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

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

**BSE CODE: 543329**

**NSE SYMBOL: WINDLAS**

Dear Sir/ Madam,

**Subject: Q4 FY25 Earnings Conference Call Transcript**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Q4 FY25 Earnings Conference Call Transcript.

You are requested to take the same on record.

Thanking you,

Yours faithfully,

**For Windlas Biotech Limited**

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

**Encl:** As above



“Windlas Biotech Limited  
Q4 FY25 Earnings Conference Call”

May 23, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 23<sup>rd</sup> May 2025 will prevail.



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

**Moderator:** Ladies and gentlemen, good day and welcome to the Windlas Biotech Limited Q4 FY '25 Earnings Conference Call. This call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company on date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. Today on the call, we have Mr. Hitesh Windlass, Managing Director; Ms. Komal Gupta, CEO and CFO.

I now hand the conference over to Mr. Hitesh Windlass. Thank you, and over to you, sir.

**Hitesh Windlass:** Good morning, everyone and thank you for joining us today for our financial results for quarter and year ended 31<sup>st</sup> March 2025. We have uploaded the press release and investor presentation on our website as well as on the exchanges. I hope everybody must have gotten an opportunity to go through it.

Initially, I would like to discuss the outlook and way forward for Windlas Biotech, followed by financial highlights for Q4 and FY '25 of the company, which will be shared by our CEO and CFO, Ms. Komal Gupta.

The Indian pharma market registered a Y-o-Y growth of 8.4% in FY '25, largely driven by price increases with volume growth of 0.4%. We are pleased to report another quarter of strong performance of revenue growth of 20% Y-o-Y for FY '25 and 18% Y-o-Y in quarter 4 of FY '25.

Our Generic Formulations CDMO vertical continued to benefit from new customer additions and a broader product portfolio. The Trade Generics and Institutional vertical maintained its growth momentum through wider market penetration and institutional engagement. The company continues to work towards the initiatives in export verticals such that filing -- such as filing of numerous dossiers and entry into newer markets.

Our proactive investments in quality systems infrastructure and digital transformation continue to position us strongly with respect to Schedule M compliance. We have begun utilizing Plant 2 extension in quarter 4 FY '25, which gives us the required room for growth in the upcoming period. Our injectable facility has been approved by several large customers and few injectable products made by us have been commercialized by our CDMO as well as the Trade Generics verticals.

We continue to augment our manufacturing network through modernization and retrofit of our recently acquired Plant 6 oral solids facility as per plan. The company achieved its highest ever earnings per share in FY '25 INR29.19 post our listing. In line with our dividend policy, the company paid INR11.5 crores, INR5.5 per share dividend related to FY '24 and proposed the dividend of INR12.1 crores, INR5.8 per share related to FY '25.

Looking ahead, we remain focused on enhancing long-term value for shareholders through diversification of our client base, increasing operational efficiencies, retaining, and rewarding key talent and expansion of dosage forms.

I will now request Ms. Komal Gupta, our CEO and CFO, to discuss the financial performance highlights. Over to you, Komal.

**Komal Gupta:**

Thank you, Hitesh. Good morning, everyone. We are pleased to conclude FY '25 with strong performance across key metrics.

- INR759 crores revenue, a 20.4% Y-o-Y growth,
- Ninth straight quarter of record revenue INR202.7 crores, 18.3% Y-o-Y growth,
- Highest ever EPS of INR29.19 post listing,
- Working capital days at 14,
- Sustained ROCE and ROE greater than 20% alongside capacity expansion projects
- Strong liquidity of INR213 crores.

We have sustained our operating margins, reflecting our robust financial management despite an increase in depreciation, largely attributable to injectables facility and Plant 2 extension. PAT stood at INR61 crores for FY '25 and INR16.3 crores for Q4 FY '25 as compared to INR58.2 crores and INR17 crores for FY '24. EBITDA grew by 20% Y-o-Y to INR94.1 crores for FY '25 and 16% Y-o-Y to INR25.5 crores for Q4 FY '25.

India's pharmaceutical industry ranks as the third largest globally by volume. Our state-of-the-art manufacturing facilities in Dehradun strengthen our ability to deliver high-quality, scalable solutions to meet the evolving demands of the market. Windlas is strategically positioned to capture growth through diversified presence across its core verticals.

In Generic Formulations CDMO vertical, we continue to direct our efforts towards sustained client engagement, new client acquisitions, new product launches and higher wallet share from current partners. This vertical recorded 15% Y-o-Y increase in FY '25 to INR555.1 crores. For Q4 FY '25, this vertical generated INR147.2 crores in revenue, witnessing a 15% Y-o-Y growth.

