**Date:** December 22, 2025

To,
Sr. General Manager
Listing Department
**BSE Limited**
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

**BSE Scrip Code: 544319**

To,
Sr. General Manager
Listing Department
**National Stock Exchange of India Limited**
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

**NSE Symbol: SENORES**

**Sub.: Transcript of Business Update Call held on December 16, 2025**

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in continuation to our intimations dated December 15, 2025 and December 16, 2025, please find enclosed the transcript of Business Update Call held on Tuesday, December 16, 2025 at 11:00 A.M. (IST).

The aforesaid information is also being hosted on the Company's website at www.senorespharma.com.

You are requested to take the same on record.

Thanking you.

**For Senores Pharmaceuticals Limited**

Vinay Kumar Mishra
Digitally signed by Vinay Kumar Mishra
Date: 2025.12.22 17:25:39 +05'30'

**Vinay Kumar Mishra**
Company Secretary and Compliance Officer
ICSI Membership No.: F11464

**Enclosures:** As above

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# “Senores Pharmaceuticals Limited Business Update Conference Call”

## December 16, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on 16th December 2025 will prevail.

**MANAGEMENT: MR. SWAPNIL SHAH - MANAGING DIRECTOR, SENORES PHARMACEUTICALS LIMITED**
**MR. SANJAY MAJMUDAR - CHAIRMAN, SENORES PHARMACEUTICALS LIMITED**
**MR. DEVAL SHAH - CHIEF FINANCIAL OFFICER,**
**MR. CHETAN SHAH- WHOLE TIME DIRECTOR & COO**
**SENORES PHARMACEUTICALS LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Business Update Call of Senores Pharmaceuticals 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 '*' then '0' on your touch phone. Please note that this conference is being recorded.

Before we begin, I would like to point out that this conference call may contain forward-looking statements about the Company which are based on the beliefs, opinions and expectations of the Company as on the date of this call. These statements do not guarantee the future performance of the company and it may involve risks and uncertainties that are difficult to predict.

I now hand the conference call over to Mr. Swapnil Shah – Managing Director of Senores Pharmaceuticals. Thank you and over to you, sir.

**Swapnil Shah:** Thank you very much. Good morning, everyone. I am pleased to welcome you today to discuss the recent developments relating to our acquisition of Apnar Pharma Private Limited, which operates a USFDA manufacturing facility in Gujarat. Also, the acquisition of five highly high-quality ANDA assets erstwhile owned by Sandoz, transferred from its parent company and currently manufactured at the same site. I will begin by outlining the strategic rationale behind this acquisition, followed by the key transaction details, after which we will be happy to take all your questions.

As you are aware, Senores has witnessed a rapid growth over the last past few years. We have expanded our ANDA portfolio both organically as well as inorganically, while also scaling up our CDMO-CMO business in the US significantly. Our manufacturing presence in the US has been a core competitive advantage and continues to remain so. We are currently expanding capacity at our US facility to support growing demand that we currently have. However, our presence in regulated markets has been very limited. To support our long-term growth ambitions and provide adequate headroom, we have been focused on expanding our geographic footprint. In line with this strategy, we have acquired Apnar Pharma Private Limited which operates a USFDA-approved facility in Gujarat. This acquisition offers compelling strategic benefits and positions us to sustain strong growth in the years to come. With a current portfolio of about 70-plus ANDAs that we have either approved or unapproved, the large 4 billion-plus of market opportunity in other regulated markets that is lying for us, this facility will strategically be catering to that 4 billion-plus market as we speak. The facility was commissioned in 2021 and received USFDA approval in September 2022. It is largely unutilized and relatively new, spread across two land parcels totaling approximately 49,000 square meters. The larger parcel measuring over 40,000 square meters remains entirely vacant and available for future expansion. The operational facility, which is a built area of approximately 40,000 square feet, is located on the second parcel which spans roughly 4,500 square meters. The site also houses comprehensive multi-dossier research and development infrastructure along with state-of-the-art quality control

and analytical labs. The plant has an installed capacity of annually about 275 million capsules, scalable to 600 million. Current capsule production stands about 225 million units with the potential to increase to 500 million. Model capacity is presently 16 million units per annum which can be expanded to about 30 million units.

