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Date: August 16, 2026

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	**National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.
Scrip code: 512529	**Symbol:** VIYASH

Dear Sir/Madam,

Subject: Intimation under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Earnings Call Transcript for the quarter ended June 30, 2026

Pursuant to Regulation 30(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Earnings Call Transcript pertaining to the Unaudited Financial Results of the Company for the quarter ended June 30, 2026.

The same is also available on the Company's website at: https://viyash.com/financial

This is for your information and appropriate dissemination.
Thanking you.

Yours faithfully,
For Viyash Scientific Limited
(Formerly known as Sequent Scientific Limited)

YOSHITA SUSMIT VORA
Digitally signed by YOSHITA SUSMIT VORA
Date: 2026.08.16 11:06:38 +05'30'

Yoshita Vora
Company Secretary & Compliance Officer

"Viyash Scientific Limited Q1 FY'27 Earnings Conference Call"

August 12, 2026

MANAGEMENT: **DR. HARIBABU BODEPUDI - MANAGING DIRECTOR AND GROUP CHIEF EXECUTIVE OFFICER, VIYASH SCIENTIFIC LIMITED**
MR. RAJARAM NARAYANAN - EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER, ANIMAL HEALTH, VIYASH SCIENTIFIC LIMITED
MR. RAMAKANT SINGANI- CHIEF FINANCIAL OFFICER, VIYASH SCIENTIFIC LIMITED

MODERATOR: **MR. ABHISHEK SINGHAL – VIYASH SCIENTIFIC LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Viyash Scientific Limited Q1 FY'27 Earnings Conference Call.

As a reminder, all participants' lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing "*" and "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand over the conference to Mr. Abhishek Singhal. Thank you and over to you, sir.

Abhishek Singhal: Thank you, Pari. A very good evening to all of you and thank you for joining us today for Viyash Scientific Limited Earnings Conference Call for the 1st Quarter of Financial Year 2027.

Today, we have with us Dr. Haribabu – Managing Director & Group CEO; Mr. Rajaram – Executive Director and CEO, Animal Health and Mr. Ramakant – CFO of the company, to share the highlights of the business and financials of the quarter.

I hope you have gone through our Results Release and the Investor Presentation which have both been uploaded on our website as well as the Stock Exchange. The transcript for this call will be available in a week's time on the company's website. Please note that today's discussion may be forward-looking in nature and must be viewed in relation to the risks pertaining to our business. At the end of this call, in case you have any further questions, please feel free to reach out to the Investor Relations team.

I now hand over the call to Dr. Haribabu to make his opening remarks.

Haribabu Bodepudi: Thank you, Abhishek. Good afternoon, everyone. Welcome to Viyash Scientific Investor call for Q1 FY'27. Thanks for taking the time to join us today.

I am happy to say that Q1 FY'27 is again a very good quarter for us and it shows that [we are] not a one-quarter story, but a company which delivers consistent results quarter after quarter.

Our integration is now complete. This will be one of the few successful integrations you can find in the industry and that too in record time period.

Starting with the quarter performance:

Revenue from operations for Q1 FY'27 was Rs. 946 crores, grown by 20% year-on-year. EBITDA was Rs. 205 crores, grown by 59% year-on-year, with EBITDA margin at 21.6%, expanding by almost 530 basis points over last year. Profit after tax was Rs. 79 crores, which has more than doubled year-on-year. Our EBITDA to PAT conversion is showing good improvement both year-on-year as well as quarter-on-quarter.

Our balance sheet continues to show improvement. Net debt has come down to Rs. 86 crores and net debt to EBITDA is now 0.1x versus 0.24x last quarter, and almost 1x a year back. So, in 4 quarters, we have gone from a leveraged combined entity to a company which is virtually debt-free on a net basis. This gives us tremendous opportunity with respect to brownfield expansion as well as exploring inorganic opportunities.

Coming to segment performance:

Our Animal Health Formulation business continues to grow very strong across all regions, and we believe the growth will continue with our continuous focus on new product launches, geo-extension for our existing products to other countries, expanding R&D and accelerating new product development. We continue to invest in expanding our manufacturing operations. We are also seeing strong growth in domestic market as well (up 60%), and here we are looking to expand our fieldforce and product portfolio further to grow aggressively.

Coming to Human formulation:

Our US business has grown 60% showing results of our efforts to moving towards backward-integrated, more complex products. That is now translating into real growth along with profitability improvement.

API revenue has been broadly flat quarter-on-quarter due to timing issues on account of raw material price volatility as customers were in wait-and-watch approach. As all you guys know, the war is continuing, nobody knows when it's going to end. During June, most of the customers wanted to wait and see how it's going to work out, but now we see good traction, lot of orders are coming back, and I can see this quarter is going to the best quarter for API for us.

