

**Date: 12th June, 2026**

To
BSE Limited
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street - Fort,
Mumbai — 400 001.

Ref.: BSE Scrip Code - 539730**Subject: Transcript of the Earnings Conference call held on 10th June 2026 for Q4 FY26.**

Dear Sir / Madam,

In addition to our earlier intimation dated 06th June, 2026 & revised intimation dated 08th June, 2026 regarding audio recording of the Investors 'Conference Call and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of Investors' Conference Call held on **Wednesday, 10th June, 2026, at 11:00 a.m. for Q4 & FY26** results.

The transcript is also available on Company's website at:

<u>LINK</u>	http://www.fredungroup.com/investor-investor-meet.html#investor
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You are requested to kindly take note of the same.

Thanking you,

FOR FREDUN PHARMACEUTICALS LIMITED**FREDUN MEDHORA
MANAGING DIRECTOR
DIN: 01745348**



“Fredun Pharmaceuticals Limited”

Q4 FY '26 Business Conference Call

June 10, 2026



**MANAGEMENT: MR. FREDUN MEDHORA – MANAGING DIRECTOR –
FREDUN PHARMACEUTICALS LIMITED**

MODERATOR: MS. SAKHI PANJIYARA – KIRIN ADVISORS

Moderator: Ladies and gentlemen, good day, and welcome to Q4 FY '26 Business Conference Call of Fredun Pharmaceuticals Limited, hosted by Kirin Advisors Private Limited. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the 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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference call over to Mr. Sakhi Panjiyara from Kirin Advisors. Thank you, and over to you, ma'am.

Sakhi Panjiyara: Good morning, everyone. Thank you for joining the Q4 FY '26 Earnings Conference Call of Fredun Pharmaceuticals Limited. We have today with us Mr. Fredun Medhora, Managing Director of the company. Before handing over to him to address your question, let me briefly walk you through the company's performance for the quarter and year ended FY '26.

During the Q4 FY '26 total income stood at INR213 crores, which is a strong growth of 27.27% year-on-year compared to INR167.41 crores in Q4 FY '25. EBITDA comes in at INR29.13 crores, reflecting a robust growth of 67.05% year-on-year, EBITDA margin improved to 13.67%, expanding by 326 basis points. Net profit for the quarter stood at INR11.07 crores with a growth of 56.47% year-on-year. Net profit margin improved to 5.19% expanded by 97 basis points. For FY '26, the total income reached INR639.12 crores, marking of 40.08% year-on-year growth.

EBITDA stood at INR94.79 crores, up by 72.05% year-on-year. EBITDA margin improving to 14.83% and expansion of 276 basis points. Net profit increased to INR33.21 crores, delivering a strong 59.59% growth year-on-year. Overall, the company has demonstrated a strong revenue growth along with the meaningful margin expansion and improved profitability during Q4 and FY '26. With that brief overview, I would now like to hand over to Mr. Fredun Medhora.

We can now open the floor for Q&A. Thank you.

Moderator: Thank you very much. The first question is from the line of Keshav Toshniwal from Kanakala Capital. Please go ahead.

Keshav Toshniwal: Congratulations Fredun for excellent set of numbers. I mean the company has been growing at a crazy pace. Now my question is with regard to the recent notification which you have given regard to DAULCEL and Hormonal products. It seems to be very exciting that right? How do you see these products? And what is your plan? And like how do you want these products to pan out in our company?

Fredun Medhora:

Excellent. We are launching 2 sets. One is a hormonal line and the other is an anti-aging line. Now in the hormonal line, the market is quite fragmented. There are these hormones, which are used for medicinal purposes, and there are some who abuse it also.

And we are going through the doctor channel. We want good hormones in the market. There is a huge demand as the population is gaining awareness the population requires certain targeted therapies such as testosterone replacement therapies and so on and so forth. Even in terms of pregnancy, even in terms of estrogen, even in terms of men and women both, hormones are a sector, which is not very focused on.

