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POLYMED

Date: 11th November, 2026

Scrip Code: - 531768

The Manager,
BSE Limited,
Department of Corporate Services,
Phirozee Jeejeebhoy Towers,
Dalal Street, Mumbai- 400001.

Scrip Code: - POLYMED

The Manager
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1-Block-G
Bandra Kurla Complex, Bandra(E),
Mumbai-400051.

Subject: Submission of Transcript for Q2-FY27 Earning Conference Call under the SEBI (Listing Obligation and Disclosure Requirements), Regulation, 2015

Dear Sir/Madam,

Pursuant to Regulation 30(6) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we hereby submit Transcript of the investor Meet/Call held on 05th November 2026, on the Unaudited Financial Results of the Company for the quarter and half year ended 30th September, 2026, on Standalone and Consolidated basis, which were considered and approved by the Board of Directors of the Company, at its meeting held on 05th November, 2026.

This is for your information and record.

Thanking You,
Yours Sincerely

For **Poly Medicure Limited**

AVINASH CHANDRA
Digitally signed by AVINASH CHANDRA
Date: 2026.11.11 15:02:58 +05'30'

POLY MEDICURE LTD. New Delhi

Avinash Chandra
Company Secretary
M. No. A32270

Encl: As above

“Poly Medicure Limited
Q2 & H1 FY27 Earnings Conference Call”
November 05, 2026

MANAGEMENT: **MR. HIMANSHU BAID – MANAGING DIRECTOR – POLY MEDICURE LIMITED**
MR. NARESH VIJAYVERGIYA – CHIEF FINANCIAL OFFICER – POLY MEDICURE LIMITED
MR. RAHUL GAUTAM – PRESIDENT, STRATEGY AND CORPORATE DEVELOPMENT – POLY MEDICURE LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Poly Medicure Limited Q2 FY27 and Half Year FY27 Earnings conference Call. 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.

Today on this call, we have with us the senior management team of the company represented by Mr. Himanshu Baid, the Managing Director, Mr. Naresh Vijayvergiya, CFO, Mr. Rahul Gautam, President, Strategy and Corporate Development.

I would now like to hand the conference over to Mr. Himanshu Baid. Thank you and over to you, sir.

Himanshu Baid: Thank you very much. Good evening, everyone, and I welcome you all to Q2 and H1 FY27 Earnings Call. I sincerely thank all of you for being here today. Before we get into the financial performance, I want to highlight few strategic updates since our last earning call. We are on track to optimize Medyneo, our subsidiary in Brazil. We had mentioned in our last call that Mr. Renato Rocha has joined as a CEO of the company, Polymed Brazil operations.

We have also started dispatching our goods, first shipments to Brazil, the new subsidiary in October. This is a vital step for us to service our customers in Brazil, which is one of our key markets. We also established a direct presence in the U.K. This has been done to capture new opportunities under the India-UK FTA agreement.

We are already working on three important projects. Hopefully, the first project will go live in quarter 1, the second one, the quarter 4 of this current financial year, the next one in quarter 1, and then the third one is anticipated in quarter 3 of the next financial year. So we have three important new projects going on other than what we are currently doing in the U.K. market.

So, these are some important initiatives we have taken. We also see similar opportunities in other parts of Europe under India-EU trade agreement, which is going to be operationalized soon. So we are working on building some direct presence in some of the key markets in near future. So, these are some of the important initiatives I just wanted to call out early.

Now on the financial performance summary, starting on our standalone performance, which remains the core for the group. For the half year, revenue was INR919 crores, up 15%, with domestic revenue of INR318 crores growing by almost 20%, international revenue of INR595 crores growing around 12.5%. Gross profit was INR645 crores, up 17%, with a margin expanding by 111 basis points to 70.1%.

Operating EBITDA was INR255 crores, up 20%, reflecting the operating leverage in the business. Profit after tax was INR180 crores. For the quarter, revenue was INR488 crores, up 17%, with domestic revenue at INR172 crores growing 22%, and international revenue at INR313 crores growing at 15%.

Gross profit was INR336 crores, reflecting a gross margin of 68.9% with an absolute growth of 16%. Operating EBITDA was INR134 crores with EBITDA margin of 27.4% with an absolute growth of 20%. PAT for the quarter was INR92 crores.

Our domestic business continues a strong growth trajectory with a growth of 22% in quarter and more than 19% for the half year, broadly in the lines of our guidance of around 20% given in the beginning of the year. Taken together, we are seeing high growth across all verticals, not only our established verticals like infusion therapy and blood management, but also on the newer verticals.

