

# IPCA LABORATORIES

## RESULT UPDATE

### KEY DATA

<b>Rating</b>	<b>BUY</b>
Sector relative	Outperformer
Price (INR)	1,302
12 month price target (INR)	1,610
52 Week High/Low	1,758/1,168
Market cap (INR bn/USD bn)	330/3.7
Free float (%)	55.3
Avg. daily value traded (INR mn)	234.9

### SHAREHOLDING PATTERN

	Sep-25	Jun-25	Mar-25
Promoter	44.72%	44.72%	44.72%
FII	10.43%	10.67%	10.76%
DII	36.77%	36.20%	36.06%
Pledge	0.00%	0.00%	0.00%

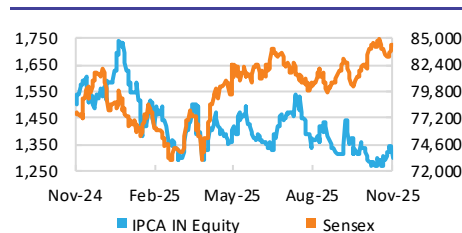
### FINANCIALS

	(INR mn)			
Year to March	FY24A	FY25A	FY26E	FY27E
Revenue	77,050	89,396	98,493	1,10,533
EBITDA	13,212	17,261	20,176	23,859
Adjusted profit	6,133	8,667	12,211	15,145
Diluted EPS (INR)	24.2	34.2	48.1	59.7
EPS growth (%)	24.7	41.3	40.9	24.0
RoAE (%)	9.0	11.1	15.5	17.2
P/E (x)	53.9	38.1	27.1	21.8
EV/EBITDA (x)	25.9	19.7	16.4	13.6
Dividend yield (%)	0	0.3	0.2	0.2

### CHANGE IN ESTIMATES

	Revised estimates		% Revision	
Year to March	FY26E	FY27E	FY26E	FY27E
Revenue	98,493	1,10,533	-0.5%	-0.6%
EBITDA	20,176	23,859	4.3%	-0.5%
Adjusted profit	12,211	15,145	5.8%	-0.3%
Diluted EPS (INR)	48.1	59.7	5.8%	-0.3%

### PRICE PERFORMANCE



## Domestic levers intact; Unichem improves

IPCA beat consensus Q2FY26E revenue/adjusted EBITDA/adjusted PAT by 2%/13%/20%. Adjusted for Unichem, IPCA's EBITDA margin works out to 24.2%, reflecting improvement in its organic business. Its India business grew 8% YoY, but missed our expectation.

IPCA has raised its EBITDA guidance by 100bp, with a strong Q2FY26, better product mix and turnaround in Unichem's business after closure of manufacturing unit in Ireland. We expect sustained growth in the domestic business, due to addition of new divisions and 400–500 MRs/year for next two–three years. We are raising FY26E EPS by 6% but retain FY27E. Retain 'BUY' with an unchanged TP of INR1,610 (27x FY27E EPS). IPCA is trading at 38x/27x/22x FY25A/26E/27E EPS.

### Beat on all fronts; better product mix improves gross margins

IPCA's revenue grew 9% YoY/11% QoQ to INR25.6bn, in line with our estimate. Gross margin expanded 164bp YoY to 69.4% (beating estimates) due to improved product mix. EBITDA, adjusted for FX, jumped 23% YoY to INR5.5bn while adjusted margin increased 259bp YoY to 21.7%. Adjusted PAT surged 42% YoY to INR3.3bn, beating our estimate by ~21%. For Q2FY26, finance cost fell 13% YoY to INR196mn. Unichem Labs reported robust numbers: 10% QoQ revenue growth, 11% EBITDA margin versus 4.3% in Q1FY26. Ex-Unichem, IPCA's gross margin was 74.1% while EBITDA margin improved ~332bp YoY to 24.2%.

### GST rate rationalisation impacts domestic growth; Unichem robust

IPCA's India business grew 8% YoY/6% QoQ to INR10.2bn as the GST rate cut partially impacted its business. Management remains confident of 10–11% growth in the domestic business for FY26E, with an increasing chronic mix (35% in Q2FY26), and focus on pain management and field force expansion. The contraction in the domestic API business was offset by 45% YoY growth in API exports due to stronger demand in Europe/Latam. Unichem, which reported weak Q1FY26, has shown improved performance due to cost reduction. The current focus is on expanding its product portfolio across markets, with 12 products filed in Europe and other regions. As approvals come through over the next 1–1.5 years and the portfolio expands, it can show further improvements with margins reaching 15–20%.