And it is very fragmented in terms of its users, because there are not many good hormone products available, many even abuse it. So we have gone through our doctor line. We have created a list of products. Some of the products that we have created in the hormone line, we will be 1 of the first or the second in the country to have those products. We have created a ground level team.

Currently, we are focusing in MMRDA region as we generally do as a company. And then we are focusing on certain metros. We also will be the first ones to have medicated hormone products sold online through our website and through our doctor channel, which is available, which will be the first ones in the country to do so.

So there, we are going to add not only these products, but also specialized therapeutical products even for fitness industries, such as specialized pre-workout, specialized protein powders because we are already doing an entire protein range in our nutrition range, which is doing phenomenally well under Fredun Energy.

So we are going to use, we are going to enhance those and create targeted pre-workouts created targeted therapies, which are going to not only help the fitness industry, which also will do great for doctors as they will have alternative long-term treatments along with the hormonal therapies. So we are going to have a range, not just of hormones but of other protein supplements also, which are targeted in those areas for those people who are on hormone therapy.

So it will be a complete end-to-end basket for people who are on that prescription. When it comes to anti-aging, as you know, the number of clinics of anti-aging are growing rapidly. Now CDSCO has lately finally announced that you cannot accept for doctors because first, anyone was given any therapy online, you would see in newspapers that weddings have these IV bars given for the IV guest and everything and anyone was administrating anything. The demand is unbelievably huge, but it was not very organized. Finally, the government has put a very good law and CDSCO has put a good law that only certified doctors can prescribe it.

It works to our advantage. We are one of the first manufacturers for NAD, NAD+. We are one of the first ones to have exclusive import rights for the API also, which is right now the talk of the town.

So with end-to-end supply chain and it has a relatively decent margins also. And we can use our dermaceutic products, our specialized anti-aging products and there are certain products which we have -- we are the first ones to have those licenses, create a basket and go to the dermat. Go to the doctors go to the people who are prescribing these clinics, these CMs and injections and create a range of it. It is a very high-margin fragmented market, not strong competition. Unorganized market. And frankly speaking, a very brownfield for us to build our brand very quickly and very fast.

Moderator:

Next question is from the line of Vinod Shah from VS Ventures. Please go ahead.

Vinod Shah:

I just have one quick question. Sir, so can you share some light on growth strategy for your Mobility division? How are you planning to scale this business going forward?

Fredun Medhora:

Yes. Mobility has been a very positive division for us. We have seen phenomenal growth. Last year, we did around almost INR30 crores of mobility products. Mobility has 4 brands in it. BraceOn, DigiOn, NebOn. And now we are launching this by July Mobility. These products go to the chemist shops and most of these new braces, leg braces, your orthopedic products, your digital-based products like thermometers, your BP machines, your glucometers. Those are all products, which are sold in the chemist line. We are already doing very big distribution and distributing our products of Fredun Gx and our other third-party products also and our branded products in certain geographies in India.

So we use the same distribution channel. We have used the same channel to add on our mobility products. Companies like Visco and Timo don't have pharma along to sell it. We have -- that gives us an upper hand the distribution that gives us an upper hand in even logistics, which is a big component when it comes to mobility products like wheelchairs and walkers and so on and so forth. So we have used that to our advantage.

We do not foresee any problem in touching INR100 crores within a 2 to 2.5 years from now, calendar 2.5 calendar years from now and INR100 crores run rate. We are looking at easily within the next 5 to 7 years, INR250 crores to INR300 crores enterprise coming out of this. It is profitable. It is doing well. It is not burning any of our other resources. We don't burn money to market it. And we are not an online brand. We are completely offline, pure distribution.

In Maharashtra, every single space has our product. We have also gone in roads into Goa. We are getting in those into Chhattisgarh. We are getting inroads into Karnataka next month. We are available in many states. But in the states, which I've mentioned, we have very strong distribution. Within the next 2.5 years, we should be having the same kind of distribution we have in Maharashtra in at least 17 to 18 states. So that division, touchwood has done phenomenally well for us. I feel we can create amazing brands out of it.