Coming to where we are investing for growth:

We have signed SPA for Bio For Life acquisition in Italy, and we are expecting to close the acquisition in next few months basis fulfillment of certain conditions as per the agreement. This acquisition, as I mentioned on previous call, aligns with our focus on companion Animal Health as number one strategic growth area for the next 5 years. BioForLife gives us direct market access in Italy, one of the largest companion Animal markets in Europe. It comes with a companion Animal portfolio of about 85 products, which can be extended to other core markets, and salesforce with about 85% Vet clinic coverage in Italy, plus strong local talent. Combined with our BI partnership in India, which is now scaling up, our own R&D and manufacturing investments in companion Animals, this is a very meaningful step in building the entire companion animal platform across the world.

On Farm Animals:

We are focusing on filling the white spaces in our current portfolio, as well as expanding the market for existing products to other geographies. We want to focus on new product development on molecules which have potential across multiple geographies.

For Human Formulations, as I mentioned earlier, we will continue to focus on first-to-file opportunities, with focus more on high-potent complex formulations, with fully backward integration support on key molecules. In API and CDMO focus is on day 1 launch, complex molecules, expanding our CDMO business to create differentiation. We have strong relationships built with innovators across Human as well as Animal Health, strong credentials in manufacturing, which helps us create mutually beneficial partnership models on the CDMO side.

So, to summarize:

Q1 FY'27 shows continuity, sustained double-digit revenue growth, EBITDA margins around 20%-22% as indicated earlier, balance sheet now strongest ever in the history. With this platform and this balance sheet strength, we are very well positioned to keep investing both organic in R&D and manufacturing, and selectively inorganic wherever we find the right asset, while maintaining the discipline on margins.

With that, I will now hand over to Ramakant – our CFO, to take you through the detailed financials. After that, we will be happy to open the floor for questions and answers. Thank you.

Ramakant Singani: Thank you, Doctor. Good afternoon, everyone, and thank you for joining us. I am pleased to present the financial performance of Viyash Scientific Limited for the 1st Quarter of FY'27.

We have started FY'27 on a strong note, with continued momentum in revenue growth, significant improvement in profitability, and sustained expansion in margins. Our performance reflects the benefits of initiatives undertaken over the past few quarters across businesses, along with continuous focus on operational efficiency and disciplined cost management.

Revenue from operations stood at Rs. 946 crores, registering a strong 19.5% year-on-year growth and a 2.9% sequential growth. Gross margin improved to 54.1%, compared with 51.9% in Q1 FY'26, representing an improvement of approximately 220 basis points year-over-year. Adjusted EBITDA increased by 59.2% year-on-year to Rs. 205 crores, with EBITDA margin expanding to 21.6%, compared to 16.2% in the corresponding quarter last year. Profit before tax increased by 132% year-on-year to Rs. 112 crores, compared with Rs. 48 crores in Q1 FY'26. Profit after tax increased by 115% year-on-year to Rs. 79 crores, compared with Rs. 37 crores in Q1 FY'26. Our finance costs declined to Rs. 12.5 crores from Rs. 20.4 crores in Q1 FY'26, reflecting the benefits of our continuous focus on balance sheet strengthening and debt reduction.

Pursuant to the composite scheme of amalgamation, and upon receipt of necessary approvals during the quarter ended 30th June, company has granted Rs. 1.3 crores employee stock options, representing 2.8% of post-amalgamation paid-up share capital of the company. This has resulted in an incremental expense of Rs. 19 crores for the quarter ended 30th June 2026. Profit before tax of Rs. 112 crores and profit after tax of Rs. 79 crores for the quarter ended 30th June 2026 are after considering the expenses on account of these additional employee stock options. We remain encouraged by the strong start to FY'27 and continue to focus on disciplined execution and capital allocation to deliver sustainable and profitable growth.

With that, I conclude my opening remarks. Thank you for your attention. I would now request the moderator to open the floor for question-and-answer session.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Naman Bagrecha from IIFL Capital Services Limited. Please proceed with your question.

Naman Bagrecha: Thanks for the opportunity. I have a couple of questions starting with the EU region. If you look in terms of the Y-o-Y growth on constant currency basis, EU revenue has been largely flat. Anything to highlight over here and what would be the outlook?

Haribabu Bodepudi: Raja, do you want to explain? EU region actually Q1 showing 13% growth

Naman Bagrecha: In terms of the EUR constant currency, if you look EUR 16.8 million would be the sales figure versus 1Q FY'26 that is EUR 16.8 million so in euro terms.

Rajaram Narayanan: On a full year basis, if you look at it, the growth will be closer to 20% for the EU region. So, some of it is more a bit of phasing between one quarter and another quarter. But by and large, we are growing volume over there and the volume growth in that market plus the pricing growth should get us back to the levels at which we have typically been which would be in the close to that 18-20% growth. So, this is more a question of how the quarter-on-quarter looks. But really the way to look at some of these businesses is on a year-to-year basis, because EU is a set of markets where one market may in one particular quarter show a little bit of a lower sale than the other quarter.

Naman Bagrecha: So, is there any seasonality in terms of whether Q1 is lower versus let's say Q4?

Haribabu Bodepudi: Generally, third quarter is better.

