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20th August, 2026

To,

The Corporate Relationship Department **BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. ***Scrip Code: 539523***	**National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai 400 051. ***Scrip Symbol: ALKEM***

Sub: Q1 FY2027 - Earnings Conference Call Transcript

Dear Sir(s) / Madam,

We enclose herewith the transcript of "Q1 FY2027 Earnings Conference Call" which was hosted by the Company on Friday, 14th August, 2026.

The said transcript shall also be made available on the website of the Company.

Kindly take the same on record.

Sincerely,
For **Alkem Laboratories Limited**

MANISH NARANG Digitally signed by MANISH NARANG Date: 2026.08.20 17:48:47 +05'30'

Manish Narang
President - Legal, Company Secretary & Compliance Officer

Encl.: a/a

“Alkem Laboratories Limited
Q1 FY27 Earnings Conference Call”
August 14, 2026

MANAGEMENT:	**MR. SANDEEP SINGH – MANAGING DIRECTOR – ALKEM LABORATORIES LIMITED** **MR. NITIN AGRAWAL – CHIEF FINANCIAL OFFICER – ALKEM LABORATORIES LIMITED** **MS. PURVI SHAH – HEAD OF INVESTOR RELATIONS – ALKEM LABORATORIES LIMITED**
MODERATOR:	**MR. TUSHAR MANUDHANE – MOTILAL OSWAL FINANCIAL SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Alkem Laboratories Limited Q1 FY27 Earnings Conference Call hosted by Motilal Oswal Financial Services Limited. As a reminder, all participant lines will be in the lesson 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 a touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Tushar Manudhane from Motilal Oswal Financial Services Limited. Thank you, and over to you, sir.

Tushar Manudhane: Thanks, Yusuf and sorry for the delay in the start of the call. Good evening, everyone, and warm welcome for first quarter FY27 earnings call of Alkem Laboratories. From management side, we have Mr. Sandeep Singh, Managing Director; Mr. Nitin Agrawal, CFO; and Ms. Purvi Shah, Head of Investor Relations.

Over to you, Purvi.

Purvi Shah: Thank you, Tushar. Good evening, everyone. On behalf of Alkem Laboratories, I welcome you all to our quarter 1 FY27 earnings call. Earlier today, we announced our financial results along with the press release and investor presentation, all of which are filed with the stock exchanges and are also available on our website. We hope you have had an opportunity to review them.

Before we begin, I would like to remind everyone that this call is being recorded, and the audio recording and the transcript will be made available on the stock exchanges and our website shortly after the conclusion of the call. Please also note that today's discussion may include

certain forward-looking statements, and these statements should be viewed in conjunction with the risks and uncertainties that are associated with our business and the environment in which we operate.

With that, I now would like to hand over the call to our MD, Mr. Sandeep Singh, for his insights. Over to you, sir.

Sandeep Singh: Thank you, Purvi. Good evening, everyone. Thank you for joining our call. The period under review has been one of continued execution of our strategy. While the operating environment remains dynamic, we have stayed focused on the fundamentals, strengthening our core business, improving operational efficiency and investing selectively in areas that can support a sustainable and profitable growth.

We are encouraged by the progress we are making across these priorities. At the same time, we remain conscious of external challenges and are maintaining a disciplined approach to capital allocation, costs and risk management.

I will briefly walk you through the key developments and our outlook, after which we will be happy to take questions and engage. The key highlights are that our revenue from operation was INR3,740 crores with a year-on-year growth of close to 11%. India sales were INR2,497 crores and year-on-year growth was 10.3%.

International sales was INR1,222 crores with year-on-year growth of 16%. EBITDA margin was 20.5%. The growth was 3.7% year-on-year. R&D expenses was 4% of our total revenue. Profit before tax was more or less flattish, technically 1.8% of growth. And the net profit, there was a degrowth of 21.7%. This is purely because of taxation reasons, and I'm sure our CFO will deep dive into this later on.

According to IQVIA data, the company registered a growth of 13.2% year-on-year versus the Indian pharmaceutical market, which grew by 12.2%. This is a 100 basis point outperformance just as we had guided to you earlier. Acute segment reported a growth of 12.3% versus the IPM, which grew by 10.1%, which is a 220 basis point outperformance.