A key highlight of this acquisition is the facility's strong regulatory profile. In addition to the US, the plant is also approved by UK MHRA and Health Canada. Currently, commercialization to this country is also going on as we speak. These acquisitions provide immediate access to other regulated markets over and above the US, Canada, and UK. As we proceed further, we will also be looking at UGMP, COFEPRIS, ANVISA of Brazil to get regulatory access from this particular site. Given our robust pipeline of ANDA launches and existing CDMO-CMO commitments, this additional USFDA-approved facility creates significant flexibility to shift manufacturing of some products from US to India, where US-based production is not mandatory. This not only reduces the single-site risk but also enables faster scale-up and quicker production launches and accelerated growth. With two USFDA-approved manufacturing facilities and cost rationalization between two countries, we are well-positioned to leverage cross-selling opportunities while driving both revenue growth and cost efficiency. With expansion of our manufacturing base, we will be better positioned to pursue a wider range of opportunities in CDMO-CMO segments as well, with cost advantages working out between the two plants. Geographic diversification increases our supply chain resilience, while advanced R&D and quality control enhances analytical ability. Quality oversight on operational efficiency provides a strong platform to continue our expansion in regulated markets.

Turning to transaction details, Senores will acquire Apnar Pharma for a total enterprise value of Rs.91 crores. Out of this Rs. 91 crores, Rs.76 crores represents debt associated with the facility and other expenses, which will be assumed by Senores and refinanced at a lower interest rate as we move forward. The remaining Rs.15 crores will be paid as equity in two tranches. The equity contribution will be funded through IPO proceeds allocated for general corporate purposes as well as our internal accruals. Out of these five ANDAs, three are already validated and qualified and are capable of being commercialized immediately. 75% of the transaction is expected to close by March '26 and the remaining 25% by October 2026.

To summarize, this acquisition marks a major strategic milestone for Senores, expanding our manufacturing capacity and strengthening our presence in regulated markets including the US, UK, Canada and more. It also adds five approved ANDAs with a combined market opportunity of over $700 million. Overall, the acquisition enhances scalability, enables accelerated product launches, improves operating leverage and margins and expands CDMO-CMO opportunities positioning Senores for sustained growth and to create long-term shareholder value.

Thank you for your patient listening. I would like to open the floor for questions. Thank you.

**Moderator:** Thank you very much sir. We will now begin the question-and-answer session. First question comes from the line of Payal Shah with Pillion Securities. Please go ahead.

**Payal Shah:** Good morning, everyone. I have a few set of questions. First, why did Apnar Pharma sell the plant and ANDAs to us? You did mention that the market size of the ANDAs that you have got is around $700 million and Apnar's revenue was at around Rs. 15 crore for the past three years. So, I just want to understand the reason for such low sales and at the same time, what gives us the confidence that we can extract more revenue out of these ANDAs and if you can just also tell the peak revenue potential you think we can achieve from these?

**Swapnil Shah:** Yes, thank you, Payal. So, Apnar had like two manufacturing units, one in the US, one in India. There were too many expansions happening at the same time for them, which kind of led to sources the crunch in terms of how and where the sources of funds are going to be utilized. Hence, they were not able to kind of accommodate the existing approved products or could fund the working capital to get that growth of those products as we speak. Also, the ANDAs that they had was very limited, only five products that they had in the portfolio and also directly linked to their own marketing as we speak in the US. So, that is one of the reasons why we could do quite a value buy on that side. Coming to us, our post acquisition, we expect upwards to about Rs. 100 crore of revenue coming out of this plant in next year from FY'27. Peak revenue from the current existing infrastructure that they have would be around Rs. 250 crores. So, probably FY'28, we feel that that's the revenue number that we can able to get from this particular manufacturing plant. Just to give you a rationale behind the number, that's about 600 million units that we are able to produce. On an average, if you consider a Rs. 3 to Rs. 4 rupee a unit, we are at about Rs. 250 crores of the revenue. So, if we utilize that 250 million, the 300 million existing capacity, I'm not talking about anything over and above, that is the revenue coming out to be, which we feel which is in line with what we are today, what we are going to be looking at in the future, doable, quite doable on a FY'28 basis. To give you another perspective, we have out of our 46 approved ANDAs that we have today, we have about 40 products that are non-controlled. And we have 22 other ANDAs that are different stages. So, we have 52 strengths, 22 ANDAs and 133 strengths, 46 ANDAs, out of which also we have about 15 odd ANDAs which are non-controlled. So, quite a bit of it where we feel that there could be a cost advantage for us moving it to India, we can explore and try and see what's possible. So, that's the rationale behind what we think could be a right addition for us.

**Sanjay Majmudar:** So, I will just add Swapnil, just give me a minute, Payal. One thing is very clear, see Apnar India is a 100% subsidiary of a US-based parent. It was set up to sort of act as a completely outsourcing arm for the parent. Now, unfortunately, parent was not able to assimilate itself in terms of resources, strengths, etc. And that is where Apnar lost stream. So, Apnar dependent on parent was 100%. Now, for us, we have a very strong front-ending in US, lot of ANDAs are there, a very, very strong marketing setup. So, for us, this was a very good opportunity and primarily, we have essentially paid for the plant plus the approvals and nothing more. It's not a business-driven decision.