Rajaram Narayanan: So, we generally have a peaking around third quarter. It's also a question of some businesses which are tender linked or some of them are linked to outbreak of vaccination-related issue. So, you could have a bit of a movement on that. But yes, you tend to have a higher sort of growth coming typically in quarter 3, a little bit in quarter 1 than Quarter 4. But you're really talking of growth. So, from a growth point of view, if you look at it quarter-on-quarter, it is more a question of phasing of what was last year's same quarter versus this quarter. But there's nothing which indicates that this is anything which is disturbing. It's more like a steady volume plus pricing plus foreign exchange growth.

Naman Bagrecha: Actually, I was comparing it on a Y-o-Y basis. And not on just quarter-on-quarter basis. So, Y-o-Y also, it is flattish only in EUR terms.

Rajaram Narayanan:: Y-o-Y you are saying on FY?

Naman Bagrecha: Q1 FY'26 versus Q1 FY'27.

Rajaram Narayanan:: But that's what I am saying. So, on the quarter, very specifically, it's more a function of the phasing of what kind of contracts may have been there in the respective 2 quarters. But the way to look at it is really on a full year basis, which is when you will have some movements between different quarters. And so, EU continues for us to be a market which is closer to an 18-20% kind of a growth.

Naman Bagrecha: So, 18-20% kind of growth on an INR basis, right?

Rajaram Narayanan:: Yes, on an INR basis.

Haribabu Bodupedi: And also, as you know, few of the European countries, we started bidding last few years. But our major countries like Spain is doing extremely good. But few other countries like Bremer, Benelux, where we are behind. So, that's taking some time. But we are very confident this year will grow much better.

Naman Bagrecha: And in terms of emerging markets, emerging markets are actually surprised positively in terms of growth this quarter. I mean, we were looking at mid teen kind of a growth, but on a constant currency, let's say, if I go on a dollar terms, it has grown almost on 23% odd. Do you expect this momentum to continue? Or what are the drivers of such a strong growth?

Haribabu Bodupedi: So, emerging markets, mainly Turkey, Brazil, we have a very strong product pipeline, of course. Few launches also happened last quarter. And both countries started growing in volume. Because from last year, we are seeing the volume growth. Earlier, you know, Turkey used to be only price increase. But last few quarters, we see good potential to grow volume. So, looking at the volume, looking at all our product launches, we are confident to approach to that. That's how we see. Both markets are doing extremely well. These are the three countries, Turkey, Brazil, Mexico. So, all are doing extremely good on this business.

Naman Bagrecha: If I may, I mean, there are a couple of questions in terms of, let's say, the US business also has seen a very strong growth. While on a lower base, anything particular to highlight why it was such a, you know, I mean, almost around 45% Y-o-Y, 6% on a Q-o-Q basis grew in dollar terms?

Haribabu Bodupedi: So, as I mentioned earlier calls also, US, we have been trying to restructure a little bit last 2-3 years. So, post-COVID, we struggled a little bit [on] pricing issues, since we had manufacturing in the US. That's how we started moving volume products to India. And also, a couple of products we tried to fully vertically integrate. So, those actions happened last year. A couple of products started shipping from India with our API. That's where margin profile improved. And also, we were able to maintain our market share. And last year, of course, we had one good launch. We were able to make good [money]. Still, we are having 50%-55% market share. So, these are the few things; changing the strategy, moving volume products to India, full integration with API, and adding a few new products. R&D also stepped up, actually. Our R&D revenue also slightly improved. So, all these actions actually worked out very well this year. And it's going to work on that. But if you ask me, is it going to be 60%? Answer is no. So, but it's pretty stable. We are very confident now, actually, to grow this business on that. Because most of the products, whatever we develop, our commercial launch goes with a fully integrated thing. And all volume products, we tied up with Indian manufacturers strategically. So, we can see strong growth potential in this business as well.

Naman Bagrecha: So, just to summarize in terms of whether my understanding is correct. So, basically, earlier, or let's say for few products, this API is now getting manufactured in India. It was not happening earlier. And hence, we saw a margin increase in, let's say, FY'26 versus FY'25. I mean, if I look at Appco's interim statement, EBITDA margins have sharply improved from 1% odd to 34-35% odd. Do you expect this to continue, this kind of EBITDA margins for the US business?

Haribabu Bodupedi: So, we are expecting this will continue.

Naman Bagrecha: Also, if you could highlight in terms of how has been the Animal API growth and the Human API growth for the quarter?

Haribabu Bodupedi: So, API, as you see, it's a flat because of few reasons. We don't see any business loss in this. So, basically, last quarter, especially June, everybody expected war is going to end by June. In fact, it stopped in a few weeks, you know that. So, when the raw material prices were high in last quarter, we also increased the price. So, most of the guys where they have inventory, they try to actually a little bit postpone their procurements. So, it happened one month. But when they realized after July, now it's not going to be over, now we are getting back all product orders. And this quarter is going to be very good quarter for API. I can see, I think this quarter is going to be the best quarter in the history for us. We see a lot of traction, a lot of enquiries to get back to the API. It's only timing issues that few weeks. Everybody wanted to take that advantage. Okay, if it's good, if raw material solvent prices come down, we may reduce that. But now it's stabilized. Everybody understood, realized. So, now this quarter is going to be good. So, it's only timing issue, nothing wrong in the API business. And this quarter is going to the best quarter for both Animal Health and Human Health. Of course, Animal Health, Albendazole, we have been talking capacity expansion, couple of approvals. Now, we have expanded capacity. We got US approval also for Vizag site. We also expanded at Vizag site, just started commercialization from July. And this quarter is going to be the best quarter for API.

