Management Discussion

Rajiv Menon - Investor Relations, NATCO Pharma Limited
Thank you, Sandeep. Good evening and welcome everyone to Natco's conference call discussing our earnings result for the 2nd quarter of FY27. I'm Rajiv Menon, Lead Investor Relations at Natco. We hope you have received the earnings presentation and press release that was sent out earlier. Let me draw your attention to the fact that on this call we may be making certain forward-looking statements which are not necessarily historical facts, and anything said on this call which reflects our outlook for the future must be reviewed in conjunction with the risk that the company faces.

We undertake no obligations to update these forward-looking statements. I would like to state that the material of the call, except for participant questions, is a property of Natco and cannot be recorded or e-broadcasted without Natco's express written permission. We'll begin with the financial highlights and then follow with an interactive Q&A session. With that, I request RCFO Amit Farekh to discuss the financial highlights. Over to you, sir.

Amit Parekh - Chief Financial Officer, NATCO Pharma Limited
Thank you, Venant. Greetings to everyone, and thank you once again for joining us in today's earning call. The company recorded consolidated total revenues of Rs 1,019.4 crores in Q2 FY27 compared to Rs 794 crores in Q1 of FY27 and Rs 1,463 crores in the corresponding quarter of the previous year. The quarter-on-quarter increase was primarily driven by the strong performance of our international formulation business The YOY decline was largely attributable to lower lenalidomide revenue during the quarter, which was partially offset by the growth in the base business, which also includes our subsidiaries.

EBITDA including other income for the quarter stood at Rs 310 crores with EBITDA margin of 30.4%. Consolidated profit after tax stood at Rs 202.6 crores. Compared to Rs 206.5 crore in Q1 FY27. With regards to our associate company, Adcock Ingram Holding Limited, South Africa, the revenue for the quarter stood at Rs 1,344 crore and profit after tax at Rs 80.5 crore. In July 2026, we acquired additional 13.25% stake in Adcock Ingram Holding Limited taking our total holdings to 49%. This further strengthens our strategic position in South African market and enhances our participation in the performance of Adcock Ingram.

Natco's share of profit based on 49% holding as on 30th of September 2026 was Rs 29.2 crores after adjustment relating to, uh, purchase price allocation. Our domestic formulation business revenue stood at Rs 145 crore. We also saw strong growth in our Brazil business. Revenue from Brazil stood at Rs 121 crore, representing the growth of 66%. Thank you all. Uh, with this, we'll take question and answer. Over to you.

Operator
Thank you, sir. We will now open the call for Q&A session. We will wait for a few minutes until the queue assembles. We request participants to restrict to 2 questions and then return to the queue for, for more questions. Requesting to please introduce yourself and your company before asking the question. Please raise your hand from the participant tab on the screen to ask a question. We will wait for a couple of minutes to- for participants to raise their hand and ask the question. The first question is from Shekhar Jain.

Questions & Answers

Shekhar Jain - Analyst, Individual Investor
Hello, can you hear me?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Yes, sir. Go ahead, please.

Shekhar Jain - Analyst, Individual Investor
Yeah, uh, I am an individual investor, so I had 2 questions. In March, when we announced that we have a first-to-file status for pomalidomide, I was hoping for a bit of a bump Uh, so what happened with the pomalidomide first-to-file status? And the second question is, what do we plan to do with the rights issue proceeds? Any color on that will be very helpful. Thank you.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Thank you, Shrikar. Uh, first question was on pomalidomide. We did get the first-to-file, Shrikar. I think we did, but it's a shared first-to-file. I don't remember the exact number of generic competitors. I think about 5 to 6 generic competitors came in in the first wave. And because there were 5 or 6 competitors, the price erosion was quite steep. So even though we had 180 days, it didn't- the earning bump was not too, you know, which was, you know, substantial that could move the earnings. It is the way it is.

That's the nature of business. The second question is on the rights. So I think we have multiple End-use requirements. I think primarily it's to reduce the debt that we have raised for Adcock. And also, we're also keeping some money for the possible acquisition. We're looking at various acquisitions. So that's the end-use expectation.

Shekhar Jain - Analyst, Individual Investor
Okay, thank you.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Thank you, sir. Next caller, please.

Operator
The next question is from Bhuvnesh Bhoomi

Bhuvnesh Bhoomi - Analyst, Individual Investor
Sir [Foreign Speech] Abdul Kedar yeah

Rajesh Chebiyam - Executive Vice President, Crop Health Sciences, NATCO Pharma Limited
Please go ahead

Bhuvnesh Bhoomi - Analyst, Individual Investor
My name is Bhuvnesh I my I my individual investor so I think as of now Revlimid sales is exhausted so what's the next big drug is in our pipeline

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Uh, next big- I think we have few launches that are coming up in the next few quarters. Uh, for one is definitely carfilzomib launch is there. Uh, it is coming up in the next few quarters, and then of which one strength we have first to file. 60 mg is shared, uh, what you call first to file. And then we

have trabectedin coming up, which is smaller product, but we are one among the 2 first to file. And then we have- these are 2 major ones in the US. And then we have- we're expecting launch of Olaparib also in the next 3 quarters in Brazil and Canada.

So these are the major launches coming up, subject to launch and legal clarity.

Bhuvnesh Bhoomi - Analyst, Individual Investor
And sir, what's the plan about spinning off our Agri drug agri-fertilizer business going forward?