**Payal Shah:** Okay. Thank you so much for the elaborate answer. In continuation to my earlier question, can you also give some color on the profitability and balance sheet because they had a debt of Rs.

75 crores while doing a revenue of Rs. 15 crores. So, just what is the reason for taking over such a big debt? Is the plant sort of a distress sale? Some clarity here would be really helpful.

**Payal Shah:** Okay. Sir, any color on the profitability?

**Sanjay Majmudar:** No, I think Deval was saying, but I'll just elaborate very quickly. As I said, Apnar's plant was completely and totally underutilized. The parent had to support, so it had borrowed funds. There were funds which were lent by the parent itself in the form of ECBs. And since there was no revenue because of the parent's issues, this plant could not be utilized at all. I don't think it was even utilized by 5%. So, sort of a distress sale? Yes, you may say so.

**Payal Shah:** Okay. Sir, my next question is, which are the products or therapies when you plan to shift the production to this new site from the US facility?

**Swapnil Shah:** Yes. So, we are in the process of figuring out what products we would want to start making in this site from our existing basket. But currently, they have three, as I mentioned, they have three products that are ready to ship. In fact, there is an inventory also on some of the products that is there, for which we just have to change the label and do a labeler code, ship it out to the US. So, commercialization of two products out of three will happen as early as January.. So, it's an immediate commercialization opportunity on 2 out of 3 and 3rd will happen in due course, which is another 30 days to 60 days. So, those will be the start for us, which will immediately start generating revenue first month itself. And while we qualify more products and actualize the portfolio and see what we can move here, that will continue to add as we move forward, because it will require regulatory approval. So, it will take about 3 to 5 months before we kind of move and start production of our own product from that site. But yes, those three will start as early as January.

**Payal Shah:** Okay. Thank you so much for the elaborate answers. That's it from my side. Thank you.

**Moderator:** Thank you. The next question comes from the line of Richa with Equitymaster. Please go ahead.

**Richa:** Sir, thank you for the opportunity. A lot of my questions have been answered. My question was regarding the revenue profile that you have shared of the acquired entity, almost halved in FY'25 as compared to FY'24. So, was it related to end markets or is this Company specific or parent specific issue? And also, if you could just talk about profitability of the acquired entity, that would help.

**Sanjay Majmudar:** Parent-specific issues, which as I said, we have acquired this as a facility plus approvals. That's it.

**Richa:** Okay.

**Deval Shah:** Profitability-wise, what we expect is at the best Rs. 100 crore plus revenue next year, would be almost 20%-30% of EBITDA is what we are expecting from this facility.

**Richa:** Thank you very much.

**Moderator:** Thank you. The next question comes from the line of Vansh Valani with Concept Investwell. Please go ahead.

**Vansh Valani:** I just wanted to stress on the fact that we were saying that we want to shift some of the production of our products from the US facility to the new facility that we've acquired right now. So, I just wanted to understand that how will that potentially help us in margin expansion? Like, have we made some calculations with respect to that for the next 2 years to 3 years? How do we see the margin trajectory after this acquisition?

**Swapnil Shah:** Yes. Hi, Vansh. So, thank you for your question. So, Vansh, as I said, we are in the process of rationalizing our portfolio in terms of what we can move to India. So, two strategic things that happen structurally, right? I mean, if you look at a high level, I free up my some of the capacity in the US, which can be utilized for slightly higher margin than what the margin profile of those products that exist, correct? I don't need to make slightly lower margin products in the US. It can be extended out to India. That is point number one. Now, the cost associated with those products, once it moves to India, the cost also significantly reduces, right? So, that's another strategic advantage. So, overall, I become competitive on slightly on a product that are margin compressed. And on the other side, my capacity gets freezed up in the US for us to do a high margin product on CDMO-CMO and a couple of other controlled substance areas that we are currently working on. Over and above, there is a massive analytical support that a facility in India will give to facility in the US, which further enhances our dependency on third party external labs. And that kind of enhance our overall operational ability in terms of where we stand. So, overall, if you see these three structural changes, it's a very, very well placed acquisition, if you think about it.

**Sanjay Majmudar:** So, just to very slightly elaborate, you see US fundamentally will cater to CDMO-CMO, where it is government or controlled substances or our own products that directly, in-directly go into government or controlled substances. Retail, now we have a very big portfolio of ANDAs where as Swapnil said, some of these products can easily come to India, and then it can become a very strong complementing effort to further strengthen my US presence.

**Vansh Valani:** Fair enough, sir. That makes sense. And I just wanted to understand like after our total revenue, will we see an increased percentage term revenue coming from regulated market after this acquisition? So, if you look right now, it's about 65% to 70% from regulated markets. So, can we expect that as in when we scale up the revenues upwards of Rs. 100 crores to Rs. 250 crores from this new facility, the overall share in the total revenue will increase more from regulated markets?