Trade Generics and Institutional vertical is driven by portfolio expansion, broader distribution, and institutional network, also supported by government-driven initiatives. Our trade generics and institutional vertical continued its growth momentum in FY '25 with revenue surged to INR172.1 crores, marking a 41% Y-o-Y increase. For Q4 FY '25, revenue increased to INR45.5 crores, registering 31% growth Y-o-Y.

Exports vertical reported revenue of INR32.6 crores in FY '25, a 19% increase Y-o-Y with Q4 FY '25 showing a revenue of INR10 crores, reflecting 12% growth Y-o-Y.

In conclusion, FY '25 has been a year of meaningful progress for Windlas, anchored by consistent growth, resilient margins, and strategic execution.

These results underscore the strength of our business fundamentals and clarity of our vision. As we look ahead, we remain confident in our ability to seize emerging opportunities and deliver enduring value to all our stakeholders. That's all from our side. We can now begin the Q&A session. Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Ankit Gupta from Bamboo Capital. Please proceed.

**Ankit Gupta:** Thanks for the opportunity. Hitesh and Komal, if you can talk about the injectable plant, it's almost been a year since we started this plant and now the validations have been completed. The product approvals are also coming through. We have started the commercial supplies, both on the CDMO as well as Trade Generic side. So if you can talk about, how do you see FY '26 and FY '27 panning out?

We have incurred quite a bit of fixed cost over here, employee costs, other expenses as well as depreciation. So how should we look at the numbers in FY '26 and '27 for those new dosage form that we have entered?

**Hitesh Windlass:** Sure, Ankit. Let me add some perspective and then maybe we'll dwell up on this one. See, for this FY '25, we had -- we identified a portfolio of products for our injectable and our vial lines and lyophilized vials. And we had the task of bringing -- taking all these products as stability batches to test out how the manufacturing is happening, the stability profile.

We also had the task of completing media fill and getting our WHO GMP licenses, both of which are important requirements for commercialization to CDMO partners as well as initiating the other business development activities. And in Q4, largely, we saw whatever revenue that we saw in injectables.

Although we don't give dosage form-wise revenue, but we promised earlier that we will come back and provide some feedback on this at the end of the year. The incremental depreciation for -- related to injectables facility was INR145 million in the last year. And the revenue generated, which I mentioned, was largely from Q4 FY '25 for injectable products for us is about INR6 crores.

Now we are in the process of obviously ramping up. And as I mentioned in my remarks, this involves the audits and approvals by large customers who are already buying oral solids from us and various products. And also it involves a product-wise audit of each of the stability data dossiers that we have now prepared.

So we are looking to ramp up. And obviously, our goal is to achieve that in the fastest possible way. And so we are on the job and expecting to build this business strongly in the future. Exactly how and when and what will be -- we'll be able to achieve, that is something that we are not discussing, although obviously, we have internal targets for everything.

So that's -- Komal if you want to add something?

- Komal Gupta:** No, I think you have covered, Hitesh. Just a small technical correction. INR145 million is our overall increase in depreciation, which is majorly attributable to Injectables and Plant 2 extension depreciation.
- Ankit Gupta:** Sure. So Hitesh and Komal, if you can talk about do you think we can end this year, let's say, in the second half with a capacity utilization of 50% - 60% at the injectable unit? And do we see breaking even on this facility in this financial year or breaking even both at EBITDA as well as on the PBT level, if you can talk about -- do you think we can break even in FY '26 or we should look forward to FY '27 only?
- Komal Gupta:** If it was completely -- we would want that to happen as soon as possible, honestly. When exactly and how much revenue we expect or how much capacity utilization we expect, as we have maintained in the past, we say that it's difficult for us to give that information because it gives away a lot of competitive advantage for us.
- So we won't be able to give that. Having said that, we would like to mention that we are really putting all our efforts in, and we are having -- seeing a few good wins coming in, and we stay confident to really deliver to everyone's expectations just when allow us some time to let you see that happening instead of us saying something and trying to then justify 1 month here or there.
- Ankit Gupta:** Sure. And do you think we have also started selling trade generics in the injectables? So given it's a smaller facility for us compared to our overall OSD facility, do you think trade generics will become a bigger portion of our sales here or CDMO will continue to be around 70% - 75% of our sales in injectables also?
- Komal Gupta:** Yes. We...
- Hitesh Windlass:** So it should be roughly similar just because of the base size of the business. So I -- but I do believe that eventually, even the plant that we have put is for meeting the standards of pick/S and export markets. And our goal has always been to provide these products into those markets because that's where the real margin will come. So although that is, again, a little bit later because you have to get plant approvals by regulatory authorities and then dossier approvals in those countries.
- So our goal eventually is that initially, it may -- we don't have any reason to expect that catering from this facility will be very different in proportion. But longer term, we do want to prioritize exports more because we believe that's where the stronger margin opportunities will come.
- Of course, we obviously have ability to not -- to also do capacity expansion within this plant. So we don't see that trade-off as hitting our capacity issue. So we'll -- we have to take it step by step though.
- Ankit Gupta:** Sure. The last question before I come back in the queue. On the employee cost and...
- Moderator:** Sorry to interrupt, Mr. Ankit.
- Ankit Gupta:** Sure. I will come back in the queue.