Rajesh Chebiyam - Executive Vice President, Crop Health Sciences, NATCO Pharma Limited
Yeah, hi, Gunesh, this is Rajesh. So I'll answer that. See, as you're aware, we did a rights issue, which basically what it does also, the cap structure is now changed a bit. Because of that, we have to resubmit the file to SEBI. So it pushes out by 4 to 6 months from the original plan. So we're looking at, you know, maybe by mid-year calendar year next year, This is when we hope to, um, get the demerger done. Okay.

Bhuvnesh Bhoomi - Analyst, Individual Investor
Yeah, thank you, sir. Thank you.

Rajesh Chebiyam - Executive Vice President, Crop Health Sciences, NATCO Pharma Limited
Thank you. Next caller, please. Yeah,

Operator
Thank you. The next question is from Ramakrishnan.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Yeah, please go ahead, sir. I think you're on mute.

Ramakrishnan - Analyst
Yeah, what, what are the plans regarding the QIP?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Uh, we have done, uh, the rights issue, Mr. Ramakrishna. So we've not done QIP. So, uh, we already completed our rights issue.

Ramakrishnan - Analyst
Yeah.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
And, uh, essentially we use the funds to reduce some, uh, debt that we have, and we kept some, uh, money for some working capital payments and for a possible acquisition, uh, that we are looking at.

Ramakrishnan - Analyst
But the QIP makes the- I mean, equity diluted, you know. It's already

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Done, Mr. Ambisha. It's already done. Rights is already done. So I think, uh, this was done last month, so it was already completed. There's a dilution. Yes, there was a dilution, but we gave opportunity for all the shareholders to participate. There was a dilution of- yeah, sorry,

Ramakrishnan - Analyst
Sorry. Does QIP bring more dilution?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
It is already done. The dilution is done. We've done a 10% dilution overall. It's already done.

Ramakrishnan - Analyst
My next question is, as comp- I mean, this is related to the, uh, stock performance. What is happening is PE is still quite low as compared to the, um, equal or maybe less, uh, market capitalization companies in this segment. What steps you are taking? I mean, perhaps some general observation is communication, broad market communication is still not up to the mark. Are you making any steps like appointing a separate person exclusively for corporate communication so that positive things will be communicated to the market so that they take- market takes in the right spirit?

But what is happening is, uh, I have been observing last I mean, if you look at 5-6 years, returns are practically nil or negative. So the important factor for any company to grow is to take care of the investors' interests also. That is the only way. When you, when you want to increase the capital, when you want to go for further expansion or acquisition, the only possibility is, uh, I mean, proper value to the shares. Then the dilution will be low. So what steps you are taking? I think you need to apply mind more seriously on this subject as you have been doing on the products.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
I, I like to differ with you on this. I think if you look at our model, uh, it is- it's a high-risk, high-return model. Uh, so if you look at our earnings in the last 5 years, uh, we- I think we have probably the best earnings in the industry. If you look at the top 10 earnings in the country. Among the pharma listed space. And but there is a lumpiness in our earnings, and I think which has been always communicated to our shareholders.

Ramakrishnan - Analyst
Sorry, Ankush,

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
You asked the question. Let me answer the question. I gave you an opportunity. Give me 2 minutes.

Ramakrishnan - Analyst
Yeah.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
So, so there's a certain lumpiness that is there. And I think what we try to do with our investors, and when we engage, we have a dedicated IR team, that we engage in, we mention what upsides we're looking at and what are we chasing. And we have done that in a regular fashion. And if you look at whatever is there in first files or our investments in eGenesis, for example, which has done the first kidney transplant in human beings from a pig. So these are all very, you know, exciting, high-risk ideas.

And there's an amount of lumpiness. And regarding PE ratios, this is what my personal feeling, because you asked me this, I think the market appreciates more steady earnings which are low risk, and they give a higher multiple for that. And I think our market is unwilling to, you know, appreciate high-risk, high-return sort of ideas. And I think our job is only to communicate what we're doing. So

we- I don't look at stock price, we look at the logic as a company. You look at our earnings in the last 4 or 5 years, I think, uh, the part of our earnings has been substantially larger than a company which has a higher PE.

I think just look at the math. I think we have done well, and this is the nature of our business. I think our job is only tell you what we do, and I think I, I don't control stock prices. So I think our, our strategy is this way, and this is how we run our business.

Ramakrishnan - Analyst
See, but ultimately return on investment is also equally important.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
See, return is also important. Governance is important. Strategy is important. I think all these communications are done in a fair manner, and in the end, I think you just have to- this risk appetite is based on the investor's perception. So I think that I can't- okay, that's a good start. Thank you. Next caller, please.

Operator
Thank you. The next question is from Rashmi Shetty.

Rashmmi Shetty - Analyst, Dolat Capital
Hello am I audible yes

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Sir please

Rashmmi Shetty - Analyst, Dolat Capital
Of course congratulations on good set of numbers sir sir just wanted to reconfirm that whatever guidance you give in last quarter that you know FY27 revenue should be in the range of 34 to 35 billion and PAT should nearly 700 to 750 crore do Rs 400 crores of PAT?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
I think we can do better, Rashmi. I think where things are going right now, uh, I think we'll probably be a little less than Rs 800 crores of PAT. I think we'd like to bump it up a little bit. I think it'll be between Rs 775 to Rs 800 is what I feel. Q3 also looks good. I think Q4 is a little weak, but at least from what I can see. But for the year, I think we should do, I think, a little less than Rs 800. So I, I think we'll probably do better than what we have started the year.