**Sanjay Majmudar:** Surely, in the immediate future, yes.

**Vansh Valani:** Okay. And sir, any plans that you have for semi regulated markets that you'd like to share or nothing of that sort as of now?

**Vansh Valani:** I just wanted to understand the business share, like how does it transition over time? So, can we expect regulated markets to contribute about 80%-85% upwards of 90% of the revenue?

**Swapnil Shah:** I'll just answer in three parts. One is, the question is whether we see regulated market revenue share to increase from where it is today. The answer is yes, 100%. The second portion is, how do we see other regulated markets from this particular plant? The way we see other regulated markets, as I stated in my opening speech is about a $4 billion worth of products, which are already approved for us in the US, has potential in other regulated markets. Now, when I say UGMP, Europe or Brazil or Mexico, you have Australia, New Zealand, and multiple of those other regulated markets. UK and Canada is another one, which we already spoke about. Some of our products already have a great potential in this market. Now, currently, we were all focused on the US, though we had the product, which could go into this market. But the whole journey becomes very, strong now with our presence in India with those markets. So, overall, accessibility of that $4 billion plus market opportunity on our 70 odd ANDAs that are already in the pipeline and there are other products that are there, that becomes more viable and more visible. And third part, overall margin profile, we do not think that margin profile will change much, maybe 100-200 basis points increment you probably would see, but that we will guide it as we go deeper and start producing and do product registration on multiple geographies as well as get some of the manufacturing in India for a cost advantage business.

**Sanjay Majmudar:** And I think, Swapnil, just to add, his question was for semi-regulated markets, what could be the strategy? Will we look for a new site?

**Swapnil Shah:** So, we already have a site, right, for non-regulated and semi-regulated markets. Our site in Ahmedabad Chhatral we are going ahead with a fixed accreditation, right, for that site. So, we expect calendar Q1 2026, that fix is going to be granted for our plant. There, anyway, we have 12 manufacturing lines, right, we have orals, we have liquid, and we have injections. So, even in injections, we have PFS, vials, ampoules, three lines on that side and oral and oral liquid, pretty much everything that we are able to do. So, that will continue to cater to the non-regulated and semi-regulated market. And we have more than 180-190 products, individual molecules and about 3,000 plus registrations that are under works from that plant. So, that will also continue to drive our business as we move forward.

**Vansh Valani:** Sure. Thank you. That answers my question.

**Moderator:** Thank you. The next question comes from the line of Divyam Doshi with 9two3 Capital. Please go ahead.

**Divyam Doshi:** Hello, sir. I wanted to ask that as our capacity expands towards the higher end of install limits, how would you decide whether to put incremental output towards our own portfolio or third party CMO-CDMO opportunities?

**Swapnil Shah:** Yes. So, Divyam, when we look at it, we do not look at our own portfolio, CDMO-CMO from a capacity standpoint. We look at what is the production target that we have based on the current existing business we have, whether it is CDMO-CMO of our own product and how we can maximize our output so that our margin remains steady or it can increase. So, I think from a manufacturing standpoint, rationalizing is on the manufacturing output, not on the vertical of business. Yes. I mean, end of the day, if we are able to make more money out of one of those verticals, maybe we will try and see how we can maneuver that capacity towards that vertical. But in terms of manufacturing rationalization, it does not work that way.

**Divyam Doshi:** Okay. And I wanted to ask that, after the new Apnar facility, what would be the change in key integration cost, that is systems, people, quality, processes? They may not be visible in the headline numbers right now, but do they matter over a longer term?

**Sanjay Majmudar:** Very little integration cost, I think. Hardly any.

**Swapnil Shah:** So, I will add to this. Absolutely, before we acquired we did rigorous three audits of the plant. We got an external audit done through a very well-qualified USFDA consultant. Our in-house corporate QA team also audited twice the plant. So, it is not being done in a way that there was a plant available and you want to go and acquire it. We ourselves made sure that all quality parameters are checked. And in case if there were some leeway that we had to work on, are doable. So, all significant amount of work was done before this acquisition. And we have been working on it. We have been talking to each other for almost last 10 months. It has not happened overnight. So, over the last 10 months, we have been continuously in touch. Last three months, we have activated multiple resources in terms of quality, in terms of operation, in terms of people, how we can utilize our existing manpower, qualified manpower to ensure that the related output that we want, we are able to get it. And the quality point of view as well. Already, both the supply chain teams are in touch. Both the regulatory teams are in touch. Both the QA teams are in touch. So, all the integration, it has already been done as we speak today. And if you look at our journey, we have been very aggressive and strong in terms of our ability to work. Our action points have been very crisp and sharp. And that is what we continue to do even for this acquisition as we move forward.