Our Mobilitics brand is a specialized brand, which is targeting only physiotherapy and products which physiotherapists are using. And we have created a unique models in order to tap that market

because they are a marginalized community when it comes to our doctor community. And they are actually the first time influences for most of the products.

So we have created a list of products, and we have got phenomenal success. In fact, our pre-booking is completely booked with the physiotherapist as we are planning to launch in July. Hopefully, that alone should go into INR30 crores to INR40 crores in the next 2 years, just the Mobilitics part of Fredun Mobility. So we have amazing response. And frankly, it is a no headache business for us and growing at almost 55% to 60% CAGR.

Moderator: Next question is from the line of Pritesh Vohra, an Individual Investor.

Pritesh Vohra: I wanted to ask you regarding your pet care business in terms of aspiration, like in terms of product and the range of products that you are going to offer and numbers, what do you see like in the next 3 years, 5 years, how big can the business be? I don't want to know the numbers per se. I just want to know about the products and the services you plan to offer?

Fredun Medhora: Like I've always been saying, sir, that we are the only company to do what we do in the sense that the only company manufacturing allopathic formulations, nutraceuticals, herbals, grooming, functional foods and also do diagnostics, all under the same roof. So we have a unique basket. Our goal -- our long-term goal is very crystal clear substant and simple that by 2032, 2033, no pet in India can be born or die without using a Freossi product or service.

So our targeted pathway is that we create products which are there in all parts of a pet's life from birth to youth to the prime to their geriatric parts. The biscuits that we are launching, we have launched one of the most novel varieties, including Jain biscuits. Which have done phenomenally well. But in addition to that, we have 42 variants of functional food biscuits that we are launching. And as we speak, we are launching for all kinds of breeds and all kinds of products that we will go in roads into the industry even further.

Even in grooming in certain markets, we have displaced the market leaders and created because of our products because we come from a manufacturing background. We come from a human manufacturing background. We already manufacture the best dermaceutics and cosmetic products in India, where even the big brands use from us.

So with the same tech background with the same knowledge to manufacture pet grooming products, we have come out with an amazing range of products, and they have done phenomenally well. When it comes to certain products, we are in -- as I have said last time also, we will be heading in Stage 4 trials.

We have already had it in stage 4 trials within the next into 12 months, we'll come out some formulations, which will be the first ones in India for pet and it will be a real game changer for us in the pet space also.

Our online platform, Wagr is also going to be one of the most awaited things for us right now. We have taken our time. We have taken 3, 4 months longer than necessary, but the final product has come out phenomenally well. We are in the launch phase right now, hopefully, by 1st week of July or mid-June, we are having a soft launch 1st week of July, we're launching. It is one of the most inclusive platforms for pet ever created. It is not just the e-commerce platform.

So when people will see that, when people see our products, when doctors understand because when we start our marketing. We do not just go with a product to the doctor. We start our education much, much, much before that. We start our education programs. We call the top doctors across the world and create symposiums where the reason for why we have created a product is certain to the doctors.

Like, for example, our diagnostics. The doctors which is -- we got such a phenomenal response. But at the same time, many doctors didn't even know what are the real advantages of good diagnostics. So after understanding, we also launched India's first bulletin on radiology and Pet imaging. Once that bulletin went to all the doctors, they started calling us and they started appreciating what we do. And even for exotics, what we are doing is really phenomenal.

Example, last week, we did a CT scan for a cobra, which is very rare to have that bandwidth to have that infrastructure and have the doctor support to diagnose cobra-related CT scan. So we are kind of pioneers in what we are doing. Whenever we have launched a product in the industry, we have ensured that the bar of the industry has been raised irrespective of our sales and that is our long-term goal anyway. So we are quite happy and quite content in achieving that.

Moderator: Thank you. Next question is from the line of Ankit from Money Mart. Please go ahead.