Chronic segment reported a growth of 17.9% versus the IPM, which grew by 15.4%, 250 basis point outperformance. We have outperformed IPM in 7 key focus therapies. Anti-infectives grew by 1.1x of the market, Gastro grew by 1.2x of the market, Vitamin and Minerals grew by 1.4x, Pain by 1.8x, Antidiabetic 1.4x and Respiratory 1.6x and last but not the least, Derma 1.6x. During the quarter, for the U.S. market, the company received 5 ANDAs approval. One of them was a tentative approval. Recently, our Daman facility has received an OAI status.

We have already initiated comprehensive corrective and preventive actions and remain fully engaged with the regulator to address the observations. While this represents an important regulatory development, approved product supplies from the facility continue to the U.S. market without any interruption.

With this, I open the floor for Q&A. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Saion Mukherjee from Nomura.

Saion Mukherjee: Sandeep, you mentioned about growth in India higher than IQVIA market growth as per IQVIA. We have seen some improvement in growth rates, but 10.3% is lower than most of the pharma companies who have reported so far. Can you throw some light around the dynamics here? What do you think is impacting the growth rate in India? And is there something that would ease to improve growth rate in the quarters?

Sandeep Singh: Yes. So see, I think the India growth rate is kind of dragged down because of the Trade Generics. Trade Generics growth was flattish to a very mild growth and Trade Generics now contribute reasonably to our domestic formulation. So that dragged it downside.

Saion Mukherjee: What was the branded growth this quarter, branded generics?

Sandeep Singh: It was 12%.

Saion Mukherjee: Okay. Nitin, on -- the costs have gone up. I mean you had, I think, guided earlier employee cost and other expenses are on the higher side. So if you can indicate how much of the cost is on account of CDMO MedTech, which might not be contributing at this point or for that matter, if you can talk about the EBITDA loss from these businesses in this quarter?

Nitin Agrawal: Sure. So in terms of employee cost, yes, the growth is more than 16% in the quarter. There are 2, 3 reasons. One is definitely the annual increment. The second is we have added around 1,200 MRs in the last few quarters.

So that also impacted the employee cost. And the CDMO business in Enzene became operational from November '25. So that was the third impact on manpower. In terms of other expenses, yes, there were expenses on account of Enzene CDMO business, plus the conversion rate for dollar has increased, which has also benefited us in terms of top line, but the impact is also on other expenses where all our subsidiaries, foreign subsidiaries expenses got converted at a higher rate. It's almost 10% higher than the last year rate.

So these were the reasons. MedTech, yes, we have completed the acquisition of Occlutech, but that was in mid of July. So our quarter 1 numbers were not impacted because of Occlutech. Yes, the ortho business, which we acquired, but I think small scale, at consolidated level, the impact is not that high.

But just to share the numbers, yes, there was between -- you can say, if we exclude the diligence cost and all of Occlutech, there was an EBITDA loss of around INR5 crores to INR7 crores because we are also investing into this business.

We are filing our products outside India. So definitely, this business will break even maybe in next 12 months, but the scale is small like at yearly level, we'll do around INR50 crores of sales from the Ortho business other than Occlutech.

Saion Mukherjee: And the U.S. CDMO operation, Nitin, I mean, how much is the drag from there?

Nitin Agrawal: U.S. we incur around INR60 crores of operational expense. So definitely, it's a new business. So we plan to break even in the next, say, 4 to 5 quarters. But yes, for the quarter, it was around INR60 crores.

Moderator: The next question is from the line of Sandeep Kumar from Clindus.

Sandeep Kumar: So the first question is on like what is the current status of denosumab biosimilar in the U.S.?

Sandeep Singh: Yes. So denosumab biosimilar approval is a little bit off. So we did not get the approval on the goal date. So that is pushed off by at least a few months.

Sandeep Kumar: Okay. So then my second question is on the EU region. So on the -- following the approval of [0:11:13], so are there any specific targets like region markets where the launch is being prioritized or is like full EU availability expected simultaneously?

Sandeep Singh: Okay. No, no. Sorry, I didn't get you properly. You're asking about denosumab Europe like plan, right?

Sandeep Kumar: Yes, Prolia biosimilar. So is there any specific regions we are targeting or like…

Sandeep Singh: For Prolia.

Sandeep Kumar: Yes, Prolia?

Sandeep Singh: Okay. Yes, your usual suspect. So we have a partnership with a company called Theramex. So they are our partners. We are not doing it directly. And as you know, it's very competitive. So there are many, many players even in Europe, just like U.S. So it's not going to be a very meaningful ramp-up for any one of us for some time. So it's not something very significant, yes.

Sandeep Kumar: Okay. So my last question is on the reason -- opinion on Xgeva biosimilar. So when can we expect the launch of Xgeva biosimilar in Europe?