### Branded generics account for ~85% of valuation; retain 'BUY'

We forecast IPCA's revenue/EBITDA/PAT CAGR would be 11%/18%/32% over FY25–FY27. Branded business forms 85% of the target market cap. IPCA's RoCE is set to improve from 15% in FY25 to ~18% by FY27E. The stock is trading at an attractive 22x FY27E EPS; retain 'BUY' with unchanged TP of INR1,610.

### Financials

Year to March	Q2FY26	Q2FY25	% Change	Q1FY26	% Change
Net Revenue	25,565	23,549	8.6	23,089	10.7
EBITDA	5,449	4,415	23.4	4,164	30.9
Adjusted Profit	3,333	2,354	41.6	2,393	39.3
Diluted EPS (INR)	13.1	9.3	41.6	9.4	39.3

## Financial Statements

### Income Statement (INR mn)

Year to March	FY24A	FY25A	FY26E	FY27E
Total operating income	77,050	89,396	98,493	1,10,533
Gross profit	51,293	61,610	68,507	76,362
Employee costs	17,084	19,840	21,477	23,212
R&D cost	0	0	0	0
Other expenses	20,997	24,509	26,854	29,291
EBITDA	13,212	17,261	20,176	23,859
Depreciation	3,572	3,978	4,033	4,253
Less: Interest expense	1,383	849	711	540
Add: Other income	1,248	928	1,205	1,400
Profit before tax	9,504	13,362	16,638	20,466
Prov for tax	3,135	3,436	4,427	5,321
Less: Exceptional item	(1,078)	2,051	583	0
Reported profit	5,473	7,377	11,593	15,117
Adjusted profit	6,133	8,667	12,211	15,145
Diluted shares o/s	254	254	254	254
Adjusted diluted EPS	24.2	34.2	48.1	59.7
DPS (INR)	0	4.0	2.0	2.0
Tax rate (%)	33.0	25.7	26.6	26.0

### Important Ratios (%)

Year to March	FY24A	FY25A	FY26E	FY27E
Gross margin	66.6	68.9	69.6	69.1
R&D as a % of sales	0	0	0	0
Net Debt/EBITDA	0.9	0.6	0	(0.2)
EBITDA margin (%)	17.1	19.3	20.5	21.6
Net profit margin (%)	8.0	9.7	12.4	13.7
Revenue growth (% YoY)	23.4	16.0	10.2	12.2
EBITDA growth (% YoY)	42.6	30.7	16.9	18.2
Adj. profit growth (%)	24.7	41.3	40.9	24.0

### Assumptions (%)

Year to March	FY24A	FY25A	FY26E	FY27E
GDP (YoY %)	6.7	6.0	6.2	6.2
Repo rate (%)	6.5	6.0	5.0	5.0
USD/INR (average)	83.0	84.0	82.0	82.0
India growth (%)	12.2	11.6	10.0	11.5
Export generics (%)	22.5	0	6.8	11.0
Export branded (%)	4.3	10.5	8.4	11.5
API growth (%)	(9.3)	1.3	15.4	11.5
Institutional (INR mn)	2,669.9	3,551.5	3,374.6	3,779.6
Capex (USD mn)	0	0	0	0

### Valuation Metrics

Year to March	FY24A	FY25A	FY26E	FY27E
Diluted P/E (x)	53.9	38.1	27.1	21.8
Price/BV (x)	5.2	4.8	4.1	3.5
EV/EBITDA (x)	25.9	19.7	16.4	13.6
Dividend yield (%)	0	0.3	0.2	0.2