Ankit: Congratulations on the great set of numbers and keeping up with that consistency as always. My question is, we all know about the growth capabilities and how you all have performed quarter-on-quarter. But I think because of what is happening in Middle East and the whole geopolitical issue. Do you see that the raw material cost as a percentage of your sales have started inching up? And are you able to pass on to the customers? One is that? And second is, any slowdown you feel which has come in the last 2 months because of this whole tension? This is the question I have Fredun for you.

Fredun Medhora: Yes. Excellent. So I people have always have said that geopolitical issues cause problems. And I always say, no matter how many bombs fall, no matter how many things people have to take their heart pills. So the -- yes, of course, the prices have increased.

But there in because we always used to keep 3 to 4 months of stock, that initial jolt of that price increase never bothered us. In fact, if were we could cater to our clients at the same prices because we had considerable stock in hand and something which was considered as a ban on our company could became our boom. And we -- that is why our turnover also increased. In fact, our sales increased because of it.

Yes, of course, everyone, the price has not increased for Fredun Pharmaceuticals. The price has increased for the world. So luckily, we had buffer stock, and we could -- and we already, as I've said before, we have orders in hand for 6 to 7 months in hand always. This time also, we have orders upwards of INR320 crores, INR330 crores in hand.

As a result, we also give orders ahead to our suppliers in hand and our orders are kind of booked, which is a very big plus point when it comes to such geopolitical changes. So yes, it does not affect us. Few percentage, 1% or 2%, the buyer absorbs sometimes certain products we have to absorb, but it has absolutely no difference to our bottom line.

In fact, it increases our business. It creates a robust line of communication where the buyers are happy, the distributors are happy. Many of our products are rather in our own brands. So there are decent margins if we, at all in the future, if we have to absorb anything. But currently, we do not, it has not affected us. Yes, the prices have increased. Yes, certain products, we have to increase our prices.

All everyone understands it. The oil prices have increased globally. The oil prices have increased globally, the PVC price, plastic prices have increased, anything to do with petroleum as it is globally. So it's a phenomenon that has bothered the whole world. It is nothing specific to us.

In fact, we have taken advantage of it. And we have used that advantage to propel faster. That is why we have seen this kind of growth. And this year also, I think we are on track to overachieve our targets. Hopefully, what we have targeted in 2029 and 2030, we will achieve it faster than anticipated.

Moderator: Thank you. Next question is from the line of Nikhil Agarwal from VentureX Fund. Please go ahead.

Nikhil Agarwal: So can you please give the revenue breakup of...

Moderator: I'm Sorry, Nikhil, I'm sorry, can you please use trying your handset mode your voice is muffled a little?

Fredun Medhora: We can't hear you.

Nikhil Agarwal: Yes. So am I audible now?

Fredun Medhora: Yes, it's better.

Nikhil Agarwal: Yes. So can you please give the revenue breakup for your vintage and new business for -- in FY '26? And also in that, which business has contributed more percentage in vintage in new age?

Fredun Medhora: Yes. So our vintage business, as I've always said, is growing at around 15% to 20% year-on-year, and that will continue to grow so. So our exports have grown with about INR110 crores, INR120

crores. Our tolling is somewhere around INR24 crores. Our indirect exports, our institution sales that add up to about INR120-odd crores, INR130-odd crores that our domestic third-party branding also grows to somewhere around INR45 crores to INR50 crores, add around Fredun DC another INR25 crores, INR30 crores.

So that's a growing rapidly. Our new age business such as the pet care business done phenomenally well. We have done around INR42 crores, INR43 crores of sale in the Pet Care business. In the mobility, we have done around INR29 crores to INR30 crores. We have done nutraceuticals of around INR26 crores. We have done cosmetics of our cosmetics -- mass market cosmetics around INR20 crores, INR22 crores. We have done around INR12 crores.

So we are doing quite well. The new age businesses are growing at around 40% to 50% CAGR because they are coming from a smaller base. The vintage business is also growing because of registrations. We have about 1,000 in registrations still in the pipeline, more than 1,000 registrations. So that is also growing at around 10% to 15%, but that's on a cruise control growth.