- Moderator:** I request you to return to the queue. As there are several participants waiting for their turn. Thank you. The next question is from the line of Dhwanil Desai from Turtle Capital. Please proceed.
- Dhwanil Desai:** Good morning, everyone. So my first question is that if we go and rewind a couple of years back, maybe 2 - 3 years back, I think the idea was that as the trade generics and export grows, our gross margin will be better in trade generics and export and hence, that will flow through to the bottom line or EBITDA level.
- Now if I look at the numbers in terms of proportion, trade generics have moved from 10% to 23%. And even our gross margin has expanded by a couple of hundred basis points. But despite that, our EBITDA has remained at 12% - 13% range. So in -- how should we look at it? And is it primarily because of the cost of injectable plants coming in? That's -- that's how we should see it the moment that cost gets absorbed, we should see that coming through. If you can spend some time on that?
- Komal Gupta:** Yes. More or less, you are right. In fact, there has been -- other than injectables business, there has been -- we have been able to deliver very good growth in terms of the EBITDA, even as a percentage of revenue. So injectables, as everyone is aware, might take some time to ramp up. But this year's P&L, FY '25, if we see even if I keep opex of injectables in and just remove the additional depreciation coming in from Injectables and Plant 2 extension.
- Our PBT margins have actually -- PBT, PAT margins have improved. That is one. And as you were specifically talking about EBITDA, Dhwanil, EBITDA margins have also improved if we take out the injectables opex. We can't give out the numbers as such. But as Hitesh mentioned, in only -- mainly Q4 only, we had the revenue coming in and that too not -- so in total, INR6 crores revenue is what we could do just from injectables.
- Hitesh Windlass:** Actually, also one more thing I want to add, Dhwanil. See, this year was -- while you correctly mentioned a couple of years ago when we had talked about this, the operating leverage for growth would -- was -- we are expecting, and we are seeing also. In fact, what I want to point out is that this year, the minimum wage increase in Uttarakhand was very massive, almost 25%.
- So that's something that was -- obviously cannot be predicted. But despite that, we have increased our overall production. So we have used more manpower, right, obviously, to do that. But still we -- and added Injectable opex and added Plant 2 extension opex in Q4 and still maintain our margins. So in some sense, we have actually completely accomplished what we were talking about and even absorb some of these additional impacts.
- Dhwanil Desai:** Got it. So going forward into FY '26, since most of the costs are behind and I assume that the injectable will quarter-on-quarter will continue to ramp, so you are not giving any guidance on specific numbers. As this cost gets absorbed and the trade generic export proportion growth, should we see the margin expansion coming through in FY '26 and FY '27? That's how we should look at it?
- Komal Gupta:** Ultimately, margin expansion should come. We don't want to specifically mention when. But obviously, given everything on plate, margin expansions have to come.

**Hitesh Windlass:** Yes. I also want to just add a small this thing that see, as we have said in the past also that we sometimes have had quarters where we've had very strong growth and sometimes have had cross quarters where -- I'm talking about trade generics, for instance, or exports. We have to look at this in the overall picture.

So -- and we are very optimistic and very gung-ho about the future also. That is why we are expanding Plant 6, adding capacities, and doing all this. So we are very, very confident that despite overall IPM volumes being so slow, we have delivered almost 9 quarters of very strong results, and we see the path forward as well. And while it's difficult to guide on quarter or business partwise, but we are on the whole very, very optimistic, and we continue to do that.

**Dhwanil Desai:** Just one question on export. So again, this trade generics, we have done exceptionally well in last 3 - 4 years. While on export, we have guided that the growth will be backend. But it's been 3 years, and I think all the regulatory filings and timelines, etcetera, I think we should be now seeing some steep growth in export is what I understand from whatever things have happened so far. Is that, again, the right way to look at it? Do you guys see traction in that in terms of filings, entry into newer markets? How do you guys think about export market?