Naman Bagrecha: Any color in terms of what would be the revenue considered for the Animal API business? If I remember, we have crossed 100 crores mark.

Haribabu Bodupedi: I said, I mentioned earlier, we will grow 20+, but we will grow a little more than that.

Naman Bagrecha: Okay, one for Ramakant sir. So, if you could highlight in terms of how should we look at the ESOP cost going ahead, whether it should be like Rs. 5 crores, the Sequent ESOP plus now the Viyash employees getting that Rs. 19 crores kind of additional ESOP for this year on a quarterly basis, or it will increase from the, from next year onwards?

Ramakant Singani: Yes, so, as I mentioned, this 1.3 crores additional options were granted during the quarter. The charge for the quarter was about Rs. 19 crores. In total, ESOP cost for Q1 was about Rs. 25 crores. Q2, Q3 and Q4, the number in total would be about Rs. 40 crores. And from next year onwards, this will come down.

Haribabu Bodupedi: So, next year it's going to be flat, small maybe after completing this 1.3 crores. You know that why it's happened. We had ESOP scheme in Viyash. So, when we merged part of amalgamation, of course, it was clearly mentioned in the merger document also. Since actually it's allotted, it's delayed. So, when the share price was high, so it was at Rs. 230. That's the reason it's showing more, but it's going to complete by mostly this year and the next year, 1st Quarter, something. But after that, it's a routine, very small. We don't see any big things or one-time things after that.

Moderator: Thank you. The next question is from the line of Sahil Sanghvi from Monarch Networth Capital. Please proceed with your question.

Sahil Sanghvi: Yes, thank you for the opportunity and congratulations. It's an excellent set of numbers. With respect to the kind of traction you're seeing on the API side, is it possible that we will exceed the 20% growth for, say, maybe couple of quarters now going ahead? And would that mean you would do higher on the whole year basis?

Haribabu Bodupedi: API side as I mentioned, Animal Health, we are going to grow (+20%), but overall as I mentioned, actually double digit 13-14% this year. Mostly, next year, it is going to increase. We have few launches, but this year, we can expect double digit, maybe mid teens or at that level together because other API business is this year much bigger than Animal Health, but we see good traction, but Human Health, most of the products, big launches are going to come in future. So, this year we can expect at mid-teens, 13%-15% kind of thing together.

Sahil Sanghvi: Got it. Secondly, during the investor day, you had also alluded upon adding new tablet capacity for companion Animal and building some more R&D capabilities as well. How are those things tracking? I mean, progressing?

Haribabu Bodupedi: R&D already initiated last quarter. We hired people also, whatever approved, and equipment also we placed order. So, coming to the manufacturing, we finalized the design. Mostly, it's going to start next few weeks or next month and the target to complete by January-February to be ready for taking exhibit batch. So, we are on track on that. Mostly, it will be done by January-February.

Sahil Sanghvi: Got it, got it. Just one clarification from Ramakant sir. I think what you said is the ESOP cost could be ranging in roughly Rs. 40 crores for the 9 months. Is that correct understanding?

Ramakant Singani: Yes. For FY'27, the total would be about Rs. 150 crores. For FY'28, it will come down to around Rs. 25-30 crores.

Haribabu Bodupedi: So, remaining 3 quarters, Rs. 40 crores each. That's right.

Moderator: Thank you. The next question is from the line of Bharat Sheth from Quest Investment Managers, Private Limited. Please proceed with your question.

Bharat Sheth: Good afternoon and congratulations, Haribabu, Rajaramji and Ramakant Ji on excellent performance. Sir, I have two questions. One is particularly you stated in your opening remark about, I mean, growing a business of high potent in Human Healthcare. So, if you can give a little more color, what kind of a current run rate is and how do we see, what is the capability that we have and capacity also we have built up and how do we see that high potent? I understand it's more complex and we will have a better EBITDA margin also. So, if you can give a little more color on that.

Haribabu Bodupedi: Sure. So, you know, high potent is mostly oncology products. We started building that capability 2 years back API. So, last 18-24 months, we built R&D potent lab, we built manufacturing, of course. We have 3 modules and we started developing a lot of products last 2 years. That's the API thing and started selling and we partnered also with many customers in the form of partnership or CDMO or direct selling. That's one of the core business for future. And recently, last 12 months, we also initiated formulation development and partnering in that. So, as I indicated earlier also, we are investing on formulation R&D high potent lab. It's done now. It's going to be operational. In fact, last week, we completed high potent formulation development lab. So, we started actually all high potent products formulation now and also we tied up with one of the strategic manufacturers who is having oncology manufacturing site. So, we aligned with R&D & manufacturing. We started working with partners, but these things you have to keep in mind, it's a long term. All these products, high potent products, unless you start developing minimum 5-7 years, early patent expiry, we are not able to get the business. So, most of the revenues, whatever we developed APIs and partners, it's going to start from 29. And the big product revenue with the formulation, it starts after 2030. So, we geared up now, we have R&D, we have manufacturing and also we have a couple of partners, but we are waiting for filing and patent expiry, most important patent expiry. We filed at least 5-6 products APIs already. The first product we are expecting is in '29. If you get, there also there's opportunity for exclusivity that product. If you are lucky, if you get exclusivity, that's a big thing. But majority revenues are going to be long term after '30.