Source: Company and Nuvama estimates

### Balance Sheet (INR mn)

Year to March	FY24A	FY25A	FY26E	FY27E
Share capital	254	254	254	254
Reserves	63,068	69,231	80,316	94,925
Shareholders funds	63,322	69,485	80,570	95,179
Minority interest	13,948	14,398	14,398	14,398
Borrowings	14,384	13,627	11,908	10,180
Trade payables	7,761	8,462	9,445	9,993
Other liabs & prov	10,720	10,664	11,130	12,048
Total liabilities	1,11,013	1,17,606	1,28,465	1,42,937
Net block	41,233	38,505	39,674	41,297
Intangible assets	2,332	2,032	2,783	3,551
Capital WIP	3,236	6,162	4,925	5,527
Total fixed assets	46,801	46,699	47,381	50,374
Non current inv	3,038	2,166	2,265	2,542
Cash/cash equivalent	2,968	3,442	11,225	15,341
Sundry debtors	16,865	18,738	20,778	22,712
Loans & advances	94	428	492	553
Other assets	35,462	40,077	40,474	45,119
Total assets	1,11,013	1,17,606	1,28,465	1,42,937

### Free Cash Flow (INR mn)

Year to March	FY24A	FY25A	FY26E	FY27E
Reported profit	5,473	7,377	11,593	15,117
Add: Depreciation	3,572	3,978	4,033	4,253
Interest (net of tax)	(56)	2,451	711	540
Others	1,373	1,171	35	28
Less: Changes in WC	(916)	(1,765)	(1,273)	(5,127)
Operating cash flow	9,447	13,213	15,099	14,811
Less: Capex	(4,113)	(7,756)	(4,607)	(7,971)
Free cash flow	5,334	5,458	10,492	6,840

### Key Ratios

Year to March	FY24A	FY25A	FY26E	FY27E
RoE (%)	9.0	11.1	15.5	17.2
RoCE (%)	13.1	15.0	17.0	18.5
Inventory days	299	330	327	316
Receivable days	63	73	73	72
Payable days	92	107	109	104
Working cap (% sales)	51.9	52.0	56.2	58.6
Gross debt/equity (x)	0.2	0.2	0.1	0.1
Net debt/equity (x)	0.1	0.1	0	0
Interest coverage (x)	7.0	15.6	22.7	36.3

### Valuation Drivers

Year to March	FY24A	FY25A	FY26E	FY27E
EPS growth (%)	24.7	41.3	40.9	24.0
RoE (%)	9.0	11.1	15.5	17.2
EBITDA growth (%)	42.6	30.7	16.9	18.2
Payout ratio (%)	0	13.8	4.4	3.4

## Q2FY26 conference call takeaways

### India business

- 10-11% growth is expected for FY26E (higher than market growth).
- Formulations business was impacted in Q2FY26 due to GST rate rationalization in Sep-25; however, IPCA witnessed a good recovery in Oct-25.
- IPCA's market share improved from 2.3% in MAT Sep-24 to 2.8% in MAT Sep-25. Overall IPM growth was 7.8%; IPCA growth was 11.6% in Q2FY26.
- On the acute side, market grew 6.2% while IPCA grew ~8.2%. On the chronic front, market grew by 10.3% while IPCA grew 14.2%.
- Share of IPCA's chronic business is 35% versus 34% in Q1FY26. IPM: 40%. IPCA continues to increase its chronic share.
- **Therapy Dynamics** - Pain is IPCA's largest segment - (10% growth in Q2); Cardio vascular – good recovery was seen post Q1 (11% growth). Anti-Malarial saw decline (8% YoY). Anti Bacterials growth was at 4%; CNS grew 18%; Cough and Cold recovered with 17% growth; Derma growth at 11%; Urology at 11%.
- **GLP-1** – IPCA didn't have sufficient R&D, but is in process to put a biotech facility (although it will take time). Management indicated they won't be there in current phase of product, but will be ready for next phase, as they are already synthesizing clones. It will also look for opportunities to buy products from other manufactures and sell in the market.

### Exports and API

- **Generics Formulation** – 8–9% growth is expected in H2FY26E. H1 was impacted due to higher inventories. Overall, European business continues to do well.
- **Branded Exports** – 9-10% growth is expected in FY26. – QoQ fluctuations happen.
- **API** – 14-15% growth is expected for FY26E. Growth for Q2 was on the back of better business from Europe and Latin America, with certain APIs of higher margins also supplied in Q2.
- **US** – IPCA shipped six products, and five-six products are under manufacturing. Once those product goes, business may start in Q4FY26. In H1FY26 IPCA made INR550mn. Q2FY26: INR150mn.
- **Europe** – Excluding one specific product, sales performed well and margins were not impacted. Efforts are going on to strengthen the European footprint, including participation in tenders. Europe remains a focus market with expected growth.