**Komal Gupta:** So we have delivered a 5-year CAGR of about 25%, right? We have delivered a year of INR32 crores revenue this year, and it looks like it's a 19% growth. But we remain very optimistic about the opportunity in the target market. And we continue to file dossiers to build the base for upcoming periods. So we are saying that we are optimistic.

But as you rightly mentioned, it takes time to build the business in exports. Many of the opportunities are like binary opportunities. But yes, we should -- we stay positive, and we are expecting exports also to slowly become an important vertical for us.

**Dhwanil Desai:** Okay, great. I will come back in the queue if I have more questions.

**Moderator:** Thank you. The next question is from the line of Neelam Punjabi from Perpetuity. Please proceed.

**Neelam Punjabi:** Thanks for the opportunity and firstly, congratulations on some great set of numbers over the last year. My first question is on the Trade Generics vertical. So we've demonstrated phenomenal execution with doubling of revenues over the last 2 years and we've almost tripled revenues over the last 3 years. So I just wanted to understand at this current scale of annualized INR200 crores, are we among the top 10 trade generics companies in India?

**Hitesh Windlass:** So thanks, Neelam ji, first of all for acknowledgment of the good performance. I think that, of course, if you see the largest ones, maybe companies like Cipla and Alkem will be the largest. So there are some unlisted competitors who are going to be in the next range. And we are still - - we are 1 by 10 of their size.

So unfortunately, there's not enough data about trade generics and it's not really covered by the data agencies like IQVIA or AIOCD. So it's hard to say. It's hard to say for us. From our perspective, we really look at trade generics as a very strong space. And there is no reason why Windlas should also not aspire to reach the levels at which Cipla and Alkem are today. They are at INR2,000-plus crores.

So why shouldn't a good manufacturer like us who has the opportunities, who understands the products and is able to build sustainably. There can be plus/minuses changes, but I don't see any reason why we cannot eventually grow to become as strong as them.

**Neelam Punjabi:** Makes sense. That's good to know. And my second question is on our working capital cycle. So we are at a very efficient level of 14 days. But at the same time, our peers are -- listed peers at least are in that 80 to 100 days kind of a level. So I just wanted to understand how are we being able to maintain such healthy working capital cycle? And is this sustainable going forward?

**Komal Gupta:** We would probably like to give credit to the financial discipline that we have been internally maintaining. Top to bottom, everyone is kind of conscious in our organization relating to any decision. So how it impacts working capital or how it impacts liquidity is, I think, almost everyone while taking a decision doesn't forget to consider that impact, Neelam.

Other than that, the market, of course, remains same, those vendors, customers and how this works. In terms of sustainability, we would like to sustain that. We have maintained these kind of working capital levels for 2 years in a row. And we would love to sustain, but, of course, completely, it's not internally if there is an impact, otherwise, there is no reason why we shouldn't be able to do it.

**Neelam Punjabi:** Got it. And just one last bookkeeping question. So our depreciation for the quarter was INR8.3 crores. So is it -- is this the highest level as -- are we going to sustain this or would it further increase in the next year as well on a quarterly basis?

**Komal Gupta:** Until Plant 6 gets capitalized, these depreciation levels should be sustainable because this has complete Plant 2 extension depreciation for the quarter and injectables depreciation. So that's why if you are comparing it with Q3 or Q2, there would be increase that has come in because of the Plant 2 extension capitalization that happened by end of Q3.

**Neelam Punjabi:** Got it. Thank you. I will get back in the queue.

**Moderator:** Thank you. The next question is from the line of Avnish Burman from Vaikarya. Please proceed.

**Avnish Burman:** Hi, good morning. Thanks for taking my question. First question was on the volume growth. Can you give us some indication on how did your volumes grow in this quarter and the full year?

**Hitesh Windlass:** No, Avnish ji we are not generally providing this information. But for us, since we are a cost-plus business and assuming that typically our conversion costs remain so, most of the growth is typically volume linked only.

**Avnish Burman:** Okay. Hitesh ji, your injectable plant capex is 75. I remember in, I think one of the last calls, you had mentioned an asset turns of about 1.1 to 1.2, which is starkly less than what you make on the oral side, where the gross asset turns are close to about 3. So why is there so much difference? And should we -- is it safe to assume that the better margins in the injectable business result in similar kind of ROCE on the plant?

**Hitesh Windlass:** See, if you look at industry companies which are pure injectables, maybe they are a good proxy to assess what has been the historical performance. And my number of 1.1 or 1.2 asset turn

comes from companies like those. Now as you go into export markets, especially the slightly higher fixed markets, then again, that number improves.

So the asset turn is dependent on the markets you are serving, the product profile that you're manufacturing and the like whether it is CMO or your own brand and so on. In general, still, I would say that the gross margin profile in injectables is higher, but also the fixed cost or running opex is also higher because you have a higher degree of air handling units and continuous running 24 by 7.