Our export business deserves a particular attention. International revenue grew by 15% in quarter 2 versus 10% in quarter 1, reflecting improving growth trajectory. Export revenue grew by 12.5% for the half year, once we add up the two quarters. We are confident that the revenue recovery that we had spoken about earlier showing up consistency in the numbers.

In international markets, we have added 30 new customers in last six months, deepened relationship with existing customers by increasing our share of revenue and cross-selling new products to them. On the gross profit front, our gross margins increased by 111 basis points to 70.1% in H1, with a gross profit growing around 17%.

As you may recall that in the beginning of the year, we had guided for an impact of 200 to 300 basis points in gross margin due to increase in raw material prices on account of ongoing West Asia crisis. We have effectively mitigated that risk by proactively managing inventory, taking calibrated price hikes, and focusing on selling high-value products. We reported a PAT of INR180 crores in H1, reflecting a margin of 18.6%. For Q2, the PAT was INR92 crores, reflecting a margin of 18.1%.

Coming on the consolidated picture for the half year, revenue was INR1,106 crores, up 31%. Excluding the impact of acquisition, organic consolidated revenue grew by 14%, led to continuous strong growth in India and Europe, which grew by 19% and 29%, respectively.

Gross profit was INR793 crores, up 36%. The margin expanding by 270 basis points to 71.7% as the better margin profile of acquired businesses and greater contribution in higher value-added products continue to lift group's gross margin. Operating EBITDA was INR266 crores, up 19%. Profit after tax was INR180 crores on H1 basis.

It is important to know that H1 operating EBITDA of INR266 crores also absorbs the set-up cost for our new U.K. and Brazil subsidiaries. For the quarter, consolidated revenue was INR581 crores, up 31%. Gross profit was INR407 crores, up 32%. Operating EBITDA was INR139 crores, up 20%. PAT, our profit after tax was INR95 crores.

Let me give you a quick update on each of the business segments. Infusion therapy grew 11% to INR542 crores in H1, 12% to INR284 crores in Q2, with domestic growing in this segment 20% both in H1 and Q2. Orthopaedics contributed to INR92 crores in H1 and INR43 crores in Q2, reflecting consolidation at Citieffe.

Renal business recovered well, growing 7.5% to INR94 crores in H1 and 20% to INR51 crores in Q2. Despite the continued dumping from Chinese players, our dialysis machine business continues to scale. We have cumulatively sold now approximately 1250 machines till date.

We are still waiting for the results of the anti-dumping case which we have filed, which was filed in end of June. It has been four months we have been pursuing with the government, and I think we are seeing some movement there. Hopefully, in few months, we should be able to see some action from the government on this issue.

Cardiology revenue was INR56 crores in H1 and INR27 crores in Q2, led by PendraCare acquisition. Clinical deployment is improving month on month. As in October, we have implanted close to 18,000 drug-eluting stents. Our 2,000 patient PACIFIER DES clinical registry has enrolled 1,150 patients, with full enrollment targeted by end of FY27.

We have also launched the IVL, a minimally invasive technology that uses sonic pressure waves to break up calcium in heavily calcified arteries. This new product launch was done in August in current financial year, and hopefully we will see the revenue taking up from this business also shortly. The other segments grew 23% to INR317 crores in H1 and 26% to INR173 crores in Q2, with broad-based growth across critical care, transfusion system, et cetera. Liquidity position and capex.

Turning to our balance sheet, our liquidity remains strong at INR839 crores as on September 30 against consolidated debt of INR377 crores, net cash position of INR460 crores. This gives us capacity to keep backing our strategic growth and growth-oriented initiatives. We spent INR124 crores on capex in first half of our annual guidance of INR200 crore-INR225 crores.

Out of this, INR124 crores in India business and INR15 crores in overseas businesses. Forward-looking guidance. Now, let me connect to our forward-looking guidance for FY27. We are reaffirming the guidance we have shared previously. Importantly, based on our Q2 performance, our annualized revenue run rate is already close to what is required to achieve our full-year guidance.

On a consolidated basis, we maintain revenue guidance of INR2,300 crore-INR2,400 crores. On a standalone basis, INR1,900 crore-INR1,950 crores, with domestic growing 20% and international growing 15%. We are increasing our standalone EBITDA margin guidance from 25%-27% to 26%-27.5% for FY27 on improved performance. For consolidated business, we are maintaining our EBITDA guidance of 23%-25%. Our capex guidance also remains the same between INR200 crores-225 crores.