### Unichem Lab

- **Price erosion** – Going forward, two–three new products will be added with US business expected to grow 8–10%. IPCA products will also be marketed. Market share losses in two segments could be recovered, though increased competition may pressure prices. No current supply shortages in the US.
- **EBITDA Margin guidance** – 15–20% margins can be seen over the next 1.5–2 years.

- US contributes ~70% of Unichem's business. Growing the business in the other regions may take some time due to the long process of product registration, marketing and increase in the market share.
- Efforts to extend Unichem's products into multiple markets are ongoing; 12 dossiers have been filed across Europe and other international markets. Regulatory approvals are expected to take ~1–1.5 years post-filing.
- Qualification applications for sourcing APIs from IPCA have been filed; actual supply from IPCA may start with a 6–9 month lag after approvals. Major API supply is expected to commence from FY27.
- Closure of the European manufacturing facility in Ireland is expected to reduce annual expenditure of EUR 3.5–4 million. Operations have been shifted to the Baddi facility, which has all required regulatory approvals and customer registrations.
- US grew 12% in Q2. Further improvement is expected as dossier approvals come through and IPCA expands into other markets, with larger improvement is anticipated post-approvals.
- Future product development will depend on API ownership: if Unichem owns the API, Unichem will develop the product; if IPCA owns it, IPCA will develop it. There will be no joint product development, though both teams will continue working on new products within their respective portfolios. Ipca wants to go ahead in the US market with the strength of its API manufacturing.
- No 505b2 pipeline as of now.
- 80% of the business is US-focused, with a 3-month inventory cycle. Products are sourced from their own API basket, and overall inventory was reduced by INR 1,500mn in Q2 FY26
- **Cash balance** – Unichem has surplus cash and is expected to generate consistent OCFs. The Jogeshwari land sale, completed in Oct-23, leaves a surplus even after penalties and taxes; impact will reflect in Q3.

## Financials/others

- **EBITDA margin guidance** – Margins to be better by ~1% in H2FY26. (earlier guidance 20%).
- **R&D guidance** – Expected to be ~4% of sales due to product filings, formulation development and bioequivalence studies across markets; with biosimilar clinical trials commencing, this could rise to 4.5–5% in **FY27E**. Currently, R&D has capacity of filing 30–35 products for different markets and are building a strong pipeline for future growth.
- **Sales force guidance** – ~400–500 MRs can be added annually; with no more expansion than this is expected over the next 2–3 years. Currently, there are 7,000 MRs. Two cardiac divisions were added in FY26, with one more planned in cosmeto-dermatology, and a division added in Flexicare to expand presence in pain management.
- **Lyka labs** – A lot of P2P business is done by them, also GST rationalization affected the business and incurred an impacted of INR50-70 mn.

- **Gross margins** – Due to improving product mix margins were robust; API side higher margins business; with improving chronic share. Has helped in gross margin expansion. Trend will continue. Did not impacted due to CDMO business.
- **Biosimilar Tech transfer in Puerto Rico** – This is deal for DP/DS technology transfer of an old product. Currently has a regulatory milestone based payment, at the same time the party is expert and is a regulatory consultant to many companies in India, China and Europe who are developing biosimilars. Collaboration with BioSimilar Sciences should help IPCA in qualifying the plant for USFDA approval.

**Exhibit 1: Segmental breakdown (INR mn)**

Year to March	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	Nuvama estimates	Deviation (%)
<b>Formulations</b>	<b>15,116</b>	<b>14,820</b>	<b>2.0</b>	<b>14,106</b>	<b>7.2</b>	<b>16,204</b>	<b>-6.7</b>
- Domestic	10,189	9,405	8.3	9,610	6.0	10,346	-1.5
- Export	4,927	5,415	-9.0	4,496	9.6	5,858	-15.9
--Institutional anti-malaria	797	1,123	-29.1	578	37.7	1,123	-29.1
---Branded generic	1,450	1,427	1.7	1,236	17.4	1,584	-8.4
--- Generic	2,680	2,865	-6.5	2,682	-0.1	3,152	-15.0
<b>API</b>	<b>4,078</b>	<b>3,186</b>	<b>28.0</b>	<b>3,263</b>	<b>25.0</b>	<b>3,452</b>	<b>18.1</b>
- Domestic	868	972	-10.6	762	14.0	972	-10.6
- International	3,209	2,214	45.0	2,502	28.3	2,480	29.4
Other operating income	109	103	5.7	99	10.0	98	11.2
Revenue from subsidiaries	6,262	5,440	15.1	5,620	11.4	6,032	3.8
<b>Net sales (excl Other Oper Inc)</b>	<b>25,565</b>	<b>23,549</b>	<b>8.6</b>	<b>23,089</b>	<b>10.7</b>	<b>25,786</b>	<b>-0.9</b>