Sandeep Singh: We could be like 3 months away.

Moderator: The next question is from the line of Amlan Jyoti Das from JPMorgan.

Amlan Jyoti Das: Sir, my question is regarding the India biosimilar...

Moderator: Sorry to interrupt, Amlan. There is a background noise coming from your end.

Amlan Jyoti Das: Yes. Is it alright now?

Moderator: Yes, please proceed.

Amlan Jyoti Das: Yes. My question is regarding the India biosimilar front. You had some 6 to 7-odd biosimilars in India launched for the India entity. How has this portfolio done over the -- since launch? And what has been contribution to the India revenues per se?

Sandeep Singh: Yes. Nitin, do you want to take that? You know the percentage better.

Nitin Agrawal: So we have already launched 7 products, as you said, and we do around INR150 crores of annual sales. So I think we have done really well. And because of this backward integration, the margins have also improved for these products at consolidated level.

Amlan Jyoti Das: So sir, this revenue is a part of your India revenues, is it?

Nitin Agrawal: Yes, yes.

Amlan Jyoti Das: Then next on Occlutech. So sir, since you have closed the deal in July this year, how do you see the growth for this business as a whole going forward? And how do you see the margins are panning up? I remember you guided to some reaching 10% margins in the near term. So does this guidance...

Nitin Agrawal: This year -- see, the original plan was to complete the acquisition and start integration sometime in first quarter, but that got delayed. So we just completed the acquisition last -- in mid of July. And we have started the integration. So this year for around 8.5 months, our target for Occlutech is around INR400 crores of sales with breakeven EBITDA because of delays happened in case of integration. So yes, it will be a bit off from the guidance which was last said.

Amlan Jyoti Das: Okay. And sir, how should we see this margin going ahead, say, in the next 2 to 3 years?

Nitin Agrawal: So every year, you will see a gradual improvement in margins. And as we discussed during our investor meet that a lot of the integration with India operations will start picking up from next quarter. And -- but yes, you can see a 7% to 8% improvement in EBITDA year-on-year and we target to achieve our guidance over 3 to 4 years. Yes. But it will be a very healthy EBITDA business for us within 3 to 4 years.

Amlan Jyoti Das: Okay. And sir, lastly, if I may squeeze in. From this OAI, the Daman unit, could you share the percentage of revenues from this unit for the U.S. if it's available?

Sandeep Singh: I think 45% of our U.S. revenue comes from this facility.

Amlan Jyoti Das: And sir, all of the revenues -- all of these products are still in supply? Is it?

Sandeep Singh: Yes, yes, very much. Yes, yes. Absolutely.

Moderator: The next question is from the line of Kunal Dhamesha from Macquarie.

Kunal Dhamesha: Can you throw some color on why the Trade Generic business is not growing? What is -- is it industry dynamics? Is it company-specific dynamics?

Sandeep Singh: I think it's a combination of both. It has got very intensive, the competition. 4, 5 years back, you will remember that not many companies wanted to play in this segment, but now a lot of big guys have entered. And also it's internal because at a large number -- law of large numbers always kicks in.

We are maybe the number 1 or number 2 in this segment. And we also tightened our market practices slightly where we are little strict on the number of days outstanding. So therefore, it is leading to this. Nitin, go ahead.

Nitin Agrawal: If you look at our numbers for Jan to June quarter -- Jan to June period, we did well in terms of growth. But yes, from April to June, there were some strategic calls taken on outstanding DSOs and all. And also, we have increased our prices because of increase in API prices. So I think the inventory levels in market may have also gone down.

So in coming quarters, the primary sales or the sales from this business should recover and lower growth, which we saw in quarter 1, I think in upcoming quarters, the growth should be higher than that. So Jan to June, we did well in Trade Generics, if you look at 6-month numbers.

Kunal Dhamesha: And sir, well means double-digit growth, how to put that into some form of quantification?

Nitin Agrawal: So it was higher single digit.

Kunal Dhamesha: High single digit. Okay. And then we are saying April to June was flat on a year-on-year basis?

Nitin Agrawal: Yes. Yes.

Kunal Dhamesha: So Jan to March would have been double digit?

Nitin Agrawal: Yes, you can say that. Yes.

Kunal Dhamesha: Okay. Secondly, on the CDMO business drag of INR60 crores, right, that number looks quite big. So basically, what's the -- this is annual or quarterly?

Sandeep Singh: This is quarterly.

Nitin Agrawal: Yes, this is expense for CDMO, U.S.