Our focus is on the new age business where the gross margins are also relatively higher at around 45% to 55%. Some products like dermaceutics around 80% to 90%. Some products have even higher hormones will have somewhere around 50% gross margin. So we definitely will keep on growing the new age business also within the next few years, that will -- the percentage of the business will come to around 50% each. And within the next 2, 3 years post that, it will be around 70% to 30%.

As I have always said, we are transitioning from a contract manufacturer, normal pharmaceutical generic or branded generic company like Cipla and someone 2 or more consumer-related products, consumer DTC products and also growing our pharma line simultaneously.

So we are not intrinsically a pharmacy anymore we are a mass market consumer product company as we speak, and we are growing. And hopefully, we will have the transition done within the next 7 to 8 years with retaining our Pharma routes and growing our Pharma routes also at the same time.

Moderator: Thank you. Next question is from the line of Nishita Shanklesha from Sapphire Capital. Please go ahead.

Nishita Shanklesha: Yes. So just wanted to understand, you mentioned that we'll overachieve on it in FY '27. If you could quantify that, that would be great. What is the growth that we can see?

Fredun Medhora: Yes. So I always under promise if you have seen my BSE guidances for the last 10 years, we have always under-promised and over-delivered. We are not a company which has an unreal unnatural target. We can consider a growth and overall growth of around 25% to 30% on our top line from the last year. Which will automatically add up an increase from the expectation of what we had given guidance 2 years ago.

We can do better than that. But right now, between 25% to 30% growth on our top line of last year is what we are intending to achieve. And I think we can easily do that. We are on track to do it. And our numbers as we speak and the run rate, as we speak, are in line to achieve that.

Moderator: Thank you. Next question is from the line of Achal Maheshwari from Naredi Investment. Please go ahead.

Achal Maheshwari: I just wanted to understand, sir, where are we exactly? How are we targeting our customers for the Pet business like are we listed on online marketplaces? And how are we marketing the product?

Fredun Medhora: See, currently, most of our products are prescribed products. We had a very novel range of marketing. Initially, when we started creating brand awareness, we did not go online or we did not go to the doctors like most of the companies. What we did was very different. We started educational programs with our first line of influencers.

In Pet Care, we have to understand the first line of influencers, not necessarily doctors or online platforms. They are the breeders, they are the groomers, they are the dog walkers and they are the dog trainers. So we went to Tier 1, Tier 2, Tier 3 and Tier 4 cities across India, and we started training and we started teaching. We started making them understand the benefits of certain products, not necessarily our own products but certain molecules and why certain things have to be done, certain techniques.

That way we created a bond and we created a very robust relationships with the real first line of influencers. Then we start when we -- then when we got our products in, they were very easily accepted. You go meet your doctor and your pet is sick, but you meet the breeder for the first time when you are a pet parent or you get the pet where you go to your dog walker practically every day. You go to your dog trainer twice a week, you go to a dog groomer twice a month. So those guys are better influencers in terms of day-to-day products than your doctors themselves.

When we started doing these education programs, the doctors started realizing that, hey, this is not a normal company who has just started Pet Care. They are very strong in their science. They're very good with the team. I can proudly say we have one of the best teams for Pet Care in the country from India's top nutritionists, India's top cat expert to one of the best research scientists to India's first and second vet radiologists, all are on our team.

So, because of that approach, we could then go to the doctors and they started prescribing. We are not an inorganic growth Pet Care company where we are spending money to sell our products. Here, our products are bought are scientifically grown, and that is why we have actually got better success than many online companies also and many online platform, plus most of my products are prescribed. So, there is no point of selling it on any platform, my functional food, yes, but we have our own in-house websites where we can sell and people know about us.

And through our distribution channels it sells very well. So we are quite happy and compared with our road map for Pet Care. We want to continue that. And in the next few decades, I mean, next few years, we will pursue this path to get further inroads into the food of the pet industry rather than be superfluous and sell online only because we are not a pet food company, we are a Pet Care company.