Source: Company, Nuvama Research

**Exhibit 2: Ex-Unichem financial snapshot (INR mn)**

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (%)
<b>Revenue</b>	<b>16,462</b>	<b>18,475</b>	<b>17,123</b>	<b>16,595</b>	<b>17,823</b>	<b>19,775</b>	<b>7%</b>
Gross profit	11,633	13,038	12,356	12,158	13,357	14,663	12%
Gross margins	71%	71%	72%	73%	75%	74.15%	358bp
<b>EBITDA</b>	<b>3,492</b>	<b>3,860</b>	<b>3,776</b>	<b>3,452</b>	<b>3,939</b>	<b>4,787</b>	<b>24%</b>
<b>Margins</b>	<b>21%</b>	<b>21%</b>	<b>22%</b>	<b>21%</b>	<b>22%</b>	<b>24%</b>	<b>332bp</b>

Source: Company, Nuvama Research

**Exhibit 3: Actual versus estimates (INR mn)**

Year to March	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	Nuvama estimates	Deviation (%)	Consensus	Deviation (%)
<b>Net revenue</b>	<b>25,565</b>	<b>23,549</b>	<b>8.6</b>	<b>23,089</b>	<b>10.7</b>	<b>25,786</b>	<b>(0.9)</b>	<b>25,178</b>	<b>1.5</b>
Raw material costs	7,816	7,586	3.0	6,916	13.0	8,277	(5.6)		
Gross profit	17,749	15,963	11.2	16,173	9.7	17,508	1.4		
Gross Margin (%)	69.4	67.8	164 bp	70.0	-63 bp	67.9	153 bp		
Employee costs	5,379	5,098	5.5	5,432	(1.0)	5,673	(5.2)		
Other expenses	6,920	6,450	7.3	6,577	5.2	7,091	(2.4)		
<b>EBITDA</b>	<b>5,449</b>	<b>4,415</b>	<b>23.4</b>	<b>4,164</b>	<b>30.9</b>	<b>4,745</b>	<b>14.9</b>	<b>4,902</b>	<b>11.2</b>
<b>EBITDA margin (%)</b>	<b>21.3</b>	<b>18.7</b>	<b>257</b>	<b>18.0</b>	<b>328</b>	<b>18.4</b>	<b>292 bp</b>	<b>19.5</b>	<b>185 bp</b>
Adj. EBITDA	5,543	4,498	23	4,246	30.6	4,745	16.8	4,902	13.08
Adj. EBITDA margin (%)	21.7	19.1	259 bp	18.4	330 bp	18.4	329 bp	19.5	222 bp
Net finance expense (income)	196	226	(13.1)	185	5.9	185	6.0		
Depreciation	1,033	1,004	3.0	1,001	3.3	1,008	2.5		
Other income	279	263	6.1	327	(14.7)	300	(7.1)		
PBT	4,498	3,448	30.5	3,305	36.1	3,851	16.8		
Exceptionals	583	0		0					
Income tax expense	1,081	994	8.7	961	12.5	1,098	(1.5)		
Tax rate (%)	24	29		29		29			
<b>Reported Net profit</b>	<b>2,826</b>	<b>2,295</b>	<b>23.1</b>	<b>2,332</b>	<b>21.2</b>	<b>2,747</b>	<b>2.9</b>		
<b>Adjusted Profit after tax</b>	<b>3,333</b>	<b>2,354</b>	<b>41.6</b>	<b>2,393</b>	<b>39.3</b>	<b>2,747</b>	<b>21.4</b>	<b>2,783.0</b>	<b>19.8</b>
<b>Adjusted Diluted EPS</b>	<b>13.1</b>	<b>9.3</b>	<b>41.6</b>	<b>9.4</b>	<b>39.3</b>				