You cannot shut down, microbial control and all those things because of the sensitive nature of dosage forms, but your manpower costs are lower. So there is a difference in terms of the -- how this asset versus other dosage forms will look. My sense is that probably some pure-play injectable companies would be better proxies to get confident data on.

**Avnish Burman:** Yes. So some of the pure-play companies actually do report higher margins. So that's why I was asking when the asset turns are a little lower and the margins are a little higher, do we make similar ROCEs on an oral plant versus an injectable plant?

**Komal Gupta:** In terms of ROCE, once we start delivering -- once we start selling to exports and start making those kind of margins where then bigger portion of injectable sales is to exports, then ROCE should be similar or even better.

**Avnish Burman:** Okay. Last one. Typically, in an oral plant, we have seen that the peak utilization for any oral plant is close to about 70%, and it happens in like 5 - 6 years. Now I know you're not guiding for the capacity utilization on a yearly basis. But generally, will the injectable plant follow a similar kind of path or we should assume like a faster kind of run rate?

**Hitesh Windlass:** So I mean, we are not commenting on the run rate at all, right? But if you're asking whether in the peak state of, let's say, asset turn of 1.2, what would be the utilization level at that state. If that is the question, then my sense is that injectable utilization can be slightly higher. So 75% might be possible. It also depends on the product mix and number of changeovers one is incurring because that basically adds the dead time. So we kind of have to take these utilization numbers with that pinch of salt.

**Avnish Burman:** Sorry, please go ahead.

**Komal Gupta:** No, I think that's all right. I thought that he's trying to understand whether the injectable peak levels would be reached by when.

**Hitesh Windlass:** Sorry, we are not providing that.

**Avnish Burman:** I understand. Thank you. This was helpful. Thanks.

**Moderator:** Thank you. The next question is from the line of Pavan Kumar from Ratna Traya Capital. Please proceed.

**Pavan Kumar:** Sir, can you give us what is the kind of capacity utilization on orals right now? And I'm assuming the Plant 6 when it comes on, when is it expected to commercialize? And what kind of capacity

addition would that do? And let's say, if we had a capacity today of x, what is the peak revenue that can be attained from it?

**Komal Gupta:** So we are at around 60% to 62% capacity utilization in our oral solids. That is the number that we reached in FY '25.

**Pavan Kumar:** Okay. And what can be the peak utilization Komal?

**Komal Gupta:** Peak utilization you're asking. So as we mentioned with the current plant, we would be able to deliver INR800 crores plus in terms of revenue. And by that time, once we have Plant 6 ready, we should be ready for oral solids about INR1,000 crores revenue to be delivered from the addition as well. So in total, INR1,000 crores -- once Plant 6 is done, we would be ready to deliver INR1,000 crores revenue in oral solids aside of injectables of about INR90 crores.

**Pavan Kumar:** And when is it expected to commercialize Plant 6?

**Komal Gupta:** We are trying -- within FY '26, it should be ready.

**Pavan Kumar:** Okay. Thank you.

**Moderator:** Thank you. The next question is from the line of Abhishek Singhal from Perpetuity. Please proceed.

**Abhishek Singhal:** Thank you for taking my question. Sir, I had question one, just a bookkeeping on exports. If I look at your last 2 - 3 years of export sales and I match up with the third-party agency Volza data, pretty much hits the bang on. But this year, Volza shows a significantly higher number versus what you ended up reporting, almost like a INR9 crores, INR10-odd crores kind of a difference.

So is there something like -- is it a catch-up that happens next financial year or it's just an abrasion on that side? I'm not sure whether you guys follow the data or not. So some clarity on that will help because I was expecting that, that catch-up happens this quarter, but your run rate is pretty much equal to what you did on third quarter. So I just wanted to get some sense around that?

**Hitesh Windlass:** So I think, see, in our export revenue, we have 2 kind of revenues. One is when we are, of course, shipping product. And then second is if we are doing some exhibit batches for a customer, which is an export customer. So that becomes a service revenue, which probably you won't see in external data.

But I think also, Abhishek ji, there will always be some timing differences and things because for us, revenue recognition requires Bill of Lading, right? I don't know how the data portal is saying, the export-import data portals are capturing that. So hard to comment on that.

**Abhishek Singhal:** Okay. No worries. Sir, secondly, your trade generics -- your business around trade generics, if I look at your last 5 years kind of a growth, it's roughly around 40% kind of a CAGR. And if I reflect back to your comment earlier in the call that there is no reason for you not to aspire to the levels where your large cap peers today are.