Bharat Sheth: Okay. So, how many products are we have in said pipeline? First to file also, which you said.

Haribabu Bodupedi: I think last time I indicated API multiple products, first-to-file and a few formulation, but I don't have a number, but at least 50% of our portfolio is either first-to-file or first to launch.

Bharat Sheth: Okay. And one more question just only for Ramakant Ji. So, Ramakant, how do we see interest cost from year onwards, annualized and second thing, I understand last time Doctor mentioned that how we see depreciation side.

Haribabu Bodupedi: Okay, I can explain you a little bit. I am also learning little finance now. So, the depreciation, the goodwill amortization, you must have seen every quarter total Rs. 25 crores. So, this year, 1st Quarter Rs. 25 crores, next quarter is going to be Rs. 10 crores, close to Rs. 10 – Rs. 11 crores. After that, you can see that Rs. 25 crores is not going to reflect in depreciation. So, third quarter onwards, next quarter, I think you can say Rs. 15 crores benefit. Third quarter onward, so the Rs. 25 crores is going to be PAT conversion. And the interest rates today, we are working and optimizing a lot on those things. Of course, you can see our finance cost also is coming down continuously. We are trying to restructure the interest cost. Last year, we did Sequent India debt, we restructured. Now, we are currently working with Ireland interest restructuring. So, we are working various things on that to reduce interest burden as well as tax portion. I think you can see next year, it's good. But we are at par with any big companies in the interest. We are not paying too much on those things, even today. But we are going to save more on that.

Moderator: Thank you. The next question is from the line of Sajal Kapoor from Antifragile Thinking. Please proceed with your question.

Sajal Kapoor: Yes, thank you for giving me the opportunity. Good afternoon, team. And just a couple of questions from my side. First is as Viyash moves from integration now into much more complex phase of R&D, manufacturing, geographic expansion and M&A, hopefully. What are the few non-negotiable principles that management uses to ensure that growth does not compromise execution, quality and cash generation? Thank you.

Haribabu Bodupedi: If I had to put it in three things, one is compliance, no second thought and discussion whether it is regulatory compliance, finance, statutory or quality compliance or EHS. There's no second thought on that. The governance thing. And as you mentioned, we are actually going in multiple complex area. But in fact, it's not, already we are in most of the things. And most of our team is very well experienced on those things. If you see complex products like Onco, we have been doing last 2-3 years. And the entire team is very experienced. We know the market. We know the products. So, that's not the thing. Then the second thing, if you see that combined company overlap is very limited to the API. And the formulation Animal Health and Human Health is going to run parallelly. So, these are the two, three things. Compliance, we never compromise.

Governance, we never compromise. Of course, the financial discipline also is most important. After seeing the Sequent story 4-5 years back, we know what we can do. And we can see a lot of opportunities keep on coming on M&As. But we always look at only whatever is going to fit into our strategic direction defined in our Analyst Day, whether companion Animal or CDMO or actually complex areas. We are going to stick with that. It's not just go and acquire. Since our balance is strong, go and acquire to add numbers. That's not the plan. It's only whatever is going to fit into our strategic direction. It's going to be that, whether it is inorganic or organic expansions. Hope I think I clarified your question.

Sajal Kapoor: Yes, yes, that explains. M&A is one of the key areas, obviously, because if you see the history of Sequent, the earlier management used to pay a single digit EV/EBITDA for most of the acquisitions. But again, it depends on the quality and the strategic fix. So, valuation alone can never be the criteria. But you answered all my questions. And Dr. Haribabu, thank you. My second question is, given the long gestation periods and uncertainty in pharma, where, you know, uncertainty in terms of where the downside from major capital allocation decisions can take years to emerge, because the clock speed is such that it's a long cycle game. So, capital allocation today may not deliver the desired outcome or may not even signal green or red for many years. What do you, in that context, what do you consider an appropriate level of personal economic exposure for those making such decisions? And does the current ownership, senior management, I know Carlyle has got significant ownership. How do you reflect that principle within the organization, not just at the senior management level, but also at the middle management level? Because whatever, as a team, the decision is being made at the management level, then presented to the board and the downside, if any, may not emerge immediately. That's the kind of question I have. Thank you.

