these medicines complex versus the less complex ones?

**Komal Gupta:** So product mix keeps changing actually. But it is less to do with how CDMO players are able to get the business from them instead of how they have changed their outsourcing pattern is what we are seeing.

**Avnish Tiwari:** Okay. So it's up to your capabilities rather than their decision to decide the mix?

**Hitesh Windlass:** Right.

**Komal Gupta:** Yes.

**Moderator:** The next question is from the line of Deepak Kumar from Kalyani Family Office.

- Deepak Kumar:** Congratulations on the wonderful results. So just one thing. Of course, the management is mentioning that you should have a more of a longer-term picture. On the Trade Generics front, I just want to ask like, I mean, of course, growth was a bit muted in Trade Generics in this quarter. So what were the reasons for that?
- Komal Gupta:** So if we look at the last, say, 14 quarters since FY '23 first quarter, we have delivered Y-o-Y sales growth of -- the lowest has been 14% and there have also been quarters of 74% in various quarters. And as we mentioned that these quarterly variations are incidental. And there is also a portion of institutional orders being lumpy in nature. So -- but net-net, we continue to be optimistic about this vertical and we believe that we are advantageously positioned in the marketplace. So not a strategic or a change, so to say, in long term.
- Deepak Kumar:** Okay. And also on the cash, I mean, of course, the balance sheet is under limited review. But I think the cash conversion cycle overall lies around the same range, like 14 to 15 days around which you operate?
- Komal Gupta:** Yes, not mentioning the exact number, but there's no negative change, no negative surprise by December.
- Moderator:** Next question is from Vileh Rai from Kamayakya Wealth Management.
- Vileh Rai:** Congratulations, sir, on a great set of results. Sir, can you share some qualitative insights on how schedule implementations are panning out? Although these are early days, but have we seen more inquiries from pharma players? And how do we see the consolidation of industry going in the future?
- Hitesh Windlass:** Yes, sure. As you know, the new schedule M was published almost 5 years ago. And even when we were coming to IPO, we were talking about it having a big impact on the industry. And the government has also had a very strong enforcement of the schedule M. So any -- all the companies above, I think, INR200 crores or INR250 crores revenue were supposed to follow it already.
- And then the smaller enterprises were asking for increase in time to give them more time to comply, but even this -- I think this last quarter was probably, I think, maybe even October or some December time frame, no more extensions were granted. Now everybody is expected to comply.
- So the government is very serious. Regulator is very serious. A lot of inspections have been done. Some plants have been given observations and closures have also happened. In the overall scheme of things, if you see just from the perspective of how many CMOs are needed to really handle this market, it's certainly not 13,000-plus, right? There is no reason for the CMO industry to stay at this kind of a fragmented level.
- But what is required to actually excel is not just capital also. Even if one is able to manage the availability of capital, you have to have the talent pool, you have to have the know-how. And this is where having strong multinational clients has benefited Windlas because these clients have been working with us, doing audits. We get almost 70 to 80 audits a year. So almost every

week, one or two audits are going on. So the compliance level automatically improves as a result of the...

**Moderator:** Sorry, sir, you're not audible.

**Hitesh Windlass:** Are you able to hear me now?

**Moderator:** Yes, sir. Please go ahead.

**Hitesh Windlass:** So I was just saying that -- so schedule M compliance is not just about capital -- access to capital. It is about know-how, it is about talent and it is about systems. How do we maintain whatever we -- even if you achieve it once, then how do you stay compliant? So it is an overall organizational capability building and that is something that at least we are focusing on.

**Vileh Rai:** Just a follow-up on that. With this stringent regulation, do you feel that will we see a greater consolidation of industry in next 2-3 years where smaller players will give in, there will be more shutdowns and players like you will come and cater to this market?

**Hitesh Windlass:** Yes. I think that is a very valid thing. Any fragmented industry having a strong regulatory pressure, it's like a textbook case for consolidation. So how does it play out? We don't know. But yes, the -- any fragmented industry with a strong regulatory pressure, quality or regulatory pressure is bound to have a pressure for consolidation.

**Vileh Rai:** Sir, just one last question from my side. Sir, since you have already incurred ESOPs for employees this year, will we see a lower wage hike going forward in FY '27 and FY '28?

**Komal Gupta:** In terms of the accounting impact, you're asking?

**Vileh Rai:** Yes, like the cash impact, like employee benefit expenses, the base pay, would we see a lower increment on that portion of the pay?