That means the size that you were like 5 years back and the size in the overall size of the opportunity is pretty much negligible. So size should not be a constraint when we start extrapolating growth as we go forward. So I'm not asking you for your next year, 2 years. So last 5-year CAGR and if you look at your next 5-year CAGR, why should it be lower than what you have delivered apart from the size angle?

Because if your earlier statement is right, that should not kind of stack up with that. So I just want to get a sense what can get your trade generic growth lower in the next 5 years versus your earlier 5 years?

**Hitesh Windlass:**

So Abhishek ji, I believe that this is an execution story, right? Because I don't think people are facing the -- when size increases, it's not a structural issue. It's purely about how do you put in the management systems, the motivational systems, the talent management, all of those things need to line up to give a chance for execution to happen.

So this is something that we have to be very cognizant, and we are obviously always thinking about. Structurally, my sense is that it will -- we actually feel that more and more, the -- if you see the number of hospital beds, for example, that is growing in India today. The number of hospital beds that are growing in the non-metro areas.

So there is a huge -- they are growing because there is demand and that consumption of health services is reaching to the levels of population where it was not reaching earlier. And so my sense is that new markets, new people are getting unlocked, new people are getting healthcare, new cases are being diagnosed with chronic as well as things -- people are having the money to get the treatment.

All those things are improving. So my question will be how we grow in this through our proper execution. Structurally, I feel that it's -- there's no -- I mean, there can be, obviously, quarter-wise variation, but my sense is that one has to figure out and navigate through that.

**Abhishek Singhal:**

And just one last question around margins if I may squeeze.

**Moderator:**

Sorry to interrupt Mr. Abhishek.

**Abhishek Singhal:**

Okay, that's fine. Go ahead.

**Moderator:**

Thank you. We take the next question from the line of Nitin Shakhder from Green Capital Single Family Office. Please proceed.

**Nitin Shakhder:**

Good afternoon. This is Nitin Shakhder from the Green Capital Single Family Office. So my question is more towards Komal, not as an analyst, but more as an investor. Now you hold two positions, one is the CEO and the CFO position. Is there a thought within the management that at some point in time, you will tend to open an important position like a CEO and gravitate more towards business -- both portfolios are extremely important for a growing company like Windlas. Just wanted to hear your thoughts on that?

**Komal Gupta:**

So in fact, CEO position is what stays extremely important and critical for me. And that's how the management looks at it. CFO position, in fact, we had opened a position for CFO, and we

were looking for a lot of candidates. But net-net, ultimately, what happened is something didn't work out. We had issued a few offer letters as well.

But when we did the analysis internally, it was actually a call was taken given how we were able to strengthen the overall balance sheet even alongside of CEO role and with our accounts and finance team being that solid. So we thought that in terms of priority, right now, it does not -- it's not -- it's not at the top priority for us. So we actually hold that position. And given how we have been able to deliver, nobody wants to change anything.

If in future, something happens, which takes up more of my bandwidth, we might reconsider that there is no hard and fast decision that has happened internally. We stay open to both. But as of now, if you ask me, we are doing quite well in both areas.

**Nitin Shakhder:** Okay. My second question is in reference to the investor presentation. This is Slide 34 of 36, consolidated balance sheet. There is just a clarification which I want to check. Now your cash and bank balances are reducing from FY '23, '24, '25, and I see that there is an increase in inventory and investments and trade receivables.

Now when it comes to investments, can you quantify as to where the INR223 crores investments are broadly because these are financial investments, I assume?

**Komal Gupta:** Yes. So these are like liquid funds, mutual fund investments that are there and fixed deposits. So net-net, if you ask me broadly, we can give the breakup. So in fact, about INR16 crores we have in fixed deposits, more than INR220 crores in mutual funds and yes, so broadly.

**Hitesh Windlass:** The choice of the funds and the banks is also governed by a policy for us where -- which is a Board-approved policy, and we only stay limited in those kind of assets.

**Nitin Shakhder:** Sure. Thank you.

**Moderator:** Thank you. The next question is from the line of Rishi Kothari from Pi Square Investments. Please proceed.

**Rishi Kothari:** Thank you so much for the opportunity and congratulations on the FY '25 successfully completed. I mean I joined the call a bit late, but just wanted to get a quick update on the injectable business, first thing. And the second thing, how exactly we are navigating from here forward?

**Hitesh Windlass:** So I have -- actually, this was one of the first questions that we had, and we sort of extensively shared the update. What I can say additionally is that we remain very positive. We believe it is the future. And how exactly it will pan out, which quarters we will get there, how much will be the bottom line, top line, those are things that, unfortunately, we are not able to share.