Rashmmi Shetty - Analyst, Dolat Capital
And this will be largely driven by which of these segments? If you can talk on, uh, you know, domestic business, even Brazil. Earlier you mentioned that you will be able to achieve sales of $55 to $60 million this year, but I think in this quarter itself we have done. So how much, if you can give some breakup, you know, in first half what we have done in the subsidiary that is Brazil, Canada, rest of the world, US, and then how should we look at it for the full year?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
So I think, uh, see, in terms of Brazil and all, uh, for the half year, I think we've done nearly 300 crores of revenue in Brazil. Uh, we don't do a geographical split for Brazil. I think we're doing because we have our own hub. Um, in terms of like the earnings itself has not come concentrated

manner like the way it used to come in the previous financial years. I think it is fairly diversified. I think a good portion has come from South Africa, A good portion has come from Brazil, good portions come from the base US business, and this has come even without lenalidomide being in the numbers.

So I think it's that way, it's a more well-diversified earnings. I think in the past the challenge has been that the earnings have been so concentrated by lenalidomide, anything else that used to do well also would pale in comparison to lenalidomide. I think that change you could see in our earnings now. I think it's relatively more diverse.

Rashmmi Shetty - Analyst, Dolat Capital
So sir, in your base US business, you have seen, uh, better traction in the volumes as well as pricing, or you're seeing a better pricing and that is, you know, driving the entire growth?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
US is a tough bet, Rashmi. I think US is the most important market in our generics business, and, uh, you have- you cannot ignore it. But at the same time, you also need to see, uh, that sometimes you could be in a product and you can make a lot of money. And sometimes when there are more competitors, there is, you know, obviously no margin, but you have to run the basket game and you just have to be patient. There's always opportunities that come. But US still, in my personal view, is always a good business if you have limited competition.

It's not a great business when you have a lot of competitors. And that's been the case. And you just have to patient in that business. But overall, I think relatively rest of the world is a more stable business compared to US, but you can't ignore US. I think that's, that's how it goes.

Rashmmi Shetty - Analyst, Dolat Capital
Understood. And just last question on the operating margin front, uh, this is the kind of margin which is sustainable, right? Whatever we have done in first quarter and in second quarter?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
I think so, Rashmi. I think where things are going, I think, yeah, this is a sustainable base. Yes, absolutely.

Rashmmi Shetty - Analyst, Dolat Capital
Okay, okay. Thank you, sir. That's it from my side.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
That's it. Thank you so much. Next question, please.

Operator
Thank you. The next question is from Rahul Chaudhary.

Rahul Chaudhary - Analyst
Hi, good evening, sir. Um, I was looking at the cash flow, but there's a difference from associate 78. Has that come from Adco?

Amit Parekh - Chief Financial Officer, NATCO Pharma Limited
Sorry, what's your question? Can you repeat?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Uh, he said profit from associates. I think first quarter, 80 crores, it came from there. Yeah,

Amit Parekh - Chief Financial Officer, NATCO Pharma Limited
You are right,

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
It's come from Adcock. Yes, you can go on with your next question. I'll go to the next call. Okay, we'll go to the next call. Thank you.

Operator
Thank you. The next question is from Abdul Kedar.

Abdul Kedar - Analyst
Yeah, hi, uh, thank you for the opportunity. Uh, so my first question is with regards to your quarterly run rate in India. Uh, you know, that has been growing quite well, so wanted to understand, you know, whether it is entirely driven by semaglutide. And in terms of this Onco price cut, uh, you know, how do we see that getting impacted our India growth ahead?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Uh, the onco price cut itself is not impacting our sales too much because a lot of the, uh, the distributor margin has been, uh, shrunk. So it's not affecting the company. So I don't see much impact. There could be a small marginal impact, but it'll be more than made up by the volume increase. And, uh, the first question you had was what? I just forgot. What was it?

Abdul Kedar - Analyst
On the run rate front, is it mainly driven by some other

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Rate, I mean, we had some stocking quantity of, uh, semaglutide to our partners. That's the reason why it's a little bit higher. Domestic is like, I would say about 130 to 135 would probably be the, the base, uh, domestic is what probably we're running at.

Abdul Kedar - Analyst
And this particular quarter,

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
It was- this particular quarter was 145, but I think there's a little bit of, uh, stocking of semaglutide Uh, which it's not going to be repeatable. So, uh, I think 130-135 is the base domestic now. I think that's the sense based on the present portfolio.

Abdul Kedar - Analyst
Okay. And, and so second question I had with regards to your R&D spend, uh, so this quarter if I see your other expenses has gone up, so safe to assume it would be mainly because of R&D? And if you could quantify that amount for this quarter versus what you were doing last year or for FY26 would be helpful.

Amit Parekh - Chief Financial Officer, NATCO Pharma Limited
So largely the reasons are primarily R&D spend itself, but there are a couple of other spends as well,

like, you know, annual FDA facility fees and program fees are also there, and there are some legal expenses, etc. But large, large portion of the increase is R&D. That's how I put it.

Shekhar Jain - Analyst, Individual Investor
Okay. Okay. You know, R&D

Amit Parekh - Chief Financial Officer, NATCO Pharma Limited
Is very unpredictable, you know, quarter on quarter. It depends on the milestone what we achieve in the program and etc. So compared to last quarter, this quarter the R&D spend has been substantially higher.

Abdul Kedar - Analyst
Yeah. So what I was trying to understand basically is that from a full year perspective, are we seeing that trend increasing in terms of what we, you know, in terms of the run rate what we were at last year? And, you know, in terms of, say, some additional products entering into the pipeline or into development that is fueling this increase?