**Komal Gupta:** Okay. So basically, the ESOPs have been given to say 100 employees. And we have 1,100 employees. So we are not sure that we would let the ESOP, which is a long-term strategy for keeping the employees, not let them move out and motivate them for better results, that should affect the increment percent, which is a regular annual this thing.

We don't think that we would see reductions there. And with the additional production impact -- so we don't expect employee cost per se to go down. What we try to do is look at the overall picture, try to see where we can bring in more savings, more efficiencies, operational efficiencies. That we continue to do. And that is why even -- so the total ESOP increase is not really reflected in the overall EBITDA reduction for the quarter.

**Moderator:** Okay. Thank you. We'll take our next question from the line of Samarth Nagpal from Suranu Family Office.

**Samarth Nagpal:** Congrats on a very stable set. I have only one question. So I think earlier, we had a strategy or a long-term aspiration to grow our different verticals by 2x, 3x and 4x. So looking at Windlas, we would hopefully be doing INR1,000 crores by next financial year. So what is the long-term strategy if we look at 3 to 5 years down the line or something we have on that front?

- Komal Gupta:** So there is long-term strategy internally. We just stopped giving that outside the organization. So we continue to strive to have a very strong internal growth strategy for all three verticals.
- Samarth Nagpal:** Okay. So just deliberating on that, I mean, would we be looking at a faster pace of growth also after we do INR1,000 crores? And what's the aspiration? Some color on that, if you are able to provide. Otherwise, it's perfectly okay.
- Komal Gupta:** Yes. We would rather try to surprise you pleasantly. That is the intent and that is the effort is what I can tell you how we are able to execute it depends.
- Moderator:** Next question is from Ankit Gupta from Bamboo Capital.
- Ankit Gupta:** If you can -- we were also looking at expanding the injectable plant. We are looking to put more flows on our existing injectable plant. So like we earlier deliberating that we might do that by end of this financial year or starting next year. So any updates on that?
- Hitesh Windlass:** No. Actually, so what we had said was that capacity expansion will follow the business needs, right? As we see utilization and as we see need for expansion, we have the space and we will do that. And I think that it will be the same for like even oral solids, that's the way we are doing. And so injectable will also follow similar patterns.
- Ankit Gupta:** Sure. So given the utilization for injectable has been lower than our expectations. But let's say, by end of next financial year, let's say, end of FY '27, do we expect to ramp up to 70%, 80% capacity utilization as of now? You have some visibility on that front? Or currently, it doesn't look like we'll be able to achieve that?
- Hitesh Windlass:** So we have some internal thought process and understanding. But the capacity utilization number is a very competitive number, right? Because when you disclose that, your competitors understand how desperate -- and your customers also understand how desperate you are for business. So this is something that we have refrained from discussing on earnings call.
- Ankit Gupta:** Sure. Sure. Sure. And on the Trade Generics front, earlier participant also spoke about it. We see some of our peers who have almost 2, 2.5x our size, they are also growing at a faster pace than us. So has there been an increase in competitive intensity in this financial year that our rate of growth has reduced? I'm not talking about this quarter. This quarter, we grew at 8%?
- Even overall, given our base is hardly less than INR200 crores for the full financial year and we have grown at 18% for 9 months and -- but even earlier, we used to grow at very high growth rates. So what has been the reason for this lower growth? And how should we look at this segment growth going ahead in FY '27-'28?
- Komal Gupta:** So we have been asked in past quarters also that if in industry, the other competitors are delivering such a low growth rate in this particular vertical and what are you doing, how are you delivering a much higher rate. And obviously, that keeps changing quarter-to-quarter and there have been -- so honestly, what a particular organization is able to deliver depends on several factors for that organization.

So I wouldn't really respond to the question of why somebody else is able to deliver a higher percentage in one particular quarter. But we continue -- so we have always consistently continued to say that we see a huge growth potential in this vertical and we maintain that and we strive and want to do everything in our power to be able to execute and deliver good numbers.

**Moderator:** Ankit, I request you to join back the queue, please, as we have other participants.

**Ankit Gupta:** Just a follow-up on what Komal said. If you can just allow me. So Komal, over a longer term, let's say, over the next 2 to 3 years, can we expect to grow at 25%, 30% or higher in this segment given our base is still very small compared to other?

**Komal Gupta:** Now before asking this, you know what my answer is going to be. So I'll just fall true to your expectations and say that I would refrain from saying anything about the future, but we will try our best to deliver good number.