Kunal Dhamesha: Yes. Okay. So let's say, for us to become breakeven in the next 12 months, what kind of revenue we need to generate? And then in terms of the pipeline of projects, do we have that visibility now?

Sandeep Singh: No, good question. So next 12 months will not breakeven, just to be very clear. For U.S., we will not breakeven. That's number one. The revenues what we need perhaps will be close to USD20 million to breakeven.

Kunal Dhamesha: Sir, I didn't get your number, sorry, USD12 million?

Sandeep Singh: No, no. I said USD30 million. Sorry, I said USD20 million, but actually it's USD30 million. USD25 million to USD30 million, we'll break even over there.

Kunal Dhamesha: Per quarter?

Sandeep Singh: No, annualized.

Kunal Dhamesha: Annualized. Okay. And for that -- and what -- because CDMO is a pretty big spectrum, right? So which is the part that we are initially targeting? Yes, that would be helpful.

Sandeep Singh: Yes. As Enzene is into monoclonal antibodies, so it's precisely that. We are just into mAbs and we do the development to clinical trial supplies and hopefully commercial in the future. But right now, these are most of the time clinical trial batches and development batches.

Kunal Dhamesha: Sure, sure. So let's say, for that USD30 million run rate, would you be -- like how many projects do we need to be working on?

Sandeep Singh: No, no. So all that we know. So it depends. Some projects are pretty large. So it's not the number of projects. I think we've got a decent pipeline. A CDMO has a sales cycle very different from what we traditionally do as branded pharma. So I think we'll have to be patient over there. And the cycle time is pretty large and to work with these companies who could be innovators, not necessarily large pharma, even small biotech, they take their own time.

And it's dependent on a lot of things, how well they get funded, how their clinical trial progresses. So I think it's a mixed bag where patients would be rewarded. And just like -- I'm sure you all track lot of CDMO companies, you'll know that. So we cannot measure it with the same tape which we measure the traditional Alkem Pharma or any pharma. But we are positive. Therefore, we have put the facility.

Kunal Dhamesha: And sir, lastly, let's say, what type of capacities do we have there? Is it currently more R&D related? And then eventually, would it require for us to put some kind of capital expenditure?

Sandeep Singh: Yes. So we have reasonable capacity. We are not very big. We have small capacity, but the technology is a little different. So if I tell you in KL, that will not really do justice to what we can produce over there.

And second part, at some point of time, it will require capex to happen over there as we ramp up because without it, we'll not really get economies of scale, just like any API/CDMO or biotech business. And that will not be this year.

Kunal Dhamesha: And this facility is GMP compliant, like U.S. FDA-approved?

Sandeep Singh: It is not U.S. FDA-approved because that has to get triggered, but it is absolutely in U.S., and we are working with a lot of good companies, and we'll have to trigger the U.S. FDA.

Kunal Dhamesha: Which will happen with some of the client when they file...

Sandeep Singh: Yes. Absolutely, sir. Absolutely.

Kunal Dhamesha: Okay. And last question on the U.S. plant. We said the revenue contribution is 45% of U.S...

Sandeep Singh: Of Daman.

Kunal Dhamesha: Daman, yes. What's the number of pending ANDAs? And what's the total pending ANDAs right now?

Sandeep Singh: On Daman, we'll come back. We don't have the exact number. We'll come back to it.

Moderator: Next question is from the line of Kunal Randeria from Axis Capital.

Kunal Randeria: First question on the India business. Last year, you made a [0:22:57] orthopedics by making couple of small acquisitions. Would you still be kind of looking to expand this business or would you rather wait until they see you as...

Sandeep Singh: So orthopedics we have not acquired, this is a MedTech kind of...

Kunal Randeria: No, no. You have acquired a couple of small companies, right? Bombay Ortho and...

Sandeep Singh: Bombay Ortho is medical device, sir. It's not your prescription pharma...

Kunal Randeria: Yes. My apologies. So would you be kind of still expanding into this or would you be kind of waiting for maybe some new CEO to join and then see how to expand?

Sandeep Singh: So we are not looking to acquire anything in orthopedics or MedTech right now. So that's the first thing. So there's no question of waiting or not waiting. I think it is very early. The ramp-up is happening and there's no need to acquire anything over there right now.

Kunal Randeria: Right. Okay. Sure. But any plans? Now you have INR5,700 crores cash. Any plans that you would like to share?

Sandeep Singh: No, nothing. Everything is the same like before. Nothing changed from last quarter.