In summary, H1 and Q2 FY27 numbers have reaffirmed the fundamental strength of our business model, diversity of our business across regions, customers, therapies that has ensured our business continues to grow despite geopolitical challenges. Our ability to improve EBITDA margin despite headwinds of raw material price, freight cost increase reflects the inherent resilience of the business and its pricing power.

Strong comeback in European business for us in this year reflects strongly on our brand presence in that core market. This is extremely important given Europe is a core part of our business. I

remain extremely confident about the future potential of our business. We are aggressively working to go beyond the vision of doubling the revenue we have set for ourselves under Polymed 3.0. Again, thank you very much for your trust and your time.

I now hand over to the operator, and we will be happy to take your questions. Thanks again.

Moderator: Thank you very much. We will now begin the question-and-answer session. First question is from the line of Sidharth Negandhi from CWC. Please go ahead.

Sidharth Negandhi: Hi, thanks for the opportunity. Just wanted to understand on two aspects. One, organically, what was the growth in Europe and rest of the world? On PendraCare and Citieffe, in terms of their own growth, what was their organic growth, and how are you seeing some of the geopolitical headwinds that were impacting their growth now play out? The impact that you had on your own Middle East business, how are you seeing that play out? That is one.

The second was, you saw strong growth on the critical care business. Is that coming from domestic markets? Is that coming from Europe? Where are you seeing the growth? Third is on U.S., if you could give us some color in terms of what is the early traction? Where are you? What is the GTM? Some color on that might be helpful. Those are my questions. Thanks.

Rahul Gautam: Sure. I think on the organic side, we have put out the presentation also which provides data on region-wise growth organically, which is excluding the impact of the acquisition. If you look at that, our Q2 European business has grown at close to 40%, which is on the back of Q1, which has also grown quite well, but Q2 has really come back strongly.

Our ROW market is down 7% in quarter 2, reflecting the consistent geopolitical challenge that we are seeing because of West Asia war. On a H1 basis, our Europe business has grown at 29%, while the ROW markets are down 1.8%. I think, as we had called out earlier this year, we expected Europe business to come back strongly, which is very clearly getting played out.

ROW market, because of the current challenges due to logistical and freight cost which has gone up, is creating pressure on growth on the ROW markets, primarily in the Middle Eastern region. To your next question on the growth of the PendraCare and Citie ffe businesses. PendraCare business this year has, till September, has grown at about 10% as compared to on a year-on-year basis.

Citieffe is up about 3%-4% on a year-to-date basis between April and September. Given the work that we are doing on integration, we expect that growth to go up over the next few years. In terms of your question on critical care, I think the business on the critical care segment is growing well both in India and in Europe.

As you might know, our subsidiary in Italy, Plan 1 Health, primarily runs the critical care business, and that business is also witnessing double-digit growth. While our domestic business, which we set up the team about a year and a half back, and it took time for us to develop the product and build relationship with the customers in India, that business is really starting to take off in the Indian market.

Sidharth Negandhi: Got it. Some color on the, yes, go ahead, please. Sorry.

Rahul Gautam: You go ahead, then I will come to U.S.

Sidharth Negandhi: No, that is what. Go ahead, please, on the U.S.

Rahul Gautam: Yes, on the U.S. side, we got one more product approval in 510(k). It's an irrigation set which we got recent approval of. Business is starting to grow quite well in U.S. as well. The project that we had started, which had come to a standstill last year because of the tariffs issue, have picked up pace, and U.S. is growing quite well for us in the current year. I think we will achieve the guidance from the U.S. that we had given of achieving about USD7 million-USD8 million sale at the group level from the U.S. geography.

Sidharth Negandhi: That's useful. Just wanted to understand two additional follow-ups on Citieffe. Where do you think the challenge has been? Even on PendraCare, right, if I recall right, this was growing in the mid-teens earlier, so where is the challenge on that?

The second one is on ROW. Given that this is really an essential, right, is there a reason why growth is still not picking? I mean, somewhere this is an essential product, and therefore growth somewhere needs to pick up agnostic of the logistical challenges, right?

Rahul Gautam: So, let me take that one by one. On Citieffe, the primary challenge in calendar year 2026 has been because of delay in tendering primarily in the Italian market, right? As you might know that a lot of the business is public tender-driven in Europe, specifically in Italy, and there have been delays there because of which the business has not grown as well in Italy.