**Ankit Gupta:** Can we go back to our past growth numbers here?

**Hitesh Windlass:** I want to actually bring back the focus on the fact that we have delivered 12 consecutive quarters of highest ever revenue. And our -- also as a formulator who is manufacturing CDMO, Trade Generics and exports, we have also felt and stated also that an evaluation that is longer-term focused and also as a whole is a better evaluation because it doesn't -- it falls subject to sort of maybe patterns which are maybe hard to identify the root cause of.

**Moderator:** Next question is from the line of Kushal Goenka from Mangal Keshav Financials LLP.

**Kushal Goenka:** Just a caveat before asking my question, I'm fairly new to this company. So, sir, I was just going through the 25-year journey of the company, so from 2001 to 2025. So we started our Plant 1 in 2001. And currently, we are about to commission Plant 6. So I just want to understand your thinking behind the clock speed of our growth rate. Do you think the 25-year journey seems in a very good path?

Or do you think that was more of a learning phase? And how would you see, say, the next 5 to 10 years? And I'm, like, asking you because, like, for example, if we want to reach say, INR3,000 crores to INR4,000 crores top line company, so do you think that the addition of plants and different businesses should be fast as in the clock speed?

And I'll just add my second question to this because I think this is somewhat related. So my second question is, how does the management look at very heavy capex, a high debt, not exactly a high debt, but a good amount of debt because since we are a debt-free company and also a big mission greater than the cash that we have or do we always try to maintain a debt-free company and not look at very heavy capex or acquisition? Yes, that's my question?

**Hitesh Windlass:** So in answer to your first question about the long-term trajectory or the arc of Windlas Biotech's birth and growth, right, I think that it is -- the journey is probably most importantly defined by capability building because when we are in a segment that is B2B and especially in a highly regulated industry with a lot of quality parameters changing, every - one has to focus on capability building.

Whether you enter a new dosage form or whether you enter into a new geographical market or whether you enter into a new kind of products that you're dealing. So my sense is that as an organization, if we focus on capability building and our execution skills, there is no upper ceiling on how we can grow, how fast we can grow. But -- so there is no strategic cliff as such. What we have to do is execute. So that remains the challenge, and that's why high-performing teams, well-motivated people, everything is required. To your second question...

**Komal Gupta:**

Even on the first one, I want to add that we want to -- we have been always not being afraid of being the first mover. We were the first one to get a private equity investor in among Indian pharma CDMO players. We were the first one to go public. And there are several other things that we take pride in, in terms of going -- being the first one to offer ESOP to our employees.

So we keep pushing the envelope even sometimes before others, even the bigger players than us do. So we have been doing that and we continue to do that. So we don't see a limitation in terms of the kind of number that we can deliver and how early. So there's no -- that limitation does not exist because the biggest portion is oral solids in which we have been building various plants, increasing the plant is not -- can never be a constraint.

Bringing business is not a constraint because we have a very good relationship with the customers that we have been working with and we are also very good in terms of adding the customer. And in terms of bringing good people, we don't think that that can be an issue because we also take pride in taking very good care of our employees in short and long term.

So net-net, if you ask us, there is no limitation in terms of what we can do in near future or in long term. And we consider ourselves in a very good place where growth cannot be a constraint for us, number one. In terms of being a high debt or high cash company, we in all the departments, there is a literacy in terms of financial discipline.

That is what we take pride in. And we like to be cash rich, but we are not risk-averse. So in past, we have taken several debt for working capital and for capex and for -- whenever we see an opportunity, so like if I have to do an acquisition, it's a very good strategic fit, I won't be shy in using my cash and also taking a debt.

At the same time, if I'm not okay that for the regular business, I lose control in operating working capital. That is how we go about it. In past, we have done buyback where promoters did not participate because we saw an opportunity and we felt that this is a very good price for company to reduce the liquidity in the market. So every decision is a separate decision, not looked at wearing the glasses of being very risk-averse or being okay losing some financial discipline. There's always this balance that we like to maintain.

**Kushal Goenka:**

Okay. Just one follow-up on the first one. So can you allude that the first 25 years was more like a learning phase? And the economies of learning and compounding effect can be seen in the next 5-10 years? And the clock speed and the rate of growth can increase over time?