Amit Parekh - Chief Financial Officer, NATCO Pharma Limited
So I think the run rate- so overall R&D spend, the way we look at it and most of the pharma looks at it as a percentage of the sales. Last year, obviously our R&D spend was more than Rs 400 crore. This year overall it would be 8 to 10% of our top line. So we may end up around Rs 300 to Rs 350 crore depending on how the program runs. So yes, there will be like quarter 1 was a little lower spend, quarter 2 is high. Even I think I'm expecting quarter 3 to be a little higher in R&D, but other spend will be moderate.

So, and quarter 4 would be okay. So this is how I look at it. So that's, uh, I hope I've answered your question.

Abdul Kedar - Analyst
Yes, sir, that helps. And, uh, sir, I had a couple of more if I may. Uh, just one on, uh, you know, your profit, uh, share from, uh, Uh, from Adcock. So if we look at the annualized run rate versus this particular quarter, uh, you know, the run rate looks a little lower. So I went through the press release, it talks about certain provisions. Uh, so if you could, you know, quantify and, uh, help us understand what can be the steady-state run rate,

Amit Parekh - Chief Financial Officer, NATCO Pharma Limited
Right? Sure. So there are 2 reasons for lower number in the quarter. One is, uh, quarter 1 profits from Adcock was very high. And that is a seasonal effect. There was a flu season in South Africa because of which, uh, quarter 1 is the highest quarter for the South Africa companies, and that's the reason the major portion came in from there. This quarter, obviously, we had the additional acquisition of 13.75%- 13.25%- and we had to do purchase price allocation. There's a one-off amortization because of that allocation, which is around Rs 6.5 crores.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
And plus there was also a bit of VRS in one of the facilities. So that also there's a one-time charge. The way you want to think of it is it's probably a Rs 12 million per packed panel setup, I think Rs 12 to Rs 14 million depending on the seasonality of the quarters. Yeah, but I think what Rs 12 million seems about right. I think we get 49%

Amit Parekh - Chief Financial Officer, NATCO Pharma Limited
Of it and

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
You get 49% of it and a little bit of amortization. So about Rs 4-5 crores amortization. So you should- if it does about Rs 12 million, I would pay Rs 6 million pickup, out of that Rs 6 million maybe Rs 4-5 crore amortization. So Rs 55 to Rs 60 crores sort of consolidation should look in our-

Abdul Kedar - Analyst
Understood, very helpful. Uh, so last one if I may, uh, this is with regards to your investment in eGenesis. So I believe, you know, there is some additional investment being done. So now what is our stake currently and in terms of If you look at the trial data, you know, after the Phase 3 trial, you know, what- how do we plan to commercialize this opportunity, whether it would be kind of an out-licensing deal which can happen, or you may look for a partner to, to kind of, you know, take that ahead?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Regarding stake percentage, I'm not supposed to disclose. It's a substantial single-digit stake. So that's all I can say. And In terms of, you know, we have put about $20- little less than $25 million into the entity. And in terms of how do we expect to monetize, I think there are multiple ways. One is we're asking for a license for the Indian market. So that discussions are ongoing. So if we get a license, that would be one way of monetizing the asset. Second, obviously, is, you know, if the company were to go IPO, so that is another way of monetizing the asset.

I think a lot of it will revolve around how the asset does in the clinical trial. I think we have one patient who's approaching almost one year now without dialysis. And if that readout looks good and then we have more patients coming in, then I think we are sitting on a jackpot. So let's see how things go. These things are again very high risk, high return. So we just have to be patient how things go. But I think next 12 months, I think we'll have clarity on the data. But so far so good. I think that's all right.

Next call.

Abdul Kedar - Analyst
Got it, sir. Thank you.

Operator
Thank you. The next question is from Ruchi. Hello,

Ruchi - Analyst
Am I audible?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Yeah, please.

Operator
Yes.

Ruchi - Analyst
Yeah. So my question is around what is the volume share that we are- Natco is looking for [Foreign

Speech] semi-group time market.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
In the India market [Foreign Speech]

Ruchi - Analyst
Sorry

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
In the India market [Foreign Speech] or

Ruchi - Analyst
Volume or India semi-group time market.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
I think pen has not done so great. The wire has done better. I think if in terms of volume, I'm just making an estimate. I mean, it's an educated guess, right? I would say we have probably about five to six percent share in terms of volume. In value, maybe we only have like 3% share. So I think that's my estimation. But I think, again, I'm going by, you know, approximations.

Ruchi - Analyst
Yeah. And can you give a percentage split between the vials and the pens?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
I'm sorry, let's say that again.

Ruchi - Analyst
Can you give a percentage split between the vials and the pens?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Percentage split, I can't recollect. I think the brand does like 1.5 to 2 crores a month depending on the month. I would say 40 to 50 lakhs comes from the pen, and I think about 1.2 to 1.5 comes from the, uh, the vial. So vial is obviously much cheaper, so I think obviously the more volume you get from that. Okay, and given

Ruchi - Analyst
The number of generic entrants that we've had, uh, what is the percentage of patient months that we've seen a change in realization per patient?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
It's been pretty crappy recently. I think it's not been great, honestly. I think everybody's trying to get market share, so the pricing has been really bad. I think everybody's hoping that you just stick in there and then hope, get like, you know, that 5-6% share and just hope that the wave gets better over a period of time in the next 2-3 years. And then as the market size of semaglutide increases, you keep your market share and then, you know, As the size increases, you benefit from it. I think that is the hypothesis all of us are working on.

I think I'm no different. So I think we made a dent. I think we're there, but it's not- is it profitable? No. And do I see any profits coming in the near future? No. In the long run, maybe. I think it should do well as the size of Sema increases.

Ruchi - Analyst
Okay, got it. Thanks.