For Citieffe, growth outside of Italy, whether it is U.S. or the larger LATAM region, has been in line with our expectation. Hence, primary disappointment in Citieffe has come from the Italian region. With respect to PendraCare, I think as we've guided in the past, this asset on its own can grow in high single digits, and with the integration with India and cost-saving projects that we're doing, we expect it to go back to mid-teens.

But with PendraCare, the biggest challenge has been its exposure to Middle East. Almost 20% of the revenue in last year came from Middle East, and given the challenge there, business effectively come to a standstill because within Middle East, they also had a reasonably large exposure in the Iranian market. I think that's really been the reasons why these assets have not grown as well as we expected them to.

On your question on the nature of the product and the fact that they're essential in character, you're absolutely right. The demand for the product continues to remain strong from that region. The biggest challenge is the fact that logistically to fulfill that demand is becoming very, very difficult for two reasons. One, availability of containers has been a challenge. Secondly, obviously, with all the issues going around Hormuz, getting products to the ports is a challenge.

And thirdly, the freight costs have also gone up, right? Which basically means that customers tend to just wait it out and say, "Okay, if the freight rates will come down, they'll place the order." But from an underlying demand perspective, that remains quite strong.

Moderator: Next question is from the line of Bhavesh Jain from DV Investment Advisors. Please go ahead.

Bhavesh Jain: Hello, am I audible?

Rahul Gautam: Yes, Bhavesh.

Bhavesh Jain: Yes. Thank you so much for the opportunity. My question is related to the Europe business, right? We have registered a growth of around 40% in FY and in FY26, we had...

Moderator: Sorry to interrupt you, Mr. Jain, but we are unable to hear you, sir. Your voice is breaking. Can you please come into a good reception area?

Bhavesh Jain: Hello?

Moderator: Mr. Jain, yes.

Bhavesh Jain: Yes. So I was saying we have registered a 40% growth organically in the Europe business in Q2. And in FY26, we had faced challenges related to some inventory issues and dumping from China. So can you just elaborate on what is driving this growth and how sustainable it is for the European market?

Rahul Gautam: Yes. You are right, Bhavesh, that last year was a tough year for the European business, and we had called it out, reasons for it, over-inventory in the year prior to that, the challenges of tariffs, as well as the dumping, right? We had already started working last year on deepening our engagement with the customers, right?

Adding more customers, doing more clinical engagement with the customers. Some of that benefit is starting to accrue now. As Himanshu also mentioned, we have been working on many projects in the larger European region, which some of them are starting to play out, and some will play out in the next year. In fact, quarter 4 and next financial year.

I think the fact that we have been able to gain share in our existing customer base as inventory situation normalizes, the new projects that we are doing, plus the new customers that we have added, about 28, 29 customers that we have added in the first half, all of those things are helping us in driving the growth in the European region.

We believe that the opportunity set in Europe is very much larger for us, and that is why the belief that the business can continue to grow organically in the European region at very, very attractive growth rates is very strong.

Bhavesh Jain: So, this growth is driven by inventory normalization, predominantly?

Rahul Gautam: No, it's a bunch of multiple things. As I said, as we engaged deeper with our customers last year, because we started to see challenges there in terms of bringing more clinical side of the story with them, that relationship building plus new customer addition, all of those factors have contributed to the growth.

Bhavesh Jain: Okay. Any status of Chinese supply? Did it change here, or is it a rather normalized kind of situation?

Rahul Gautam: Yes, I think, see, China dumping is not a medical device issue. I think in general, there has been a lot of rhetoric around the fact that despite tariffs, they've been able to grow their export business quite significantly. We are taking steps which are in our control, which is building more customer relationships, deepening the engagement, introducing new products, right?

As you've mentioned, we have multiple products which were under registration. Some of them have come through and are starting to get commercialized. So, even the higher value-added segment that we operate in, there we are able to continue to remain competitive and grow, keeping in mind all the clinical engagement we're doing.

Bhavesh Jain: Hello? Just one more question on the subsidiary. So you have. Hello?

Rahul Gautam: Sorry, just one more last point. We have 30 new product registrations which are coming up for registration in that market.

Bhavesh Jain: Okay. Just one more question on the subsidiary. So you have elaborated on the challenges faced by the Citieffe and the PendraCare subsidiary. My question is, firstly, what is the sustainable growth rate we can look for these subsidiaries?

And secondly, the subsidiary margins have been operating at around 4%-5%. That is different than the standalone and the consol numbers. I think that these were operating at around 12%-15% kind of a margin band. What sort of recovery in margins we can hope for in these businesses, and in what timeframe?