Moderator: Thank you. Next question is from the line of Keshav Toshniwal from Kanakala Capital. Please go ahead.

Keshav Toshniwal: Yes. That's my last question. I only wanted to ask you right regarding your awareness with regard to the finance cost, right? Just you're aware of the cost of finance you're paying. And I guess this is the most debt levels of our company.

Fredun Medhora: Yes. See, debt as an absolute number is not relevant. As tomorrow when our turnover is INR1,000 crores, INR2,000 crores, INR3,000 crores, the absolute number might increase the ratios are definitely improving for our manufacturing company for a company, which is launching...

Keshav Toshniwal: Just to a I just want to address with regarding to the percentage of cost, right? As our rating has increased, our credit rating, our balance sheet has improved, the percentage of cost should come down drastically.

Fredun Medhora: Yes, yes. That is exactly.

Keshav Toshniwal: That is the only you should be aware that is the only point.

Fredun Medhora: Yes, yes, we are very much aware we are very much aware, who wants to pay more -- Nobody works hard to pay interest. People want to make money. Touchwood, we are making money. We have been able to service the debt comfortably. At the same time, we are aware absolute number definitely will increase. We are also looking at the ratios. That is also going to improve. And -- right now, our focus is on robust growth. So yes, there are certain rates, which are slightly higher.

But within the next 3 to 4 years, you will see a pretty different picture when it comes to this in terms of your percentage of the spend. Absolute numbers might increase, decrease that changes from quarter-to-quarter. But definitely, we are very well aware of the kind of interest that we are paying. And we are very attuned to the fact that we are going to improve this even further as we are doing for the last few years.

Moderator: Thank you. Next question is from the line of Nishita Shanklesha from Sapphire Capital. Please go ahead.

Nishita Shanklesha: So, our margins have improved quite a bit. I just wanted to understand what is the growth driver behind this margin improvement? And what are the sustainable margins going forward?

Fredun Medhora: As I've said, that the new age businesses have a higher intrinsic margin. The new age businesses are growing. But at the same time, the new age businesses are also adding more demographics. So, if you're earning in Maharashtra, we have to spend in Andhra Pradesh to start launching it. We are a brick-and-mortar company. So, we are not into inorganic growth. Therefore, we grow at our pace, we earn money and we spend that money.

Our margins have improved because since 2016, I have been saying post INR50 crores a quarter revenue, the economies of scale in the vintage business will start hitting in and that is exactly what happened in 2021, 2022. That is when our profitability, which was around 1% or less than 1%, started increasing, 2%, 3%, 4%, right now, we are at around 6.5%. That kind of growth will continue as the new age businesses have a higher EBITDA, there were higher gross margin.

They will balance out. We are looking at continuous growth as we have seen for the next 8 to 9 quarters, then there would be a sudden spike in the profit. Why? Because the demographics reach of the new age products will be kind of satiated. There would be no further demographics to use after about 7 to 8 quarters from now. There will be a sudden spike in profitability even further than what it is growing now.

And then it will kind of ease out and plateau as profit cannot grow infinitely. So, within the next few years, you're easily looking 10% to 12% PAT kind of company on a 2x, 3x kind of top line within the next few years. So again, top line and bottom line are very important. But as a company, we are focused on sustainable growth.

Last 19 years, our growth is a 32% CAGR. There's not a single year of degrowth in the last 19 years. We tend to continue that. We tend to have a sustainable growth in the future. Pharma definitely will have its cycles. We have seen multiple cycles, and we have grown in spite of those cycles. So, we are quite confident in what we are claiming.

Moderator: Thank you. Next question is from the line of Ashish Soni, an Individual Investor. Please go ahead.

Ashish Soni: Sir, any thoughts on any new product launches? And can you give us commentary on Wagr.ai how it's doing according to your expectations and what's future plan?

Fredun Medhora: New products, as I told you this year, we are going to focus on our hormone and antiaging, and we are going to increase our demographics for our existing line in and that is what our targets now. Of course, new molecules will keep on adding within those ranges as part of our long-term plan. And those numbers are quite huge. So that will keep on happening autonomously. When it comes to wagr.in, It was Wagr AI now it is wagr.in because we want to make it a more inclusive platform.