Haribabu Bodupedi: So, long question. Thank you for that. First thing is, this company, whatever decision we take, a decision to consider the long-term growth for the company, not based on the investor, whether the management or Carlyle or xyz. Whatever we have been doing last two years' investment, we never compromise on the short term and long-term benefits for the company. So, when you say the long gestation period, use capital thing, when you are doing for new company, new setup, for example, if I am doing only high potent separately as a separate vertical, that investment is viewed, there is a lot of risk involved in that because of gestation period is high. But in our case, if you see, today business is 90% is a matured business where we don't need to do too much capital allocation. And whatever we are doing, actually, if you look at existing business versus what CAPEX we are going to put, it's not substantial. That it's existing business is able to take care of all these things. So, because of that, we have a large portfolio and we have multiple geographies, multiple businesses where there is no dependency on either one country or one product or a few products. That's where risk is already mitigated. And our new capital allocation is not that much compared to our existing business. That's where I don't see much risk. Whatever you are putting the CAPEX, whatever we indicated, I think Rs. 250 crores-Rs. 300 crores for a year. That's not the big, looking at the company's size and business. So, that's where I don't see any risk on that. One is the investor perspective or the company perspective. I don't see any risk on that perspective. Looking at the size of our investments, I don't see that.

Sajal Kapoor: Thank you, Dr. Haribabu. The clarity of thought is amazing and really appreciated. Thank you so much. That's all from my side.

Haribabu Bodupedi: Thank you.

Moderator: Thank you. The next question is from the line of Chintan Sheth from Greek Capital. Please proceed with your question.

Chintan Sheth: Thank you for the opportunity and congrats on the excellent set of number. Sir, one question is on the minority interest. Last year, we had 18% minority share on a pre-minority profit. How should one look at minority interests going forward?

Haribabu Bodupedi: We are evaluating continuously that. We have a minority share in two geographies. One is the US and the Spain. Since you know that last quarter, we were busy, a few quarters, with integration. We were busy a few quarters actually to finish our roadmap for strategic direction. Now we have clarity what we are going to do. So, we are evaluating continuously whether to… We can buy back. That's not an issue today. But still we are exploring whether to buy back today or actually when there is an opportunity to invest M&A to do that now. We are exploring. But next 1-2 years, it's going to be acquired 100%. That's what we have planned. Next 1-2 years. We never know. But outer limit, I can say 2 years. So, we are going to do that. So, meanwhile, we are looking at various opportunities like BioForLife recently. We are also exploring if something comes up to accelerate our strategic growth areas. So, we are exploring those things. Maybe we will come back soon on those things.

Chintan Sheth: But annually, how much outlay we should expect for this year or next in terms of pre-minority charge profits? So, last year, it was around 18%.

Ramakant Singani: Minority interest, if you look at further quarter, is around 17%. And last year, full year was about 20%. You can assume that it will be in the same range. Around 16%-17% of the total profit.

Chintan Sheth: Okay, got it. And the CAPEX you mentioned about the Rs. 250 crores to Rs. 300 crores for the year, right? That should be the number you should work with.

Haribabu Bodupedi: CAPEX at minority, I think.

Ramakant Singani: No. The total CAPEX is what?

Chintan Sheth: No. CAPEX overall. No. Total investment on the gross stock. You mentioned around Rs. 250 crores-Rs. 300 crores for the year. That should be possible.

Haribabu Bodupedi: Yes.

Chintan Sheth: And so if I have to look at the business, the API portion, basically, what will be the split between the Human API and the Animal API within that? And formulation also, if you can provide how much is the Human and how much is the Animal?

Haribabu Bodupedi: No, you can see the formulation, whatever we reported, even at the Analyst Day. Europe, emerging markets, India, together are the Animal Health. Only US is the Human Health, what we reported, Rs. 126 crores. Out of actually 554, Rs. 126 crores is the Human Health formulation. And API, at this point, actually Rs. 100 crores run rate at Animal Health, but it's going to grow now. So, today, bigger portion is Human, but Animal Health is growing very fast this year.

Chintan Sheth: Got it. And within the Human API, do you see the growth rate to increase? You mentioned some positive impact likely to be happening Q2, but do you see stronger growth over there versus overall business?

Haribabu Bodupedi: So, Human Health, as I mentioned earlier also, since we moved to more complex areas, products are coming out of patent little later. But major growth is going to come from '28-'29 onwards, but till that time we are anticipating 13%-14% growth. Sometimes if you are lucky to get one or two products. When you are targeting for day one launch, it's ended up actually one player or 10 players. If you are lucky, one player actually it's a bigger, but looking at my experience, we expect next two years 13%-14%. But later '29, since these most of the complex products, more than 50% are First to launch kind of things, we will have bigger advantage on that. Animal Health, since it was not...

Chintan Sheth: The 13-14% growth you're talking about the overall consolidated revenue or just the API?

Haribabu Bodupedi: Yes, API. Human actually, it's overall you can take 13%-15% whatever it is. Animal Health, it's going to be 20+, but since it's a contribution is small, actually average you can take 13%-15% kind of thing. As I said, since most of the products, 80% portfolio, we develop the new products, which are coming out patent later. We don't do too many mature products, commodity products, that's not our thing. So, we stopped developing volume mature products, we are more trying to do differentiated products where we can have good margins on that prospect.

Chintan Sheth: Right. And Animal Health Formulation, how should one look at the overall piece growing?