Rahul Gautam: Yes. So Bhavesh, on the growth point, as I mentioned earlier in the call, these businesses' growth potential was in the high single digits on their own. They were small assets operating in Europe. On their own, they can grow at between 8%-10% on a secular trend standpoint.

With the initiatives that we are taking with them in terms of bringing more procurement synergies, supply chain synergies, distribution synergies, and product development synergies, we expect that to go back, go into the mid-teens from a growth perspective.

Again, just to clarify, most of these initiatives have long lead time because all of them need to go through the regulatory approvals. Sometimes they take between one to three years. A lot of the work has happened on the synergy side in the current year, in calendar year 2026, and hopefully we should start seeing benefits of some of those initiatives in the upcoming financial year.

To your question on the margins, you mentioned that the margins for these subsidiaries is at 4%-5%. It is actually when you are just doing the subtraction of consolidated versus the standalone, that is when you get to 4%-5% EBITDA margin. If you look at the EBITDA margin of the three subsidiaries separately, PendraCare currently, because of the challenges on the revenue side, is currently making losses at the EBITDA level.

The other two subsidiaries, which is Citieffe, which we acquired last year, and Plan 1 Health are operating in mid-teens in terms of EBITDA margin. So, in the consolidated, we also have other subsidiaries which are currently being in setup situation, right.

So as Himanshu mentioned during the call, the EBITDA that you see in H1 also includes the setup cost for Brazil, U.K., and some aspects even U.S., because that is still under operationalization stage. Those are the reasons which is, that is why you are seeing 4%-5%, when you just do a subtraction between standalone and consol.

Bhavesh Jain: Okay. So, any outlook on recovery for PendraCare and margins?

Rahul Gautam: Yes. I think with the projects we are doing with them currently, we are expecting some of those projects to start getting implemented from Q1 of calendar year 2027. And those will start accruing. They have also got one big breakthrough with a large OEM. Revenue for that should start accruing to them from mid of calendar year 2027. So, I expect that calendar year 2027 or FY28, we should start to see recovery of EBITDA margins from PendraCare as well.

Bhavesh Jain: Okay. Just one more question on PendraCare. When we acquired this subsidiary, it was operating at around 12%, so it is 14% margin kind of number. What led to this subsidiary going into EBITDA losses? Can you explain what operational challenges you faced?

Rahul Gautam: Two things happened. One, because of the war that is going on, the raw material prices have gone up in general, which has led to their increase in raw material crisis. Secondly, and which is probably the bigger impact, because you have to understand that these companies are fairly small, right? EUR10 million, even small minor changes lead to significant, just from a margin standpoint, right?

Just when you look at the margin percentages. Because of the loss of revenue in the Middle East region, which was close to 20% of the revenue of 2025, those are the two primary reasons I will say why the margins have gone down. Fundamentally, there is nothing that has changed in the business. The products continue to get sold in other markets.

In fact, we are gaining more customers, including, we have grown the one of the large OEMs where we have a relationship for over 15 years, has grown at about 40% this year, right? Some of the revenue loss has been recovered from other customers, but when you have a 20% fall for a business which is EUR10 million in size, the margins do get impacted.

Moderator: Next question is from the line of A. Sriram Palaniappan from ithought PMS. Please go ahead.

Sriram Palaniappan: Sir, may I know the lower and upper range of tender values in Europe and U.K. for the kind of medical devices we deal with?

Rahul Gautam: Sorry, Sriram, can you please repeat your question?

Sriram Palaniappan: May I know the lower and upper range of tender values in Europe and U.K. for the kind of medical devices we deal with?

Rahul Gautam: That is very tough to answer. Honestly, it could be billions.

Himanshu Baid: Maybe 1 billion.

Sriram Palaniappan: Okay. Understood.

Himanshu Baid: Every company has a different procurement process, and there is like some work on GPOs, some work on tender systems, and because we have a wide product range, I think total available TAM in Europe could be exceeding few billion dollars actually.

Sriram Palaniappan: Okay. How many dialysis machines have we sold in H1 FY27, sir?

Himanshu Baid: Over 300.

Moderator: Next question is from the line of Simran Thakkar from Beas Capital. Please go ahead.

Simran Thakkar: Thank you for taking my question. First, on extending the prior question, sir, thank you for the great insight on PendraCare and Citieffe. What are the -- am I audible?

Moderator: Simran, we are unable to hear you.

Simran Thakkar: Okay. Am I audible now?

Moderator: Yes.

Himanshu Baid: Better.