But that doesn't mean that we don't have internal targets for business development teams, or the productivity teams, production teams, everything. Those are all established and being tracked, and we are on the job to try to reach breakeven and then exceed and bring in the benefit of this new dosage form to the company.

- Rishi Kothari:** Not expecting any sort of numbers from you guys. Just wanted to understand what's the current status on the plant front and how exactly are we expecting having an eventual commercialization of the product that we are right now targeting from injectables?
- Hitesh Windlass:** Actually, I had explained this earlier in the call. We had started the year with the lines being ready. We identified the product portfolio in discussions with our customers and looking at the market volume data. We took the exhibit batches of these formulations after developing them in-house and then taking those batches, we generated the stability data.
- And most of these products have now are in different stages of stability and some have been commercialized also -- so the work that is involved in creating the right portfolio, going through the right steps in terms of regulatory, quality, production, all have been successfully taking place one by one. And so that's sort of the update that we have shared already.
- Rishi Kothari:** So do we have any contribution from the injectables on our topline right now?
- Hitesh Windlass:** Yes. We also shared in the beginning of the call that last year, we had INR6 crores in injectable sales, and that was primarily in Q4.
- Rishi Kothari:** Okay. Thank you so much. I will join back the queue.
- Moderator:** Thank you. We take the next question from the line of Samarth Nagpal from Suranu Family Office. Please proceed.
- Samarth Nagpal:** Hi, Hitesh, Komal congratulations on a great year. Most of the questions have been answered. Just wanted to understand one thing. On the trade generics business, I mean, what is the kind of structure we have? And I mean, how do we penetrate the market? And how do we scale it up?
- So if you could just give some idea around it because just wanted a fair bit of clarity in how many states are we present? And what is our team structure like so that we are able to maintain our working capital also and gain market traction?
- Hitesh Windlass:** Sure. See, first of all, the market structure is very, very distributed. So for example, I've spoken about in the past also that currently, we are catering to about close to 1,000 stockists or distributors. And if we are to cover the whole of India from an opportunity perspective, then we have to go to somewhere like 5,000, 6,000 stockists.
- And in fact, the larger guys will have even more. So the structure, therefore -- and you cannot really build a sales force to cover feedstock. It's like in branded generics people do. So it has to be a manpower-light model. However, in some cases where there is room and there is opportunity, then you do have to add people. So you have to be more geography specific. So like, for example, in UP, there are districts which one district has like 2,000 villages.
- There is a huge, huge geographic spread. You can't have 0 manpower, but you can also not have a very high manpower. So you have to take the staffing decisions based on the local needs of that area and then obviously choose the stockist also correctly and then have the right terms and the right discipline of working with them so that you don't have problems in day-to-day working.

So the structure is designed from ground up, keeping this in perspective, whether it is on the IT system side, whether it is on the sales team selection and appointment, whether it is in their incentivization structure, even from the perspective of sales promotion, what kind of schemes that are developed for those stockists to engage with us and increase business with us. All of this is designed ground up.

Now I will also tell you that it's not a one-size-fits-all strategy. So what we have to do in UP is very different from what we do in, let us say, in Karnataka or in Maharashtra. Even the kind of products that are being sold in these geographies becomes different because of the prevailing nature of, let us say, poverty and the kind of disease profile that is faced by the target population.

So we have to go sort of and design not by our own view of how it should be, but what is the most efficient way to target the local opportunity. And that's how we are building it.

**Samarth Nagpal:** Got it, Hitesh. I think that really explains well the entire ecosystem because what idea I had was that it is very easy to enter the markets, have the stockist and everything. But how do you ensure that in the hinterlands, your product is actually selling the right product is there and the sales are actually converting, the product placement is right. So that really explains it well and should help us scale further also.

Hitesh, just one minor question. On our employee expenses, I think we had that minimum wage criteria last year. So is it fair to assume that this year, the amount of capex we are doing or whatever the team size be, the employee expenses should streamline. I mean, there would not be a major bump up in that. Is it fair to assume that?

**Hitesh Windlass:** So at least, whatever increase in costs will be there in terms of the increments on the existing employee base.

**Komal Gupta:** And when Plant 6 is capitalized...

**Hitesh Windlass:** Yes. We will have...

**Komal Gupta:** Basic manpower on machineries. But there we don't expect a huge bump like we had versus FY '24 and FY'25, that's fair to say. Minimum wage also, I hope now this year, there will be no increase coming.

**Hitesh Windlass:** And our employee cost also has our ESOP costs in there. So that...

**Komal Gupta:** That non-cash item hike.

**Hitesh Windlass:** Non-cash item hike. Yes.

**Samarth Nagpal:** I think that's fair enough. I think thank you Hitesh and Komal and I think it's been a great performance and it's lovely to see the way we are managing the business. So happy to be a shareholder also. Thank you so much.