Operator
Thank you. We will wait for a few minutes until the queue assembles. Raise your hand from the participant tab on the screen to ask the question. Next question is from Gagan Khareja.

Gagan Khareja - Analyst
So the first question is on your working capital and tax rate. I think it would help if you could give the working capital in days sales and enumerate the inventory debtors and, you know, payables. And what could be the sustainable tax rate going ahead?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
That's a bigger question. His first question was on the tax rate, and second is, uh, what did you- doesn't- your voice was very soft, so we couldn't pick up what you

Gagan Khareja - Analyst
Said.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
And, uh, can you, can you ask? You want data, as you said?

Gagan Khareja - Analyst
Yeah, I want the working capital. I believe working capital is increased year on year, uh, in, in days sales. So can you give, uh, uh, the number, uh, in, in days sales for working capital?

Rashmmi Shetty - Analyst, Dolat Capital
Right,

Amit Parekh - Chief Financial Officer, NATCO Pharma Limited
I'll take that. So I think our tax rate for the quarter is around 27% in India. And overall, I think it's around- on consol level, it's around 29%. So we expect- and this variation comes because of the subsidiary profitability mix. We expect at overall level on a full year basis, our standalone tax rate would be around 27% to 27.2%. And at consol level, it may be ranging between 29 to 30%. Coming to the working capital, yes, I think, you know, it's a mix of- if we just look at from our India business perspective, I think the DSO would be between 90 to 120 days, and that is a range we expect to continue.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Next caller, please.

Gagan Khareja - Analyst
I-

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Yeah, yeah, please, please ask. Yeah,

Gagan Khareja - Analyst
Yeah, so I have one more question, and, uh, I, I think you gave some commentary on Canada, but can you also- sorry, gave some commentary on Brazil. Can you also give some, uh, flavor of how

Canada and the other ROW markets have done for you in the, in the first half of this year, and how do you expect you know, the other geographies in ROW to pan out for the balance of the year?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
I think our ROW business, especially the MENA region, has done well and Canada has been stable. It's not increased, but we have some big launches coming up in 2027.

Amit Parekh - Chief Financial Officer, NATCO Pharma Limited
So we

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Expect '27 will be a blowout year in Canada. And Brazil also continues to do well. And I think we had almost 80% growth in Brazil-based business. This year, and we expect that it will continue to do well next year. So I think Brazil, Middle East, and Canada will drive our rest of the world business. And of course, the US exclusivities are also there, so that will also help us. Thank you. Next caller, please. Next caller, please.

Gagan Khareja - Analyst
I have one more if I can go ahead, or would you- Okay, fine. Yeah, no, I just

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Give- Yeah, you can come back again if you don't mind. Yeah, okay, thanks.

Gagan Khareja - Analyst
Okay, all right, thank you.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Thank

Operator
You. The next question is from Shekhar Jain.

Shekhar Jain - Analyst, Individual Investor
Thank you for the opportunity again. Uh, you gave some commentary on the semaglutide market in India Which was very helpful. Can you comment on the semaglutide market in the, on the, in the rest of the world? And if we are looking to expand to rest of the world? That's one question. And the second question is about, uh, the, our upcoming launch on Carfilzomib. I'm a bit confused because different companies seem to have different seem to have, uh, sole exclusivity status for different strengths. So why does that happen?

I'll,

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
I'll explain. I'll explain. So let's start with carfilzomib. So, so there are 3 strengths in carfilzomib. So majority sale is the 60 mg. So there's 60 mg, there's 30 mg, and there's 10 mg. And, uh, so 60 mg has I think, I don't remember exactly, about 6 filers, I think, or multiple filers. I can't remember the exact number of filers, but it has multiple filers. So even though we have 180 days, it has multiple filers, the value of it will not be that exciting. On the lower strengths, one strength, uh, we have Sol FTF.

So that's the one that we intend will do well. And the other strength, we don't have exclusivity, so

launch will be later after the first wave of launch. So that's how it is.

Shekhar Jain - Analyst, Individual Investor
Yeah. So my confusion is, why doesn't a company apply for FTF in all the strengths when it does the application?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
No idea. There was a quirk there. Basically what happened was 60 mg was the first product that was launched. So everybody applied on NSE minus 1 date when that product was filed, but 30 mg and 110 mg got approved much later. So then because it got approved much later, it was anybody could have filed. There's no date limiting, whoever files first will get it. So then it was a race. So the single winner. So NC-1, what happens is if everybody files on day 1, then everybody gets it. That's why 30 and 10 was later because it was later.

That's the reason why there's no multiple FTAs on 30 and 10.

Shekhar Jain - Analyst, Individual Investor
Okay, thanks. Any comments on the global semaglutide market? Is it as- we are not,

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Uh, I like the way our contract is written, uh, we are not focusing on RWA. I think our focus is primarily on US and, uh, the regulated market. We are US filing, we are answering the queries, so we can't give any insight about our approval. But I think, uh, at this time, uh, you know, we are continuing to pursue our regulatory queries. So I have no insight to give at this, this time.

Shekhar Jain - Analyst, Individual Investor
Thank you, that's helpful.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Next call, please.

Operator
Thank you. The next question is from Kunal Randevia.