Simran Thakkar: Okay. Thank you for the detailed insight on the PendraCare and Citieffe and what are the problems that they are going through. But also, one color that I wanted on this missed earnout milestone, right? Because of which we have booked an exceptional item of INR96 million. So if you could just detail out what milestone was missed and why was it the case, that will be helpful.

Rahul Gautam: Yes. Simran, if you go back to our investor presentation when we did the acquisition for PendraCare, we mentioned that there are certain projects for which we had agreed on an earnout structure with the selling shareholders. One of the projects working on, I mean, in medical devices, as you know, a lot of projects which are in development stages tend to not cross the commercialization threshold, right?

Because the company PendraCare does, in addition to selling their own products, also does a lot of contract development and manufacturing work with other customers. One of the projects did not pass the regulatory and clinical trials, and hence that project was shelved. Because of that, we reversed the contingent consideration which we had included in our financials.

Simran Thakkar: I understand. Helpful. Sir, on second thing on the gross margin front, wherein it's a quarter-on-quarter reduction of some 73.4% to 70.1%. One is, how much was the reversal of Q1 inventory gains that we had, versus the RM inflation? If you could just dissect these two. Second part to this is, what is your FY27 gross margin outlook overall?

Rahul Gautam: Yes. So, again, in quarter 1, our margins had expanded for two things. One, as we had called out, as we started to see raw material prices increase, we took pricing actions proactively to push out some of the cost increase to the customers, right? We were successful to pass on the price hikes about 4%-5% in quarter 1. Because we were carrying inventory, which was low-cost basis in Q4, we were able to increase our margins in quarter 4.

Some of those gains are now starting to get normalized, right? That is why you see on a quarter-on-quarter basis, the margins have come down. Having said that, instead of a 200-300 basis point margin reduction called out at the beginning of the year, we are able to maintain margins close to our historical trend of about 68%, 69%, which I think has been good performance. We expect the full year to be in the range of 68%-69% from a gross margin standpoint.

Simran Thakkar: I understand. The third question is on the U.S. business. Because like you mentioned that we are targeting USD8 million-USD10 million by the year end. But then, seeing the U.S. policy changes because of the elections that are going on.

Himanshu Baid: We cannot hear you well, actually. Very hard to understand on the call.

Simran Thakkar: I understand. Am I audible now? I am sorry for this.

Rahul Gautam: Yes. If you could just go a little slow.

Simran Thakkar: Okay. Sure. Sir, on the U.S. business, like you mentioned that our target is USD8 million-USD10 million. But looking now on the policy changes, right, due to elections, et cetera, do we stand on this goal, and how do we also see maybe 15 plus approvals and 10 plus more in the pipeline, and also the GPO contracts that you mentioned in the last con call? How are we there on the U.S. business front?

Himanshu Baid: I think, Simran, it is too early to call out what is going to happen in the U.S. after this election. But I think the good part is that we have a lot of products in the pipeline for 510(k) approvals. As Rahul mentioned, we have approval recently, and we have guided USD7 million, USD7 million-USD8 million this year.

Then going forward, it will continue to increase, and we have mentioned clearly that next three, four years, we will build up to between USD15 million to USD25 million, and that is the plan. For that, already a lot of new development is happening in terms of product side, specifically related to U.S. market.

We are also working, we are doing, undergoing some new products that we are undergoing testing requirements in the U.S. labs. And once those testing requirements are fulfilled, then we hope to get approvals for those products also. I think that remains to be our focus right now.

We will wait out for the next few months how things change in the U.S., and probably in the next quarter, we will be able to maybe give more clarity what we see changes happening in the U.S. with the new changes that happened recently.

Moderator: Next question is from the line of Rashmmi Shetty from Dolat Capital. Please go ahead.

Rashmmi Shetty: Yes, thanks for the opportunity. This is Rashmmi Shetty from Dolat Capital. Just on the gross margin again, you mentioned the guidance is around 68%-69% for the consolidated level, right? So, you expect that in the second half, due to the inflationary issues, cost inflation and all, the gross margin will be soft in the coming quarters?

Rahul Gautam: No. Rashmmi, that guidance was for standalone basis. On a consolidated basis, we should still be in 70% plus category.

Rashmmi Shetty: 70% plus category. Understood. On the debt part, I have just seen that the long-term debt has come down, whereas your lease liabilities have gone up. If you can explain that part. The short-term borrowings, there is a spike in the overall number. Will it be going to the March levels again at the end of the year, or it will be on an increasing mode only?