**Sanjay Majmudar:** So, just to quickly add, the plant is not very old. It is a plant of FY'21-'22. So, it is not much maintenance CAPEX that is required. I might spend another Rs. 5 crores-Rs. 7 crores quickly to upgrade a few of the facilities. And number of people are not more than 50-60 and most of them are willing to continue with us. So, it is not very difficult journey. That is what I wanted to clarify.

**Moderator:** The current participant has been disconnected. We will move on to the next question. It is from the line of Gaurav T. with Ambit Capital. Please go ahead.

**Gaurav T.:** Hi, good morning. Sir, congratulations on the deal. Couple of questions, sir. Sir, could you help us understand what it would have taken in terms of the financial cost to set up this kind of a facility on your own? Of course, with the acquisition, we get immediate access to capacities. But just trying to understand the multiple to book value. So, would this have, if we were to set this up on our own, would this have costed more than Rs. 90 crores?

**Deval Shah:** I think our new plant today, if we see similar plant, should be more than Rs. 125 crores-Rs. 130 crores with a 3-year time frame. That is more important for us.

**Gaurav T.:** Got that.

**Deval Shah:** And we will have about 34% minimum.

**Gaurav T.:** Understand that. It is accretive on that basis. And the land is owned or this would be your lease land?

**Sanjay Majmudar:** Freehold. Owned.

**Swapnil Shah:** So, just to add, we have about 60,000 square yards of available land, with this acquisition itself has a significant value attached to it. As Deval bhai said, it easily would cost us around Rs. 125 crores-Rs. 130 crores to set something like this up today, not even considering the intangible assets attached to it. So, that is also a significant portion. Plus, minimum 2 years'-3 years' time frame in terms of qualifying the plant, product and getting the right approval. So, I think we have been able to get to market a much faster with this acquisition and not kind of spend money what otherwise a greenfield setup would cost.

**Gaurav T.:** Wonderful. That's great. So, I got your guidance. By FY'28, we could potentially see an optimal utilization of this facility. So, guessing with the land cost already part of this value, incremental blocks you can set up would be at a considerably more lower CAPEX, which should allow you to see capacity expansion for at least the long term too, not only the near to medium term. Would that be a right way to see this?

**Sanjay Majmudar:** Yes, in a way. So, as I said, Gaurav, for making this plant operational fully, I have to have very little CAPEX. That is point number one. We'll add some working capital. That's very obvious. First year target is about 100-120 crores. Swapnil already mentioned that in next , 2 years-3 years, it has the potential to easily go up to 200-250 crores. But we will wait and see how it goes. I think till I reach a decent capacity utilization, I don't need to do any incremental CAPEX for capacity addition.

**Gaurav T.:** That's for the current block, sir. After 3 years, the existing land parcel, you can set up additional blocks, right?

**Sanjay Majmudar:** Yes. We have a lot of options. We will evaluate them. But we will take a call as we move forward. Land is available.

**Gaurav T.:** Great, sir. Sir, on this revenue number guidance, I missed the part on EBITDA accretion and when do you see this deal being P&L or EPS accretive to your P&L?

**Deval Shah:** On a Rs. 100 crores-Rs. 120 crores revenue, I think we are expecting 30% plus EBITDA from this plant. Our initial estimate is this, this should be in 'FY26-'27, first year of operation. I think the debt t portion is, as Sanjay Bhai said, it is around Rs. 50 crores, Rs. 75 crores is including my current liabilities and everything. So, that should remain at the same level even after this. There should not be any additional debt, long-term debt taken. Working capital, yes, it will be there. New working capital facility will add, but overall debt will remain at around Rs. 50 crores-Rs. 55 crores. That is what we expect.

**Sanjay Majmudar:** I think safely 75 crores, including incremental additional working capital. That is the max. I should say in year one. And we will be generating almost 30% or Rs. 30 crores of EBITDA on that. 30% plus EBITDA in the first year of operation.

**Gaurav T.:** Got it.

**Gaurav T.:** Got it. Sir, if I may, just a last question before I join the queue with your permission. So, the 5 ANDAs, they are competitive. So, a large part, would be by moving our current filings to this site also. You said that it would take 3-5 months to get those filings done and approved. So, this will be through the CBE-30 route or this will be through the pass route? If you could just help us understand this 5 months' timeline, please.

**Swapnil Shah:** Yes, part of the portfolio will be CBE-30 route and some of the products that we have in a pipeline, which are not necessary for government or control substance, can easily be done through this side, which could be through pass route. So, it will be a combination of both. But yes, I mean, the first go-to would be, of course, CBE-30, which is 3 months'-5 months' timeframe, max 6 months from that perspective for us. Because there are already commercial products, we are selling it in the US, right? So, that's a pure change of site as we speak.