That platform has turned out really, really well. It is going to launch in the end of this month and the beginning of July, it has taken longer than usual, as I've said earlier, but it is an amazing platform. It is something which others have not seen until now. It is not enormous e-commerce platform. And we

are going to use our connects in the pet industry that we have, which other online platforms don't have. We have a ground level presence. We have a field force presence.

We have a manufacturing presence. We have a marketing presence. So having an e-commerce on top of that is a phenomenal advantage for the e-commerce and for our offline distribution as well. So, we are going to incorporate all our abilities and all our USPs, together, the product final product has turned out really, really nice. The team is phenomenal for handling it. It is one of, I would say, one of the best teams to handle e-commerce platforms like that. And it's just not an e-commerce platform. It would be wrong to just call it e-commerce platform. It's a completely holistic pet care portal for all the needs for a pet parent.

So, it will definitely keep on upgrading itself. It is using AI, it is using the latest AI, it is using the latest analytics. It is using the latest tools, which are required. So, it's come out good. Hopefully, you will be able to see it in the next 35, 40 days active and live. You can still Google it, you will find the layouts, but it will be live and active within the next 15 to 20 days.

Moderator: Next question is from the line of Darshil Chandra, an Individual Investor. Please go ahead.

Darshil Chandra: Hello, am I audible?

Moderator: Sir, you are audible.

Darshil Chandra: Just I want to -- given the growth guidance...

Moderator: I'm sorry, Darshil, can you try using your handset mode and just increase your volume, please?

Darshil Chandra: Now, I'm audible properly. Congrats for the excellent set of numbers you have given exactly the same guidance of 25% to 30% for this year and next year also. So how much the margin growth do you see from here on 25% to 30% growth? How much EBITDA margin can go up?

Fredun Medhora: The same growth that we have seen last 30% to 40% on what we have. As I told you, the margin growth will keep on increasing for the next 8 quarters in the same lines as what is happening in the last 4 years, then there will be a certain spike in the profitability even further than that because the demographic reach will be satiated by the new products within the next 2.5 to 3 years.

Then, of course, there will be further growth, but profit, of course, cannot grow infinitely. We are -- in the next few years, because we can only target for the next few years, we are looking after a few years, you're looking at around a 10% to 12% kind of PAT coming up for the company.

Moderator: Ladies and gentlemen, please avoid repeating questions that have already been addressed. We will take our next question from the line of Nikhil Agarwal from VentureX Fund. Please go ahead.

Nikhil Agarwal: So, my question is how our manufacturing capacity utilization as of now? How -- what product to manufacture in-house and what projects to be manufacture. Do we outsource to the 37 different locations that you mentioned in the previous call?

Fredun Medhora: Yes. Now we have around 43 locations. And we -- for example, wheelchairs, knee brace, leg brace, ortho brace, electronic wheelchairs that we have come up with braces, that we cannot manufacture in our pharma plant. There are certain products like liquid injections, PFSs, dry powder injections, beta-lactams kind of products, we cannot manufacture in-house. So definitely, we have planned. We have added more locations in considering our future growth as well.

So, the registration takes time, product validations, products, standardization, it takes time. So, we have not gone now searching for new places, where we ourselves outsource, just how Cipla does, just as how Micro does, just as how Pfizer or Abbott or Wyeth does. We have gone out preemptively. We have planned out for the next 7 to 8 years, our requirements, and then we have selected units, then we have taken our loan licensing and our contracts. And then we have started up manufacturing.

Right now, I would say about 80% of our products or more than 80% gets manufactured in-house. In-house capacities are augmented. They are expanding. Even as we speak, we are adding another 12 to 13 packing lines by end of September. We will have -- we are also going to construct a new wing within the plant. Hopefully, we will disclose it again, when we do it on our BSE guidance's and everything. That will propel us.