Kunal Randeria - Analyst, Axis Capital
Hi, good afternoon, Rajiv. Rajiv, you said your domestic-based business is around 135 a quarter, right? Till last year, I understand it was around 100-110 a quarter. So is this a sustainable number and what has driven this?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Uh, we have done well. I think one is semaglutide has helped, getting, uh, you know, 6-7 crores in semaglutide. Then Restiplant has done well, so that is also helping us. And overall, our base business has done much better. So I think we've seen a good, uh, 20% bump in our domestic. So, and even if you remove the one-offs of, uh, you know semaglutide stocking quality, I think, is, is a whole our domestic business have improved dramatically. So, yes, you are, you are seeing the value of that. You are seeing that

Kunal Randeria - Analyst, Axis Capital
Prediction. That's good to hear. And what do you think the sustainable growth rate going forward?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
I think the

Kunal Randeria - Analyst, Axis Capital
Secondly, Rajiv, apologies if you've answered this. See, there was almost a Rs 200 crore increase in international generics business. Is there an element of tender or one-off or anything in this? Yeah,

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
The base is around Rs 800 crore, Kunal. Then it was a one-time sale.

Kunal Randeria - Analyst, Axis Capital
No, sorry, you did Rs 660 crore, right? Rs 668 crore in the quarter, right? No, I'm saying consol

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Numbers. Consol numbers are about Rs 1,000 crore. What I'm saying is that base is around 850, and then we always get these one times, so that, that's why it's up to 1,000. Base is around 850-900, I think that's what it is.

Kunal Randeria - Analyst, Axis Capital
Got it, got it. And just one more time, uh, so obviously you shared the Crop Health Science revenue contribution, but in terms of EBITDA, uh, the loss quantum, if you can. And secondly, uh, are we on track for this demerger by the end of, uh, this fiscal?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Kunal, can you say that again? I didn't catch anything you said. Can you repeat? Apologies.

Kunal Randeria - Analyst, Axis Capital
Yeah, so I, I was asking you about this agrican business, uh, what would be the EBITDA contribution?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
EBITDA for the half year? Okay, Rajesh, you can answer that question.

Rajesh Chebiyam - Executive Vice President, Crop Health Sciences, NATCO Pharma Limited
Yeah, so, um, so in fact, so this quarter we just, uh, slight marginal profitability. Okay, so Uh, so that's about, uh, literally from a segmental perspective, about 10 lakh profit on that. So, so that's what we have. So compared to Q1, this is a positive quarter for us. But having said that, Kunal, again, there are multiple things we are also battling, few other credit-related provisions that we have taken. So from a business perspective, I would say last year to this year, about 15 to 17% growth.

But, uh, our aspirations were even much higher. And, uh, as you know, this El Niño and effects related to that was quite horrendous. So all in all, I'd say the quarter is positive. And looking ahead for the year itself, we are quite positive compared to the last year in terms of maybe around 15-20% growth.

Kunal Randeria - Analyst, Axis Capital
Got it. And that spillover, is it on track for this end, year end?

Rajesh Chebiyam - Executive Vice President, Crop Health Sciences, NATCO Pharma Limited
Yeah, I think we mentioned this earlier on because we had the rights issue and then some

recapitalizations happened. So we are going back to SEBI for the filing and then there's an NCMT process. So we are estimating mid-year calendar year '27 for the demerger.

Kunal Randeria - Analyst, Axis Capital
Got it, got it. Thanks, thank you. All the best.

Rajesh Chebiyam - Executive Vice President, Crop Health Sciences, NATCO Pharma Limited
Yeah, thank you.

Operator
Thank you. Anyone who wishes to ask the question, please raise your hand from the participant tab on the The next question is from Subhash Gupta. Hi, Subhash, requesting you to unmute yourself. We'll go to the next caller. The next question is from Rahul Chaudhary.

Rahul Chaudhary - Analyst
Hi, uh, am I audible?

Rajesh Chebiyam - Executive Vice President, Crop Health Sciences, NATCO Pharma Limited
Yeah, please speak up a little bit loud.

Rahul Chaudhary - Analyst
Yeah, I just, uh, wanted to know something about our Para 4 pipeline. I'm sorry, I might have missed it earlier. Um, with regarding to, um, Ozempic, and, uh, we have, uh, settled with the innovator, but have we got everything else from the regulator so that whenever we are- uh, I think,

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Uh, yeah, we don't have an approval yet, Rahul. So we're answering some queries from the FDA. So subject to us answering the queries and getting the clarity from the FDA, uh, then we can speak about our exclusivity. But at this time we don't have approval.

Rahul Chaudhary - Analyst
And what about Imbruvica? Uh, there also it continues to be listed in our, in our present But there also there is a we've hit a hurdle, isn't it? No,

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
No, no. It's done, bro. Settled.

Rahul Chaudhary - Analyst
Okay.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
It is settled and we got it approved in thirty months. So we the exclusivity is we believe the exclusivity is there. So no problem there. That is sorted. That's come.

Rahul Chaudhary - Analyst
So I just also was looking at the cash flow statement of H two. So Um, there is a dividend received from an associate, so is that Adcock?

Amit Parekh - Chief Financial Officer, NATCO Pharma Limited
Yeah, you're right, it's

Rahul Chaudhary - Analyst
From that. Adcock has

Amit Parekh - Chief Financial Officer, NATCO Pharma Limited
Been announcing dividend also, so we get that coming to us,

Rahul Chaudhary - Analyst
Right, sir? And so just a broad-based question, I mean, you've always told us that '26-'27 is going to be, uh, you know, a very low-key year, and the market is still I think valuing it as 19 to 20 price to earnings. But anyway, leaving that aside, so what's the outlook for '27-'28? Do we have any big launches coming up which you may not be able to- I

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Think we mentioned that, no, Raman? I think we mentioned about, uh, I think the coming few quarters we expect, you know, 3 products: Carfil, Trabectedin, uh, then, uh, Olaparib. So these are the major launches. So based on how how they do, I think that will drive the earnings.