Rahul Gautam: Yes. So I think the working capital debt or the short-term debt is primarily increasing because of the increase in working capital, right? As the business has grown and the working capital has increased, the short-term debt has increased in proportion, right? I do not see any difference in the trend there.

The lease liability that you highlight has gone up because we have moved the underlying subsidiaries to IFRS accounting from start of this financial year. So their rental cost, which was getting expensed off in the P&L, is now getting accrued as under IFRS 16 or Ind AS 116.

Rashmmi Shetty: Correct. Got it, sir. I understood that. Any further repayment in the long-term debt is expected, or it will be at the same level at the March end?

Rahul Gautam: Long-term debt actually on the balance sheet at a consolidated level as well. One of our subsidiary in Italy has long-term debt, and that has a repayment plan agreed. That amount in total is, I think, about USD6 million-USD7 million max. That is getting repaid over next five years, so it should be between, yearly repayment is between EUR1.5 million-EUR2 million.

Rashmmi Shetty: EUR1.5 million-EUR2 million. Okay, sir. Thank you, sir. That is it from my side.

Moderator: Next question is from the line of Jasdeep Walia from Clockvine Capital. Please go ahead.

Jasdeep Walia: Hi, sir. Thanks for taking my question. Sir, in the renal segment on the dialysis side, you have been facing significant competition from Chinese players. So what is the status on that, considering that you have grown around 20% in this quarter on a year-over-year basis? Does it imply that the competition has reduced? This is my first question.

Himanshu Baid: So, I think, let me answer that. So basically, as you know, we had filed an anti-dumping case, and government had initiated that process, and this is a public knowledge. It has already been four months now, and I think what we hear now is government may take some action on this. There is some maybe movement in that direction, but as these issues take longer than what we think, we are just waiting it out.

Hopefully, there is some relief coming to us, and I don't know how it is going to come, but it is a matter of time. On the competition part, yes, the competition is still there. Nothing has changed.

think one good thing which has happened, and I think I wanted to highlight that also, which I didn't mention in my opening comments, that there is a recent notification from Government of India, DGHS, to use medical devices only one time. I think this is a very big thing which has happened because currently, dialyzers were used four to five times.

So now with this notification, I think most of these dialysis chains will be now forced to use it only one time. Because earlier, they were able to leverage this cost by using the same product four to five times, though it is only designed for single use. Now this notification has been issued by DGHS, and that is a very important step. I think this will also increase the demand for the product in the long run.

I think what we are seeing is that once this is implemented fully, as all states are obligated to take this action and everybody has to follow this, all hospitals will also have to follow this. I think this will lead to a demand, but I think it will take some time to build up. We are also pretty hopeful that this is a very important notification which has issued, which is in our favor, which helps us to sell more products to the dialysis centers.

Jasdeep Walia: Sir, this new policy which has come up, when is it supposed to be implemented on the ground?

Himanshu Baid: Immediate effect. They have said immediate effect. There is a DGHS circular, you can Google it. It is issued by DGHS, Directorate General of Health Services, Government of India, sometime in end of October.

If I remember correctly, it should be 22nd or 23rd October. This is from immediate effect because today, the biggest challenge which the patients are facing in hospitals is reuse of devices and not properly sterilized, and hospital-acquired infections are actually increasing rapidly in hospitals because of reuse of devices.

I think this is something which has to stop, and I think government has taken some initiative. Let's see how it is implemented because India is a big country, and implementation will take time, but at least there is a direction which is set.

Jasdeep Walia: Got it, sir. Sir, you had plans to take the renal business outside India as well. Where are you on that front?

Himanshu Baid: I think, firstly, we are looking at Southeast Asia. I think that's the market we're developing. We are working with some, right now, consultants to help us explore that possibility. The first markets would be Southeast Asia markets, where we'll go.

Jasdeep Walia: When do the revenues start outside India in this segment?

Himanshu Baid: Depends on the registration process. It's a cycle of one to two years. We already initiated in some of the markets. So either when we get registrations, but I think India is for us a bigger opportunity because what we are doing is full import substitution in the country. Still 90% market is import-driven. So I think for us, that is the big opportunity where we can replace that with our product. And this is the portion.

So I think, and especially for machines, we need to set up the whole service setup and network and spare part and everything, and service engineers. So I think India, we are very well positioned to do that. So initial, maybe next 12-18 months, we will be more focused on India right now.

Moderator: Next question is from the line of Ashish Sethi from UTI Asset Management. Please go ahead.