Source: Company, Nuvama Research

**Exhibit 4: Quarterly snapshot (INR mn)**

Year to March	Q2FY26	Q2FY25	% change	Q1FY26	% change	FY25	FY26E	FY27E
<b>Net Revenue</b>	<b>25,565</b>	<b>23,549</b>	<b>8.6</b>	<b>23,089</b>	<b>10.7</b>	<b>89,396</b>	<b>98,493</b>	<b>1,10,533</b>
Cost of revenue	7,816	7,586	3.0	6,916	13.0	27,786	29,986	34,171
Gross profit	17,749	15,963	11.2	16,173	9.7	61,610	68,507	76,362
Employee cost	5,379	5,098	5.5	5,432	(1.0)	19,840	21,477	23,212
Other expenses	6,920	6,450	7.3	6,577	5.2	24,509	26,854	29,291
<b>EBITDA</b>	<b>5,449</b>	<b>4,415</b>	<b>23.4</b>	<b>4,164</b>	<b>30.9</b>	<b>17,261</b>	<b>20,176</b>	<b>23,859</b>
<b>EBITDA margin (%)</b>	<b>21</b>	<b>19</b>		<b>18</b>		<b>19</b>	<b>20</b>	<b>22</b>
Depreciation	1,033	1,004	3.0	1,001	3.3	3,978	4,033	4,253
EBIT	4,416	3,411	29.4	3,164	39.6	13,283	16,144	19,606
Less: Interest Expense	196	226	(13.1)	185	5.9	849	711	540
Add: Other income	279	263	6.1	327	(14.7)	928	1,205	1,400
Add: Exceptional items	583	0		0		2,051	583	0
Profit before tax	4,498	3,448	30.5	3,305	36.1	15,412	17,220	20,466
Less: Provision for Tax	1,081	994	8.7	961	12.5	3,436	4,427	5,321
Less: Minority Interest	-20	163	(112.5)	-3	537.5	476	-30	-12
Add: Share of profit from associates	-30	3		-15		-23	-65	-40
<b>Reported Profit</b>	<b>2,826</b>	<b>2,295</b>	<b>23.1</b>	<b>2,332</b>	<b>21.2</b>	<b>7,377</b>	<b>11,593</b>	<b>15,117</b>
<b>Adjusted Profit</b>	<b>3,333</b>	<b>2,354</b>	<b>41.6</b>	<b>2,393</b>	<b>39.3</b>	<b>8,667</b>	<b>12,211</b>	<b>15,145</b>
<b>No. of Diluted shares outstanding</b>	<b>254</b>	<b>254</b>		<b>254</b>		<b>254</b>	<b>254</b>	<b>254</b>
<b>Adjusted Diluted EPS</b>	<b>13.1</b>	<b>9.3</b>	<b>41.6</b>	<b>9.4</b>	<b>39.3</b>	<b>34.2</b>	<b>48.1</b>	<b>59.7</b>
<b>as % of revenues</b>								
Cost of revenue	30.6	32.2		30.0		31.1	30.4	30.9
Employee cost	21.0	21.7		23.5		22.2	21.8	21.0
R&D	0.0	0.0		0.0		0.0	0.0	0.0
Total operating expenses	78.7	81.3		82.0		80.7	79.5	78.4
Gross profit	69.4	67.8		70.0		68.9	69.6	69.1
Operating profit	17.3	14.5		13.7		14.9	16.4	17.7
Net profit	11.1	9.7		10.1		8.3	11.8	13.7
Tax rate	24.0	28.8		29.1		22.3	25.7	26.0

Source: Company, Nuvama Research

## Company Description

From a company which was known for anti-malarials and an API manufacturer in the past, its business has evolved into a full-fledged global Pharma company with multiple segments spanning multiple countries. IPCA is a vertically integrated company with a diverse presence across geographies including India, Africa, Asia, Australia, Europe and the US. It boasts of high level of vertical integration that has enabled leadership in various segments and delivered good profitability at the same time. India business is its largest business where it has consistently beaten market growth over the years. Exports formulations account for almost 50% of its revenues with branded generics business accounting for 1/4th of exports. While branded generics continue to register steady growth, the growth in exports will be driven by the generics business (US, EU and Institutional malaria).