Rahul Chaudhary - Analyst
So my last query was,

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Yeah, yeah,

Rahul Chaudhary - Analyst
Uh, with regard to this, uh, South Africa company now that we have acquired, are we moving ahead with launching anything in the African market? We

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Are working on it. So we have actually filed multiple products. It's been about 1 year since we bought this company. So you've made multiple filings. Regulatory approval takes about 2 years to 2-3 years. So I think we will see the value of our portfolio coming in in the next 1.5-2 years. So but now the regulatory approval process is on foot. So we believe, I think we'll see the value in the next 2 years.

Rahul Chaudhary - Analyst
So any new ParaPharm thing that We have filed or we're waiting? I mean, how does that happen, sir? Because R&D is happening continuously.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
So I think now we are targeting some paraphores, sole FTEs. So we are targeting something. So hopefully in the next few quarters we get the position and we'll be clear. But as of now, I have nothing to do.

Rahul Chaudhary - Analyst
Okay, thank you, sir. That's all.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Thank

Operator
You. The next question is from Digvijay Patel.

Digvijay Patel - Analyst
Yeah, hi, thanks for the opportunity. So I just wanted a couple of strategic clarifications. So first is we have announced a dividend, so I just wanted to understand the rationale behind the dividend given that we have just raised funds. And second, that our debt is coming up in Rs 100 crore tranches every quarter, I think. So do we plan to prepay it upfront or are we planning to prepay it every quarter as and when it comes due? And the third question is on the acquisition. So what would be the, like, the price-to-earnings or some flavor of the value of acquisition that we plan to do given that we've just raised funds?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
So let me answer your first question, uh, the dividend question. We've been giving steady dividend, uh, uh, dividends. This is no different from what policy we had in the past. And I don't think we are really- raising the funds is not anyway linked with dividend. Steady income that we're giving to shareholders, and that's- we continue to do that. And regarding acquisition and all, I mean, you're looking at different assets. Hopefully we'll be able to close something. But we look for value for money.

So I can't- I mean, You don't have a target PE that you can talk about, but, uh, but we look for value for money and we are not in haste to do a transaction. And you had another question, I think. I do. Go ahead.

Amit Parekh - Chief Financial Officer, NATCO Pharma Limited
So in terms of the loan, yes, uh, as on 30th September we did have loan, but once we raised the funds, uh, we have repaid the entire loan. So as on today, we don't have any loans right now.

Digvijay Patel - Analyst
Sure, thank you. So the PAT guidance that we have given That would include the interest saving and the demerger, which which would be probably PAT dilutive right now, like a loss at the PAT level, right?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Demerger is not going to happen this financial year. So the loss of the the agrochemical business will be in the earnings. So we expect that the agro business will lose about twenty crores at EBITDA. So that is already embedded in the earnings. So when we give a PAT guidance, the loss of the agro is part of the PAT guidance. And the interest income is also included of the money that we have invested.

Gagan Khareja - Analyst
Sure, thank you.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Next caller, please.

Operator
Thank you. Next question is from Arjun Krishnan. Hi Arjun, are we audible?

Amit Parekh - Chief Financial Officer, NATCO Pharma Limited
Yeah,

Operator
I think there is some audio issues with Arjun. Uh, the next question is from Gagan.

Gagan Khareja - Analyst
Hello. Yeah. Thanks for the follow-up. I, I just wanted to get some idea from you regarding your ROW outlook for the next year. This year will be a strong one, clearly, uh, but how, how do you foresee FY28 for ROW? And also, uh, I mean, based on the launch pipeline in US, uh, what, what sort of growth Can we, can we surge in US for next year?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
I think overall we believe that our business should grow. I think we're giving, uh, I don't want to give a guidance for 28th March yet. I, I think I want to wait till end of the year, but we expect to grow around, uh, 10 to 15%. I think that's our expectation, but I think more precise guidance we'll give, I think, closer to, uh, the end of the financial year. And it'll be driven by our RW and, uh, you know, our US business. But I think we'll give you more clarity, I think, closer to the time.

Gagan Khareja - Analyst
Yeah, if I refer back to your commentary at the start of this financial year, you indicated that FY28 and '29 could be strong years for Natco post-'27. Uh, right. So if, if you're targeting, you know, uh, 15% kind of top-line growth Is there potential for margin improvements which lead you, I mean, to believe that these 2 years could be strong? I think the challenge here is,

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
See, that's driven by the base business. And I think all the upsides of our investments that we made or parafoils that we made that we could possibly monetize are over and above that. So I think that is not included in that because those are all very uncertain. So I think that cannot be- we're just driven by The certain outcomes we are giving guidance on, but any one-timers or exclusivity or any upsides from the investments that we're not into. And it's tough to judge, and I'll be very honest with you, as much as we like to give guidance for the future years, I think you can have more clarity only when you're closer to the year.

We can only make a positive judgment that it will go in a particular manner. I prefer to talk about it closer to the end of the financial year. At this time, I think I'll have more clarity and it'll be easier for me to talk. Okay, thank you. Next caller, please.

Operator
The next question is from Rajat Srivastava.

Rajat Srivastava - Analyst
Yeah, hi, am I audible?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Yes, sir. Yeah, it's good.

Rajat Srivastava - Analyst
Yeah, hi Rajiv. Rajiv, just one question. In the cash flow statement, I can see that there is some Rs

300 crore CAPEX already done in the first half, which looks quite high if I compare it to last year. Can you tell us where is this CAPEX going? And if you could just share the CAPEX guidance for full year?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
I think we target about Rs 400 crores worth of CAPEX every year. So I think most of the CapEx is going at- we are upgrading our Chennai and making good our facilities, our API facilities, our API new blocks we have built. So that has taken away about most of the cash. And we're also upgrading our formulation facilities. We added a new oncology line in our Nalajinsalur site, just coming to market. We just started production now. And also we're setting up a cartridge line to make samanglutide internally.