As I have been saying, we are one of the largest manufacturing plants, even right now within the next 2.5 years, we should be in the top 3, top 4 manufacturing plants for capacities at a certain location. We have a cluster of 4 plants at one location. And we are set up -- we are also setting up facilities for our functional foods, and also planning to set up facilities for manufacturing a lot of wet food products.

So, a lot of exciting stuff is coming up in terms of manufacturing capabilities. We have one of the highest CoPPs for a single plant in the country. We are doing well. We have used time as our greatest ingredient. I always say, if you can spend INR400 crores, INR500 crores and replace our infrastructure, it will take you 15, 20 years to come to our validation and licensing level. So that is our asset, we are utilizing it. We have created and built it over the last 3 decades. Now is the time to optimize it and use it to our advantage.

Moderator: Next question is from the line of Devang Shah from ANT Financial. Please go ahead.

Devang Shah: Am I audible?

Fredun Medhora: You are slightly muffled.

Devang Shah:

So now the words would be okay. Only 1 question is there from my side. First of all, congratulations for a good set of the growth and the numbers. Sir, one question that is really concerning me. I'm an investor in the company from last 2, 2.5, 3 years. Only one thing is working capital requirement. Free cash flow is not like joining with the numbers just. So, can you throw some light on that? Is there any plan to utilize the cash or the working capital effectively?

Fredun Medhora:

Yes. So, I have -- if you're tracking -- if you're an investor for the last 2.5 years, and you're tracking the company, I'm sure before that, you would have noticed that we are constantly improving in terms of our inventory levels. But when -- 4 years ago, 5 years ago, I used to always say, I required this inventory level because I'm launching multiple brands at the same time, and we have 2,100 SKUs across 27 therapeutic ranges. So, we need that inventory.

At that time, it was very difficult for many people to understand, why a company requires INR200 crores of inventory for a INR230 crores top line. When it was a INR350 crores top line, we are at INR220 crores inventory. When you have INR450 crores top line, we are at INR220 crores. Now at around INR700 crores, we still have only INR270 crores, and our cash flows have constantly improved. In fact, our core cash flows, which were strained about 2 years ago because of our -- it was a planned decision. It was not unplanned. It was not a situation. It was planned.

Now the cash flows have improved, we have positive cash flows even from our operations as we speak. Working capital is not a worry for us right now. We have improved our numbers. Debt-to-equity is 0.8. We have done quite well in terms of addressing our issues, the new age products that are coming in or bringing in profits, of course. And in any growth phase in any company's phase -- and if you're growing step-by-step organically, working capital will be stretched time and again.

We have seen multiple cycles. We are existing for almost 4 decades, 40 years. So, we know how to operate with lower working capital requirements versus what we are doing. However, we have done well. We are now positive. Hopefully, it is going to continue to do that because the trajectory of the growth ensures that we will have positive cash flows. Working capital requirements will always be there. We will -- we might require more debt. We might require more working capital as we are growing. We are growing faster than anticipated. Of course, we have gone to require.

Are we improving? Yes. Our profit is improving? Yes. Are we reaching more demographics? Yes. As long as our products are being sustainably well, as long as we are going to repay our debt, as long as we are able to service the interest, as long as we are now in positive cash flow that we were after a long time of investments, we are doing quite well. So, I completely understand your concern, but we have mitigated those concerns. We have addressed upon it, and the numbers are speaking for itself.

Moderator:

Ladies and gentlemen, we will take that as a last question for today. I would now like to hand over the call to Ms. Sakhi Panjiyara for closing comments. Over to you, ma'am.

Sakhi Panjiyara: Thank you, everyone, for joining conference call at Fredun Pharmaceuticals Limited. If you have any further you can write to us at research@kirinadvisors.com. Thank you, Fredun sir for your time. Once again, thank you, everyone, for joining the conference call. Good day.

Moderator: Thank you. On behalf of Kirin Advisors Private Limited, that concludes the conference. Thank you all for joining us today, and you may now disconnect your lines.