**Gaurav T.:** Understood, sir. Congratulations to the team and all the best for the integration.

**Moderator:** Thank you. The next question comes from the line of Jigar Shah with Elevate Research. Please go ahead.

**Jigar Shah:** Hi, sir. Good morning.

**Deval Shah:** Good morning.

**Jigar Shah:** Couple of questions. The first one is on the CAPEX. So, we are adding two lines at the US plant and now we will have this USFDA approved facility from Apnar Pharma. So post this, how

should one look at the capacity expansion for FY'27 and FY'28? You have earmarked around Rs. 100 crores for further expansion at the US plant, which you have mentioned in the past that it will be done in FY'27. So, beyond that, what is the CAPEX plan in coming 2 years-3 years?

**Swapnil Shah:** So, Jigar, on capacity, as we already stated, US next year, by mid-next year, we will have about a 2-billion-unit production capacity. So, that doesn't change. We already have a plant and we already have confirmed products that are going to be manufactured because they are all under filing, so on, so forth, as we speak. So, our capacity expansion doesn't change. Now, coming to India with this acquisition, as we stated, we have about 250 million units of current capacity at India plant. So, part of that US and the new products that we have will come to India, which will be incremental about 100 million-150 million, at a high level as we consider today. So, on both the sides, I think we are adequate in terms of capacity-wise for next 12 months to 18 months in terms of oral solids are concerned. Coming to our CDMO injectable vertical that we have said, which we will be putting up in the US, is largely catering to biologics and general injectable CDMO verticals that we want to put in. Those plans still remain intact. Nothing changes on that side. So, we have to look at it from dosage form standpoint. So, one is the oral solids, which we said this is what in the US, furthermore on beyond 2 billion, I think that's no plan. There is no plan for us to expand beyond that as far as oral solid is concerned in the US. And as I said, we will continue to expand a little bit on the India side so that US capacities get freed up, which can utilize for slightly higher margin business. Products that have a margin compression or we have a little lesser margin, if they are able to kind of manufacture in India, we will move to India, we will continue to service from India. So, strategically, structurally, nothing changes for us. What we were doing yesterday, we will do today and tomorrow. So, everything is aligned in terms of where we are currently standing.

**Jigar Shah:** Got it, sir. Thank you for the answer. Sir, I have a second question on the debt. So, we had reduced some debt from the IPO proceeds. So, now we will be adding this around Rs. 75 crores of debt from Apnar Pharma. So, how should one look at the gross debt by end of FY'26? And do you see borrowing increase further from here? And what is the broad plan of repaying and reducing the debt?

**Deval Shah:** I think this Rs. 75 crores what we are saying is including working capital, long-term debt is not there that much. So, it is just Rs. 25 crores of long-term debt, which will be coming through Apnar Pharma. Overall, if we see consolidated level, still we are at below 0.5% of debt equities, which is quite comfortable for us. Even looking, even taking into consideration of Apnar debt, that consolidated level will be still below 0.5% to afford debt equity.

**Jigar Shah:** Got it, sir. Thank you. And if I may ask one more question, so how do you see the whole tariff situation evolving? And in case if there is any tariff put on pharma products manufactured outside of the US, so how do you plan to navigate that?

**Swapnil Shah:** Difficult. Nobody knows.

**Swapnil Shah:** We will see how it evolves. See, again, we are better placed, right? I have always been mentioning this. How better are we? That future will tell. I mean, whether it is US, we have ample capacity in the US also if there is some drastic move that comes in. And if it does not come in, it is again, we are very well structured. So, we will see how it goes. But I think out of all our peers or even larger companies that are there, we are better placed, much better placed, I would say.

**Jigar Shah:** Got it, sir. Thank you for the answer.

**Moderator:** Thank you. The next question comes from the line of Foram Parekh with Bank of Baroda Capital Market. Please go ahead.

**Foram Parekh:** Sir, you mentioned that the acquired ANDAs have the potential to clock sales of around Rs. 100 crores by FY'26. So, could you just explain us the competitive landscape, like how competitive is this space? How many peer market do you expect on an average per molecule and the price erosion pressure and everything?

**Swapnil Shah:** Yes. So, Foram, thank you for your question. What we said is next year FY'26 revenue to be around Rs. 120 crores, not just those three products, right? So, I am saying as a vertical from this, we expect about Rs. 120 odd crores of revenues. Now, coming to these three products, and then two more products will be added in the due course, and there will be some manufacturing that will move from US to India. On the competitive landscape, we have about 3 to 4 competitors on those 3 approved products as we speak. They are fairly large molecule in terms of volume wise. They are a few hundred million dollar kind of a product. Also, these three products have the government potential as well, right? So, though they will be manufactured in India for the retail side of the business, those three products will still be qualified through our US plan for the government play, right? So, that is also an added advantage that we have that this will also go into government. These three products will also go into government business through our US plan, right? So, putting it all together, the number that we have mentioned about Rs. 120 crores is very well thought out. And we feel that we are very comfortable to kind of achieve through this manufacturing side in the coming year.