**Komal Gupta:** Thank you so much for the kind words.

**Samarth Nagpal:** Yes. Thank you.

- Moderator:** Thank you. The next question is from the line of Sarthak Kothari from Bulls Eye. Please proceed. Sorry to interrupt Mr. Sarthak could you please come closer to the device. Hello...
- Hitesh Windlass:** Sorry I think we cannot hear the question at all, the audio was very broken. May I ask the moderator to request the questioner again?
- Moderator:** Yes. Mr. Sarthak, could you please rejoin to the queue. We will take the next question. We take the next question from the line of Aniket Nikumb from ABN Capital. Please proceed.
- Aniket Nikumb:** Firstly, congratulations on a good set of numbers and the progress you've done over the last 2 years. It's been really good to see that play out. I had two questions then. First question was you've sort of said that with our current capacity and the new plant on the oral solid side, we can go to, say, call it, INR1,000-plus-odd crores.
- And in that context, obviously, we have accumulated, I think, around, call it, INR215-odd crores of cash, right, with each year of significant cash generation. So just wanted maybe a little bit of your folks' view on how are you thinking about the capital allocation here? I know you've mentioned a little bit before about inorganic opportunities and so on.
- So what's the thought process there? Do you think you want to do some organic capex or what other opportunities are you looking at as you evaluate?
- Komal Gupta:** So Aniket, as we have been maintaining, we want to expand dosage form-wise. We keep exploring several options for this for M&A, as you rightly mentioned. If we get an opportunity which fits in properly, synergistic fit, we would go ahead and do that. As you also mentioned, we have sufficient cash in place and debt taking capability is also there.
- So there is no restriction in terms of size. However, if we don't find something that -- where we don't have to do the job of making business good, we can do and go for organic capex. However, that we would take once injectables business is stabilized, doesn't need mainly our bandwidth so that then we can actually look at building a good facility and also building business there. That's the plan in terms of capital allocation.
- In terms of dividend, we hope to continue to always pay the dividends as per the policy of 20% of profits unless there is any -- we don't see a reason to make an exception to it. So that's broadly the plan. And the capex for Plant 6 during this year in FY '26, which has to happen, that will happen.
- Aniket Nikumb:** Okay. Got it. No, that's helpful. And just bookkeeping question. Can you quantify what is the...
- Moderator:** Sorry to interrupt Aniket. Could you please return to the question queue as there are several participants waiting for their turn?
- Aniket Nikumb:** Okay. All right. Thanks.
- Moderator:** Thank you. The next question is from the line of Karthik from Suyash Advisors. Please proceed.
- Karthik:** Good afternoon. I hope I'm audible. There are two parts to my question on the trade generics business. One is, can you share the current split of your business in terms of acute versus

chronic? And how do you see that evolving over a period of time? And the second has to do with the distribution that you spoke about.

Would it help partnering with somebody like a MedPlus who has a large chain or somebody who is an online seller? Would that help you accelerate your growth and economics, of course. So two parts to my question?

**Hitesh Windlass:** Chronic, we have largely remained similar. Whatever changes there are there.

**Komal Gupta:** So, 60 by 40 is for chronic and sub-chronic, around 60% and acute 40%. That stays.

**Hitesh Windlass:** Yes. And sorry, we could not very clearly hear your second part of the question. Could you please...

**Karthik:** Yes. So, A I was saying how would this evolve over the next 3-year period? Would you see an increase in the chronic profile by any chance? And second part is on the distribution strategy. I was asking you, would it help partnering with somebody like a MedPlus who has a large reach or an online seller who may be able to carry you into these hinterlands and whether the economics would be reasonable for that?

**Hitesh Windlass:** Yes. See, MedPlus is definitely a partner already with us because they are a CMO customer for us. They have the white label products, which they get manufactured from us. And we always look at all these partnerships of -- which can help us. Sometimes they come in the form of customers wanting to get their brands manufactured when it will be a CDMO.

We normally, the hinterland market or the rural market has not had a very strong even e-pharmacy kind of penetration. And so while we have placed product and it has not really moved as much. So mostly the offline channel that dominates in the smaller, smaller towns and villages.

So that remains, and we are always open for more and more broadening of this channel. And as more organized retailers come in, this will again become an opportunity. So we are definitely open to exploring and we continue to do that even now.

**Karthik:** Sure. Thanks for answering.

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

**Komal Gupta:** Thank you. Thank you, everyone.

**Hitesh Windlass:** Thank you very much.