Kunal Randeria: Okay. Got it. And just one more. Would you be launching Tolvaptan in the U.S. generic [0:24:24] in the U.S. this quarter?

Sandeep Singh: Yes, we would be.

Moderator: The next question is from the line of Abdulkader Puranwala from ICICI Securities.

Abdulkader Puranwala: Sir, my first question is with regards to the Trade Generic business. So I understand that had got impacted because of your receivable policies or your credit period. But I mean, we have been -- the business has been growing at a slower rate for the last couple of quarters. So any time line you would like to share with us by which you expect growth in this particular segment to bounce back?

Sandeep Singh: No, bounce back -- what does bounce back mean? So like how much do you think we should be doing?

Abdulkader Puranwala: Say, at least in line with what your Branded Pharma business is growing?

Sandeep Singh: No, no, that's very hard. We still want to see -- also it's a matter of discipline. We'll have to reset it, and we'll have to figure things out, and we'll see how the market also evolves. So I think personally, as a promoter MD, I'll be happy with late single digits is perfectly all right. We just need execution and discipline in that business more for the next 1 to 2 years.

Nitin Agrawal: There is no capex requirement, the ROCE...

Sandeep Singh: Yes, ROCE is good because, yes, the CFO always reminds me that. So yes, we'll have to be careful on that. Yes.

Abdulkader Puranwala: Sure, sir. Got it. And sir, my second question is with regards to any thoughts on hiring a CEO?

Sandeep Singh: Yes. So we told you last time, we are looking out. So thoughts are the same. And hopefully, next time when we have the quarterly meeting, he'll be there with you. So we are looking also. As you know, it's a critical hire, we can't hurry up. But we are looking also, it's very clear, yes.

Abdulkader Puranwala: Got it, sir. And just a couple of bookkeeping questions. So from the tax rate, I think last quarter, we had guided for a 27% to 28%. Are we still kind of maintaining that for the full year?

Nitin Agrawal: See, that was for stand-alone. But at consolidated level, it will be in the range of around 30% to 32% because a few of the entities like our Enzene in U.S. and all, which are reporting losses and currently, we are not creating deferred tax asset on those entities because of which our consolidated tax rate looks a bit higher as compared to stand-alone. So at consolidated level, it will be in the range of 30% to 32%.

Moderator: Next question is from the line of Tushar Manudhane from Motilal Oswal.

Tushar Manudhane: Just with respect to the India business, could you share price volume, new launches growth for the quarter?

Nitin Agrawal: So in terms of price, the growth was around 6%. This -- we are only talking about other than Trade Generic business. New launches was around 3% and volume was around 2%.

Tushar Manudhane: And sir, in general, the industry growth rate has sort of improved over the last, I would say, few months. Any change you've seen or experienced which is sort of driving this growth? And how sustainable you think these numbers are in terms of overall IPM growth, may it be Chronic, may it be acute?

Sandeep Singh: No. According to us, I think there's nothing dramatically changed. I think semaglutide has gone off patent and -- so those kind of things are driving Chronic, I think, by and large. And so we think it's quite sustainable whatever we are doing at least.

Tushar Manudhane: Got it. And how much benefit would we have got from semaglutide for...

Sandeep Singh: It's very small right now, sir. Yes, small. But we are among the top 3 in generics. I can share that with you.

Tushar Manudhane: Got it. And sir, just secondly, on U.S. CDMO, this opex, how do you see this over full year '27? INR60 crores opex?

Sandeep Singh: You can annualize that. Opex will remain the same. We have to get business, and that's how we can break even and eventually make money. We can't cut opex too much because you know the complexities of a U.S. plant.

Tushar Manudhane: Got it, sir. So some business opportunities got pushed, which is why the breakeven is sort of little taking time? Or this is the way it was -- it has been sort of tracking?

Sandeep Singh: I think it's a combination of both because sometimes reality comes and delays things. So I think we knew that it's going to be expensive and business would pick up, but it's taking more than, let's say, a couple of quarters to reach what numbers we were targeting. And also CDMO is a lumpy business, as you know. So when it rains, it pours kind of things. We don't -- whenever it comes, it will come big, we feel.

Tushar Manudhane: Got it. So the new contracts, which is where the efforts are, so some gestation period to sort of get the fruits of that?

Sandeep Singh: Yes, absolutely.

Moderator: The next question is from the line of Rashmi Shetty from Dolat Capital.