**Foram Parekh:** Sure, that's helpful. And my second question is on the capacity expansion, where we are expecting like 500 million to 600 million capacity. So, by when can we expect this increased capacity to be executed or ramp up?

**Swapnil Shah:** So, we will continue to monitor in next 8 months to 10 months in terms of getting it to about 250 million of production capacity. Expandable to 600 odd million units is also not very difficult. Maybe a balancing improvement change and building up a slightly bigger warehouse, because typically how it works is you need 3x to 4x of the production block as a warehouse capacity, right? So, we have about 40,000 square feet of production block. So, we need about 100,000 square feet to 120,000 square feet of warehouse space. So, building up that space to take up more capacities, so that the RMs and SGs can be stored. So, those peripheral investments will happen

in the due course. And as we qualify more and more product, depending upon what the demand lies in terms of our production capacity, then demand output, we will take that informed decision whether we want to go directly from 250 to 300 to directly 600, or we want to go to 300 to 400 to 500, then 600, right? So, depending upon how things unfold in next couple of months, few months, we'll take that informed call.

**Foram Parekh:** Sure, but do we have any visibility right now? Like, say, 3 to 5 years down the line, we can execute or we can ramp up this capacity?

**Swapnil Shah:** No, within two years.

**Foram Parekh:** Okay, great. That's helpful. And my last question, which is a little broader in terms, like, I understand that if we would have set up our own plant, it would have cost us more and would have even taken longer time as compared to acquiring a facility or a unit. But how comfortable, is it applying or giving six times EV by sales for a generic product in the regulated market? I mean, haven't we paid more? Or is this the normal standard valuation that is quoting in the regulated market? Some sense if you can give us there?

**Sanjay Majmudar:** No, Foram, I think, as I said in the very beginning, this was not a business driven or a valuation was not business driven at all, because we knew that what is this facility, what is the total asset, it's more asset driven, plus a little premium paid for all the regulatory approval, USFDA approval, plus the ANDAs and everything and the time factor, it's that we have not applied any multiple to their sales or to their sort of whatever revenues or whatever EBITDAs that they were. In fact, they were not earning at all, if you honestly ask me.

**Deval Shah:** Foram, just to add, I think this is a value buy for us, looking to the time value of money and the cost of assets, what we would have spent. So we feel this is a real value buy for us, giving us a quick return on my capital.

**Foram Parekh:** Absolutely, yes. And just last on this 5 ANDAs, where I understand that 3 ANDAs can be commercialized soon. Could you give us the status on the 2 ANDAs? I mean, are those USFDA approved or by when can they commercialize any timeline there?

**Swapnil Shah:** So other two ANDAs, they're already approved. We just have to change the API source, right? So that will happen in the due course, as you speak.

**Foram Parekh:** Great, no problem. Thank you. That was helpful. Thank you.

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**Moderator:** Thank you. The next question comes from the line of Gaurav T. with Ambit Capital. Please go ahead.

**Gaurav T.:** Thank you very much for the follow up. Sir, could you let us know the last inspection dates by the USFDA, the UK MHR and Health Canada for this facility? Would that be possible to share?

**Swapnil Shah:** The inspections happened around FY'22 or FY'23, as we speak. So probably the moment the change of ownership that has been put it up in the FDA, I think the inspection can come. So that's the landscape currently as far as inspection is concerned.

**Gaurav T.:** Okay, so the last inspection happened in FY'22-'23.

**Swapnil Shah:** FY'23, I believe.

**Gaurav T.:** FY'23, got it. And what would be the current cost of debt for Apnar, because that's one of the levers for us to refinance at a lower cost, what would be the current cost of debt? Would it be in the mid-teens?

**Deval Shah:** 10.5%-11%, roughly.

**Gaurav T.:** 11%, got it. And the second tranche cash, from a risk management point of view, you have done it in two tranches. So the second tranche is a contingent on some first CBE-30 approval coming through or some integration, any milestone now?

**Sanjay Majmudar:** Yes. So let me explain, there are two tranches for equity. See what is happening, some of the debt is from the parent and as per the ECB guidelines, it is linked to the minimum average milestone being achieved. That's the only thing.

**Deval Shah** There is no milestone, it is linked with the ECB requirement.

**Sanjay Majmudar:** Exactly. That milestone is as soon as we achieve that minimum average maturity, we'll repay the debt and do the second tranche equity transfer. It is more technical.

**Gaurav T.:** Okay. Yes, I understand. The debt currently is denominated on INR only, right?

**Sanjay Majmudar:** Partly in foreign currency, mostly in INR. Two small ECBs are in foreign currency, which are going to be repaid quickly.