Haribabu Bodupedi: It's good, but we mentioned to you billion dollar in 2032 altogether, it's going to happen.

Moderator: Thank you. The next question is from the line of Shubham Agarwal from Berman Capital. Please proceed with your question.

Shubham Agarwal: Sir, I just had one question on Europe. We talked about 18%-20% growth this year. Is that including the benefits of the new acquisition, the BioForLife, or will those be over and above this 18%-20% growth?

Rajaram Narayanan: No, this does not include anything of the acquisition. The acquisition is not yet closed. We expect it to complete in FY27. In FY'27, I think a general sort of growth of volume plus price, even leaving out the FOREX, should take us into double digits. And then we will see what comes out of the FOREX.

Shubham Agarwal: Understood, understood. And sir, one more question. The emerging markets business this quarter grew by 36%. Is it possible for you to take out this between what was the volume growth and then the pricing growth and then there is some benefit from currency, favorable currency, if you can break that out?

Haribabu Bodupedi: So, we say good volume growth last quarter. Emerging markets' volume has grown by 25%. So, majority growth came from volume. Okay, of course, there's one or two new launches, but don't expect the volume is going to grow every quarter 25%, but we can see the good volume growth in these countries' markets.

Moderator: Thank you. The next question is from the line of Kumar Saurabh from Scientific Investing. Please proceed with your question.

Kumar Saurabh: My question is regarding Human API. You said we have almost 50% of first-to-file opportunity. If I am not wrong, some of those APIs are Mavacamten and Neratinib**.** The brand TAM is around 2 billion, if I am not wrong. So, if you can highlight what is the target opportunity for us, sir, in terms of opportunity size for this first-to-file and what kind of market share we plan to take in initial years?

Haribabu Bodupedi: When you compare brands to API, that may mislead you. If I put it all our products or development pipeline today, brand is more than 20 billion kind of thing. But API always, you have to discount depending on the API, how much actually it's going to price erode when it comes to generic launch. General APIs are going to price erode by 95%. When it comes to oncology or these high potent, we can expect at least 50%-60% price erosion. And API contribution is around 20% of the formulation thing. So, all these things, we always, every product, whatever we try to do, we want to do as much as possible. Majority market share at least 25%-30%. But average we are expecting 10%-15% market share. When one product actually can do bigger, other product maybe actually depending on the competition. We can expect, we target always 10%-15% market share. But it's very difficult to see based on the 2 billion actually, brand today, then formulation price erosion, then API contribution, then 50-60% erosion, that we need to do product-wise. But we see, our target is actually try to do Day 1, where we take reasonable market share and most important is sustainability. So, if we enter Day 1, the chances of sustainability is high compared to coming as an alternate API supplier.

Kumar Saurabh: Got it sir. And sir, my second and last question is, so as you said, next 2 years, we should expect around 15%-17% kind of growth. And then some of the first to File launches will happen. So, is it like we will have a better runway of growth from 2029 given our 2032 aspiration? And this 2032 aspiration, is it something which we are fairly confident of? Or this is something which is highly aspirational? Or we feel this is the bare minimum we will do, given things will go on a better track from 2029. It better means some of these molecules going live?

Haribabu Bodupedi: So, I will not go either way. Either okay, too ambitious or too conservative. But we see the realistic, if you calculate from FY'27 numbers, 1 billion is actually working out to 18% CAGR. And we feel that's very comfortable, practical aspiration. And we have clear plans on that, both organic and inorganic. There are 2 things if I club, one is 18%. Second thing is, looking at our balance sheet, we have flexibility to do some M&As, not just for sake of doing M&As. Doing these together, I am personally very confident to achieve that. Okay. But if not more, but definitely that.

Moderator: Thank you. The next question is from the line of Mehul from 40 Cents. Please proceed with your question.

Mehul: My first question is regarding the acquisition in Italy. Once the acquisition is complete and we are able to leverage the capabilities in other parts of Europe, how much will it add to the top line in the next 1 year and the next 2 years?

Haribabu Bodupedi: So, it takes normally 2 years. How the process it works, you know, once we complete acquisition, mostly it will be done in next 2 months, 2-3 months. Once you start that, you have to start registering that product into other countries. So, our first phase of doing that is wherever we have front end presence like Spain or Turkey or Brazil, whatever is accessible and have market, we are going to do that. So, all these process normally takes 24-odd months. Okay, if you are lucky, few things can happen early, but the minimum expectation is 18-24 months. We can see bigger revenue coming from after 24 months. So, there's a 2-way strategy. One is expanding those products into other region wherever it's possible. And we are doing lot of new products we started. Like we said, actually R&D is ramped up now. It started developing companion animal products. We are getting ready our manufacturing plant by January. So, we are preparing all bigger launches with full integration from '29 onward. These are the products mostly, 1 or 2 products are coming in '27. That also we are targeting launch. So, that's the two-way. It takes 2-3 years practically. So, you don't expect actually jump from next year. Whatever it is, the natural growth from Italy, that's going to grow double digit. But bigger growth is going to happen after 2 years by the time we complete all registrations and prepare for marketing.