Rashmi Shetty: Sir, just on the U.S. part, if we convert into the dollar business, in constant currency terms, we see some softness in the U.S. sales during the quarter. So if you can specify the reasons for that, both on Y-o-Y and quarter-on-quarter, I'm seeing that. And earlier, we guided that for the entire year, U.S. will be in high single digit. So now after this quarter, what is your outlook, also taking into consideration the Daman plant OAI?

Sandeep Singh: Yes. So I think the last thing I'll answer first. I think Daman plant OAI is a concern, but we don't see it as impacting our business because nothing is stopping and Daman has kind of gone through. So we feel confident that this year would not be impacted. Also, we believe that we'll come out of this in 6 to 12 months' time, hopefully.

So Daman should not have an impact on business this year. And I think the price erosion was just close to flattish. So price erosion has kind of bottomed out, we feel for us and maybe for the industry, I'm not sure. So U.S. is challenging. We really don't have volume growth. It's more because of currency, and that remains a reality in these products.

Rashmi Shetty: So you meant to say that you have not seen any major volume expansion in the products which you'll have launched last 12 to 24 months?

Sandeep Singh: I would say so that's a fair assumption. Yes.

Rashmi Shetty: Okay. So then what will be the outlook for the whole year? Still we keep our -- maintain our guidance of around high single digits or you feel it will be flattish?

Sandeep Singh: I think it will be high single digit to mid.

Rashmi Shetty: Okay. Mid to high single digit.

Sandeep Singh: Yes, yes. And it will be helped by currency for sure.

Rashmi Shetty: Okay. And this USD30 million revenues which we are expecting from the CDMO business, when can we anticipate that, in which year, by which year we can expect the revenue to kick in?

Sandeep Singh: '27, '28.

Rashmi Shetty: FY28?

Sandeep Singh: Yes.

Rashmi Shetty: Okay. And again, on the India business, put together Trade Generic business and the Branded Formulation business, what kind of growth can we expect for the entire year?

Sandeep Singh: Round about what we told last time, but we could better that by, say, 100 basis points.

Rashmi Shetty: So you feel that in the subsequent quarters, we'll be able to cover it whatever growth we have lost in the Trade Generic business and Branded Formulation will continue to perform. Is that the right assumption?

Sandeep Singh: Yes, we could end up by close to 12%, yes.

Moderator: Next follow-up question is from the line of Amlan Jyoti Das from JPMorgan.

Amlan Jyoti Das: I remember a couple of years ago, you mentioned in your annual report that you are focusing exclusively on the non-U.S. markets and international business. So has there been any significant development in that? So this double-digit growth that we are seeing, how sustainable do you think this is?

Sandeep Singh: So this is quite sustainable, more than sustainable. Yes, we are seeing good double-digit growth. And it would continue.

Amlan Jyoti Das: On that, you would like to highlight?

Sandeep Singh: I mean, see, the thing is U.S. is so big that everything else -- even if they grow extreme -- like very high, it will not really move the needle for the next 2 years. But there are some countries on a low base, they continue to grow in very, very healthy double digits. But they're on a small base. So like Germany, it grows by 35%, 40%. But so small that I don't feel like talking too much about it, might not be a good use of our time right now.

Nitin Agrawal: Even in Chile and Australia, we did well there.

Sandeep Singh: Yes, yes.

Nitin Agrawal: Chile and Australia both like a big market for us, and they have been doing well.

Amlan Jyoti Das: Okay, sir. Sir, and my last question is on the gross margins. We see an improvement on the gross margins this quarter. So sir, any particular reason for this? And how do you see the margins sustaining in the near term in FY27 and '28?

Nitin Agrawal: In quarter 1, there were 3, 4 reasons. One is that as we discussed our Trade Generic, the growth was lower and our Prescription business did really well. Then there was also impact on account of currency because U.S. and other markets, even in Australia also the currency supported us. So overall, the mix was better for us because of lower Trade Generic business and also support from the currency side helped us.

For the full year, we maintained the same guidance because there may be some impact on account of API price increases, which we have already seen. But since we had inventories -- old inventories at old rate, so the impact was not that high in the current quarter. But in subsequent quarters, there will be impact because of API prices. So we maintain the same guidance of 66.5% to 67% of gross margins for balance part of the year.

Moderator: Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to the management for the closing comments.

Purvi Shah: Thank you, Yusuf, and thank you, everyone, for joining today's call. Should you have any follow-up questions or require any clarification, please feel free to reach out to us. Thank you. Have a pleasant weekend.

Moderator: Thank you, ma'am. On behalf of Motilal Oswal Financial Services Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.