**Deval Shah:** Foreign currency, I'm hedged against foreign debtors. So again, there are also the receivables from the foreign company. So that way it is a nationally hedged debt.

**Gaurav T.:** Got it. Just a minor clarification on the strategy. So, facilities mostly going to be used for catering largely to the US and then potentially also to the UK and Canada. Then, why bear the cost for taking ANVISA approval or COFEPRIS, because this would also cost money to the Company. So if the current capacity is expected to be directed to the US, then why go for COFEPRIS and ANVISA?

**Swapnil Shah:** So, Gaurav, currently the products that we have, have good potential on multiple of those global markets. So, so far over the last couple of years, there have been multiple requests from the buyers of this market wanting our product to be manufactured and supplied to those markets. So far we have been very slow in terms of allowing those products to be manufactured in our US site or, or qualifying for some of those markets as we speak. So those are some of the ready opportunities that we have, which we can currently see and access right away, and I think that will continue. And being in India have the larger capabilities on the analytical and the testing side, plus the facility could run also on the multiple shifts, allows us to take up additional business of this other regulated markets, right? So, put together, if there is an opportunity and we feel there is an enough margin profile that exists for our products, we would like to take up those opportunities, not that we will be designing a portfolio to put it into Brazil or Mexico or some of those other regulated markets, but something that we are centric to US, and there's an access and avenue and opportunity for us to go in other regulated market with some additional analytical work, we would like to do that because that's very value adding and strategic.

**Gaurav T.:** Got it. No, thank you for patiently answering this. So you helped us understand how the utilization scale up of this new facility can happen. Any color on how the utilization levels of your Atlanta facility as of OneEdge and how that could also ramp up over the next 2 to 3 years in tandem with this new facility?

**Swapnil Shah:** Yes, so we are currently about between 1.2 billion to 1.3 billion production capacity in Atlanta today, we are at about 60% to 70% utilization. And we feel that the utilization percentage in the US will max at about 70%. I don't feel we will be go beyond 70%-75% in terms of utilization. As we get to 2 billion capacity, utilization at 70% comes down to about 1.4 billion units. So that is what we are targeting in next two years to ramp up the US capacities to 2 billion and we could have a production output of about 1.3 billion to 1.4 billion units from the US manufacturing site standpoint.

**Gaurav T.:** Very interesting. Thank you so much. Have a nice day.

**Moderator:** Thank you. The next question comes from the line of Naitik Mohata with Sequent Investments. Please go ahead.

**Naitik Mohata:** Good morning, sir. And thank you for this opportunity and congratulations for what I believe is a very lucrative acquisition for us. So just some clarifications on the guidance and the ANDAs that we have acquired. So almost we are expecting Rs. 100 crores-Rs. 120 crores of revenues next year from this facility. And is this on back of just the 3 ANDAs which are commercialized or is does this also consider leveraging our own product portfolio? Plus, at the same time, will the US market be the sole focus for this plant or as it is a UK and Canada credit plant as well and that is a geography that we are actually more keen to enter into?

**Swapnil Shah:** Naitik, thank you for your question. When we said we will get complete 12 months commercialization of these three products next year, like FY'26, so that's one thing. Partly FY'27.

**Sanjay Majmudar:** Yes, FY'26-'27. Correct. I think the previous question was exactly the same. So one, of course, these three products will be very quickly commercialized from this facility. Plus, we will be shifting some of the products under CBE-30 route, which might take 3 months to 5 months. And then partially, some of those products will also give some incremental revenue. That is how the revenue composition will be in the current, I mean, in the FY'26-'27.

**Naitik Mohata:** Right. And sir, also the focus in terms of geography, like US, Canada?

**Sanjay Majmudar :** Geography initially will be US, but we will also be looking at UK, Canada, and a few other markets, because we have a lot of these, the same products have a lot of all of our current portfolio products, plus these new products together. As we answered a previous question, the opportunity could be as big as about 4 billion. And if we can take a very small market it can give you a good business, but we'll go step by step.

**Naitik Mohata:** Right. So secondly, I would ask that, can you elaborate a little more about the therapies these ANDAs are catering to, I think. So in the opening remarks, Swapnil sir had mentioned that the ANDAs are ex-Sandoz.

**Sanjay Majmudar:** These ANDAs were ex-Sandoz and then they were owned by the parent company of Apnar in US. And they could not commercialize it for the way they wanted to because of their own financial resource constraints, basically. And then, there were a lot of other pulls and pressures at the parent end, which made Apnar India sort of be grossly underutilized. Beyond that, I can't elaborate more actually now.

**Naitik Mohata:** Okay. Thank you, sir. That's very helpful.

**Sanjay Majmudar:** So I think let us conclude this call. So thank you very much, everyone for your kind participation. And we always remain available for any further follow up questions. Thank you and have a good day.

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