## Investment Theme

Ipca has had a strong execution track record in the past years and its strong domestic franchise holds promise. Ipca has a moat w.r.t. cost leadership in several APIs, enabling it to be cheapest supplier in the world. Lifting of USFDA import alert has also come as a respite. However, declining API prices and Unichem integration pose risk and limit consistent margin expansion.

## Key Risks

- Cross currency impact could hurt earnings.
- Regulatory risks w.r.t. to USFDA inspection.



## Additional Data

### Management

Chairman, MD and CEO	Premchand Godha
Joint Managing Director/CFO	Ajit Kumar Jain
Executive Director	Pranay Godha
Executive Director	Prashant Godha
Auditor	G. M. Kapadia & Co

### Holdings – Top 10\*

	% Holding		% Holding
HDFC AMC	9.50	Vanguard Group	2.23
DSP	6.57	HDFC life	1.93
Kotak AMC	6.27	Fundrock Manage	1.26
SBI Life	3.54	Blackrock	1.05
Nippon Life	2.27	Massachusetts f	0.90

\*Latest public data

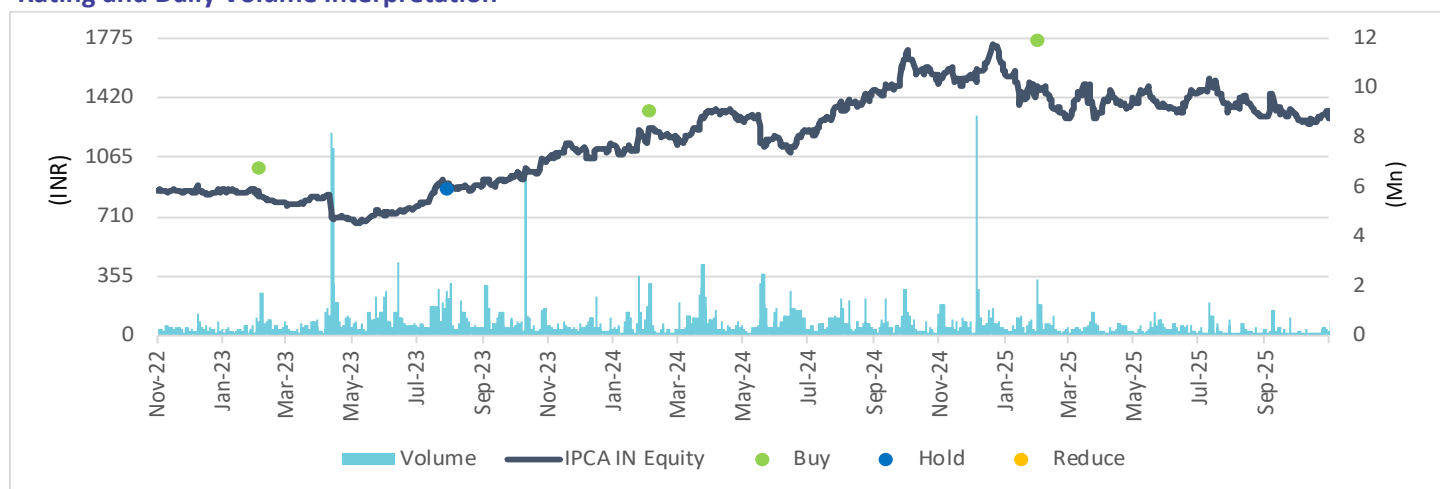
### Recent Company Research

Date	Title	Price	Reco
12-Aug-25	Unichem dents performance; core strong; <i>Result Update</i>	1,376	Buy
30-May-25	Formulations business, Unichem on track; <i>Result Update</i>	1,453	Buy
13-Feb-25	Multiple levers in India business ; <i>Result Update</i>	1,419	Buy

### Recent Sector Research

Date	Name of Co./Sector	Title
12-Nov-25	Biocon	Gaining momentum; upgrade prescribed; <i>Result Update</i>
11-Nov-25	Orchid Pharma	FY26: a lost year; rebound likely in FY2; <i>Result Update</i>
08-Nov-25	Divi's Lab.	CS grows, hinting more capex ; <i>Result Update</i>

### Rating and Daily Volume Interpretation



Source: Bloomberg, Nuvama research

### Rating Rationale & Distribution: Nuvama Research

Rating	Expected absolute returns over 12 months	Rating Distribution
Buy	15%	205
Hold	<15% and >-5%	68
Reduce	<-5%	37

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