**Hitesh Windlass:**

So, of course, we would love that and we are always striving for that, right? We are not setting a target of growth and then shying away to exceed it. And what I feel is, again, that every

company has to evolve from the place they are standing and the situations that exist at that point in time.

So some of our competitors who are very large, they made the risk calls of investing almost close to INR1,000 crores at the time they entered into the CDMO business. So of course, we will also have to evaluate our own trajectories. And going back to what Komal said, the only right way and the only judicious way to build the business is to neither be risk-averse and neither be overly risk-taking in terms of being callous about discipline. So we will have to -- we will stay balanced and we will continue to adapt, be flexible, be opportunistic while staying disciplined and balanced. That's all that we can share.

**Moderator:** We'll take our next question from the line of Sajal Kapoor from Antifragile Thinking.

**Sajal Kapoor:** Appreciate the clarity on separating ESOPs from salary increments while addressing the earlier participant's question. Clearly, they are distinct levers and not everyone benefits from ESOP scheme, it's only 100 employees. So thank you for clarifying that. I have two questions. Given finite manufacturing and management bandwidth, how are you balancing efforts between onboarding new customers and deepening engagements with the existing ones? That's my first question?

**Komal Gupta:** What we are actually -- how we manage it internally is having 2 targets for everyone who is part of the business development team. So we have organized them horizontally than vertically. So there are several teams who have only specific existing customers and new customers.

And internally, we have regular dashboards being circulated in terms of the number of customers outreached in the existing customer portfolio and the efforts taken on having new customers onboarded and the business brought in from those customers. In fact, there is a third category also, the customers which are recently added in the last year. So how the mining happening against the new added customers, which are comparatively new.

**Hitesh Windlass:** And this is aligned with senior level management visits with key clients, which includes visits and discussions by our joint MD, Mr. Manoj Windlass, who looks at handling the key client relationships, even our commercial head and down the level, there is a -- we are very conscious that this is not just a transaction.

There is a relationship building. And so based on the -- there is sort of a beat at which each customer is looked at and different levels of people are making travel visits for con calls, performance review report cards. Some of our customers are initiating performance review report cards on a regular basis. So those are also places where we discuss how to smoothen things and how to grow further. So this is very much the regular part of business development strategy, planning and execution.

**Sajal Kapoor:** Reassuring. Second question is on Trade Generics and Institutional business, right, I mean, if you look at the long-term CAGR, which is there in the presentation as well as the annual report, it's about 40%, 41%, which is about 5-year CAGR, right? But the last 3 months, only 7%. 18 months is -- 9 months is fine at 18%. But last 3 months, what changed so dramatically? Is it just

a major institutional order slipping into the next quarter? Please can you double-click and help us understand the root cause of this significant slowdown in Trade Generics?

**Hitesh Windlass:** So Sajal, see, one is that, as we mentioned that in the past also, there has been -- there have been slow quarters and there have been strong growth. We have also discussed that from -- more and more people are jumping into Trade Generics. So the competitive landscape is also there.

And the third aspect is about the lumpiness of institutional business, right? Some tenders get captured within the quarter, some don't. And, of course, our own execution on the ground. So we -- that sort of set of things is what we have to play with. There are not many more levers than that, what geographies you operate in, what products and what client base you're working with, because it's a large number of SKUs being sold. So there is not really something that is further beyond that. So we have to just focus on execution.

**Sajal Kapoor:** Yes. So what I'm hearing is that 40% is an aberration, but so is 7%. What is the more sustainable medium-term CAGR then?

**Hitesh Windlass:** I think that -- so look, I mean, the way from -- if you look at the largest company in this segment, Leeford when they came into market, they had a period of experimentation, they almost wrapped up and then launched again. And then within 10 years, built it into a INR2,000 crores business.

So I think that really the -- it's not about whether I can retrospectively attribute a good CAGR to this, Sajal ji. It is more about how my time-to-time actions are and how I reinforce this strong tempo and culture of building. And of course, there will be always some challenges and we will have to figure out the new challenges. So I don't know if I can add any more commentary on the numbers specifically.

**Sajal Kapoor:** Sure. That's helpful. Thank you so much and all the best.

**Moderator:** Thank you. Ladies and gentlemen, we'll take that as the last question for today. I now hand the conference over to the management for closing comments. Over to you.

**Hitesh Windlass:** Thank you very much, everyone. Looking forward to seeing you next quarter.

**Komal Gupta:** Thank you.

**Moderator:** Thank you. On behalf of Windlas Biotech Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.