Mehul: Sir, after 2-3 years, what kind of top line will it contribute to?

Haribabu Bodupedi: All put together, we mentioned 150 million-200 million companion animals by 2032. So, we didn't work out this particular thing because one is that this is going to use as a launch pad for Europe. You know Europe, like how it's going to work. When you develop and file the product, you have to start filing one product. And that country, when the regulator is reviewing, it extend to other markets. So, this is going to be the bigger portion, not only BioForLife products. The intent of acquisition is not only promoting those products. It's using as a launch pad for all those things. I may not be able to give you that separately those BioForLife products, but we are going to grow bigger actually. Maybe you can expect actually definitely 25%-30% growth after '28-'29. Of course, today also we are growing bigger than that, but the base is small. So, we see good potential there.

Mehul: Sir, this is very helpful. Sir, how much does the API contribute to our top line overall?

Haribabu Bodupedi: Overall API contributes, if I put this, it's all maybe put together 40% yearly, maybe 40%-45%, around 40% you can expect.

Mehul: Around 40% is the current contribution of API to our top line?

Haribabu Bodupedi: Yes, yes. Whatever we assume this year close to 4,000, you can expect 40%, in between 40%-45%.

Mehul: Right sir, this API, it is partly Animal Health and partly Human?

Haribabu Bodupedi: Yes. Majority Human at this point, but Animal we are growing. So, today it's maybe two-third Human, one-third Animal. Animal is growing faster now.

Mehul: And whatever products we have for Animal Health is only 100% API or is there anything else as well?

Haribabu Bodupedi: Animal Health you have bigger formulation, right? I am not getting your answer. Animal Health, if you see, our bigger portion is formulation, and we are expanding API now. We have API, but the bigger thing is formulation.

Moderator: Thank you. The next question is from the line from Kiran from Tabletree. Please proceed with your question.

Kiran: Sir, a couple of questions. The first question is our acquisition BioForLife. So, last time, SeQuent acquired Alivira. I mean, we had apart from the purchase price, obviously, we had a lot of issues, structural changes, local market stresses, restructuring, insurance payout, there were too many issues. And that's an experience that India Inc., right? Not just Pharma or Viyash in particular, but everybody who acquires Europe has an issue, right? The purchase price looks too cheap. But eventually, the costs are too high to pay eventually, right? In the life cycle of the business. So, in general, what are the guardrails you've had to purchase BioForLife because our past experience was in SeQuent via Alivira acquisition and the India Inc. experience for acquiring Europe has been terrible.

Haribabu Bodupedi: Yes, you're right 5- 10 years back. So, all we experienced from that, right? Even from my side also, we have seen one acquisition. So, those days always Indian companies, we want to acquire cheaper and try to manage like India. It never works out. Now, all we experienced and that what is the complication of it works actually. You can't actually Indianize Europe operations. So, when you're working in Europe, you have to understand that your business, right? And do it that way. So, earlier, 5-10 years back, when everybody acquired, we thought the products can move to India. And it never happens. So, we have very clear strategy on that. Of course, it's a small thing. Most important, it's utilized our launchpad and we know. And also there's no manufacturing is mostly brands there. We have clear ideas with earlier experience. We are taking care of everything. We don't see any issue on that. But now, you can see last, I don't know whether you have reviewed last few years, Indian companies operating in Europe, we are doing pretty well. So, it's not only us, but we know fully on that sensitivity.

Kiran: So, second question. So, the rate of growth will increase because of patent shift both on the Animal side and the pharma side and Animal side patent shift is happening '28-'29 and pharma side is '29-'30. Is that the right way to think about why the growth will accelerate beyond this year?

Haribabu Bodupedi: So, talking API, most of the Human API, we have our portfolio under development it's up to 2040. Most of the products are coming after 2030. Animal Health API, since there was some lag, we have taken product quick development up to 2035. Majority of the products in Animal Health, the bigger products are coming out patent from '27 to '30 to '33. After '33, mostly biological is going on. So, we are attacking both actually Animal Health as quickly as possible and most important try to vertically integrate also formulation in that. But any product API, whether it is Human or Animal Health, once you start developing the product, it's a minimum gestation period is 3 to 5 years. So, this company is a new company. We actually started 2 years [back]. We can expect that gestation period 3 to 5 years minimum kind of thing. So, that's how I always say the majority revenue is going to come from '29. We can develop and manufacture, that's not an issue. But the registration, tying up with somebody, all it and more than that patent expiry, these things will take its own time. It takes minimum 5 years kind of thing. That's where we see from 29 onwards, real new product revenue is going to come for us.

Moderator: Thank you. Ladies and gentlemen, that was the last question from the participants. Now, I would like to hand over the conference to management for their closing comments. Over to you, sir.

Haribabu Bodupedi: Thank you. Thank you everyone for your continuous support. I can tell, we are in a good position. So, our team is committed. We are going to do good. That's what I can tell you guys. Thank you so much.

Moderator: Thank you. On behalf of Viyash Scientific Limited, that concludes this conference. Thank you for joining us and you may now disconnect your line. Thank you.