Ashish Sethi: Yes, thanks for the opportunity. Sir, your acquired businesses, obviously you said your standalone margins are 27%-28%. By when do you expect your acquired business margins to trend above 20% mark? How long would it take?

Rahul Gautam: Yes, I think, Ashish, as you called out earlier, these companies, Citieffe is already operating in mid-teens, 14%, 15% EBITDA margin. PendraCare, before the crisis, were operating in 10%, 11%, 12% margins. I think once some of these crises and raw material prices come down, you should have PendraCare back to similar kind of margin range.

Our even three to five-year target is to take these companies to close to 20% EBITDA margin, and which is what we are working on, which will come through the synergy projects that we are running with them, as well as the benefit of operating leverage as the business scales up from the current levels.

Ashish Sethi: Yes. So, in the overall scheme of things, at consol level at least, since you are guiding for 23%, 25% margin, we should not go below the lower end of the band, right, in the next two to three years?

Rahul Gautam: Yes, I mean, I think we would expect it to. Obviously, we will give the guidance as we go closer to the end of the financial year. But our aspiration is to obviously keep improving our consolidated EBITDA margins also as we grow the business.

Ashish Sethi: Great. capex, hopefully, so what is the...

Moderator: I'm sorry, Mr. Ashish, your voice is breaking, sir.

Ashish Sethi: Hello?

Moderator: Yes, sir.

Ashish Sethi: Sorry for that. These INR500 crores capex guidance, what is the facility status? We have given a broader guidance of doubling our revenues in the next five years. So are we staying the course? Any update on that would be helpful.

Himanshu Baid: The capex guidance for this current financial is between INR200 crores-INR225 crores. And of course, we have already laid out very clearly that by FY30, we will double our revenues. That's the plan. We are already, I think, on that path. A lot of capex have been currently undergoing to balance those activities in different plants and capacity.

We are already working on it. Some of these new projects are also coming in, where we're expanding our orthopaedic and cardiology business, which we started just 1, 1.5 years ago. I think that lot of that is happening also as we speak.

Ashish Sethi: Yes. Great. Lastly, sir, India still does not have a dedicated MedTech ministry. Since you are also on the cardiac stents, you obviously are manufacturing all those products.

Himanshu Baid: Yes.

Ashish Sethi: Any chance, as far as the industry representation to the Government of India is concerned, would you guys have had any sense whether there would be a dedicated MedTech ministry in place?

Himanshu Baid: That is the question which I cannot answer honestly, Ashish. But yes, currently the pharma ministry is taking care of, which comes under chemical and fertilizers, which has oversight on the MedTech industry.

But the good news is that maybe we will hear in next, maybe Government of India is already working on bringing out additional PLI scheme for MedTech sector, because the first PLI did not work well, and because of the shortage of time when it came during the COVID period, so many companies could not meet the expected targets. So there could be something there.

And then also there is a scheme for R&D promotion in MedTech. So there are some things which are happening. On the policy front, I think Government of India is very clear that they want more Make in India products to happen, and they want to reduce the import. I think we will see some action from Government of India as time progresses on that front.

Ashish Sethi: Great. And finally, since you are planning to double your revenues, roughly three to five years down the line, as far as the portfolio mix is concerned, how would you see infusion contribution panning over the next three, five years?

Rahul Gautam: Yes. So, I think, our infusion business growth is also expected to remain strong because a lot of our U.S. expansion out of India is infusion-driven, right? As the U.S. business expansion happens, infusion will also continue to grow. I think we will be happy if the infusion contribution remains between 45%-50% over the next four to five years.

Ashish Sethi: Great. That is good to know. Thank you and all the best.

Rahul Gautam: Thank you.

Himanshu Baid: Thank you.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Himanshu Baid for closing comments.

Himanshu Baid: Thank you again, everyone, for your keen interest and very relevant questions you have asked. And I think, as we have mentioned earlier, I think the Q2 numbers are a reflection of what we wanted to achieve during the whole year. And I think next two quarters also, we are striving to

achieve a similar or a better growth. And hopefully, we are very sure about meeting the expected range of EBITDA and revenue for the year.

I think this has been a big year for us in terms of adding new customers and also new products. A lot of these will become more productive in next year, where we see almost 30 new products getting added in European markets through new registrations, which we are going through.

Then, Brazilian subsidiary picking up and U.K. business coming up, where we have already established subsidiaries. A lot happening right now. Hopefully, you will see much better performance in coming years. Thanks a lot. Thank you again, everyone.

Moderator: Thank you, ladies and gentlemen. On behalf of Poly Medicure Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.