So that is- that CapEx is also ongoing. That line will get ready next financial year. And general basic maintenance CapEx. So our run rate is around 400 a year. I think typically we spend about 350 to 400. This year we spend a little more than half a year. But yeah, that's mostly how we do things.

Gagan Khareja - Analyst
Sure, thanks.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Thank

Operator
You. The next question is from Aman Hassan.

Aman - Analyst, Individual Investor
Hello, am I audible?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Yes, Aman, please go

Aman - Analyst, Individual Investor
Ahead. Uh, sir, my question is regarding our associate appointed a new CEO. So what are the strategy Can you tell us?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Say that again. I don't understand. Can you repeat that question one more time?

Aman - Analyst, Individual Investor
Our associate at Cook appointed new CEO.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Oh yes, of course, of course. Yes, yes. What about him?

Aman - Analyst, Individual Investor
So what is the upcoming strategy? I want to know.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
He's Mr. Rulani. So he has been appointed recently. He comes from very good experience in innovative pharma. Yes, I think he was with Pfizer. I think it was his last job before he joined us. So he's a good person and I think he has a lot of experience in prescription business, which has been

the weakness of Adcock. So I think after he came in, I think we've seen a lot of uptick in- and also other colleagues who have been recruited recently, I think they've been- we've seen an uptick in the prescription business.

So I think that's the strength that they have. So are happy with how things are going.

Aman - Analyst, Individual Investor
Yes. And my second question, I had read a news regarding Airtel shutting down its plans because of, because of nonprofit product.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Uh, they have laid off some people, uh, recently in one of the lines. Uh, I think the- because- and that one-time charge is already reflected in that cost, I guess. Yes, this one particular factory has happened. Yes, that's correct.

Aman - Analyst, Individual Investor
Yes. And my last question is how big we take acquisition? How is big?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Right now our position is that we own 49% of Aircorp, and, uh, I think that's our position.

Aman - Analyst, Individual Investor
And what is cash in our book

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
As of today after the rights issue? Amit can answer. Yeah,

Amit Parekh - Chief Financial Officer, NATCO Pharma Limited
As of today, um, If we consider the right issue inflows, we are around twenty two hundred and fifty crore, two two five zero crores.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Net cash,

Amit Parekh - Chief Financial Officer, NATCO Pharma Limited
Net cash.

Aman - Analyst, Individual Investor
Net cash. And how big and how big is transaction which we acquire?

Amit Parekh - Chief Financial Officer, NATCO Pharma Limited
You mean acquisition?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Even Adco's thirteen percent or future acquisition? No no

Aman - Analyst, Individual Investor
No, upcoming upcoming acquisition.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
We don't know. I mean, we're shopping for different transactions, so we expect to use some portion

of this cash to do this transaction.

Aman - Analyst, Individual Investor
Okay, okay. Thank you.

Operator
Thank you. Please raise your hand from the participant tab on the screen to ask the question. The next question is from Subhash Gupta.

Subhash Gupta - Analyst
Good afternoon. Can you throw some light on the commercialization of NRC-2694? Any timeline to it as well as, uh,

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
As of now, no, Subhash. I think we are still trying to redo the strategy. So we've done some, uh, Phase 1 data. So I think now we're trying to see what the right strategy is in terms of what our Phase 2 strategy should be. Uh, at this time I have nothing to report.

Subhash Gupta - Analyst
And my second question is with respect to the performance in this quarter. If you look at the performance excluding the associates, there has been substantial improvement in profit before tax. It has almost doubled over the previous quarter. Is this sustainable?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
I think, Subhash, our business has cycles and it has you know, uh, you know, different territories do well in different times. And there's also an element of one-time orders that you get, tenders that you get. So when we give a guidance, uh, I give it for the whole group. I don't give it for one particular entity. Like sometimes India does well, sometimes, you know, Canada does well, sometimes Brazil does well, sometimes USA does well. So generally when we give a guidance, we don't you know, uh, try to capture, you know, volatility that happens in each market.

So when we give a guidance, it is netting off all the ups and downs that we have. So I wouldn't want to look at it on a quarter-to-quarter, entity-by-entity basis. You should look at the whole year to get a better understanding of it.

Subhash Gupta - Analyst
And my final question is with respect to acquisitions. Are we thinking of concluding any acquisitions in the current financial year? Whether in India or abroad,

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
We're trying so much. We're trying one transaction. We're running it, I think, quite seriously. Hopefully we'll be able to close it. But again, it's all subject to, you know, all the regulatory and all the agreements getting done. But we are, yes, we are actively trying to do one more transaction. That's good.

Subhash Gupta - Analyst
Thanks a lot. Thank you.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
This will be the last call. Thank you, whoever it is. Thank you.

Operator
The last question is from Dibuja Patel.

Digvijay Patel - Analyst
Yeah, sorry for coming back in the queue, but I just wanted some clarity that you just mentioned about the acquisition. So prior to the rights, did we have any bankers set up for doing an M&A transaction, or are we doing it after the rights closure, or like how is that timeline going?

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
We are always looking at transactionally, which is, there's no like nothing is linked with rights. Rights is a parallel process and then the engagement for transaction is a parallel process. So I think we, I mean, we spent, if you look at it in the last 2 years, different transactions, we spent last 4 or 5 years, including nearly $3,500 million in acquisitions. This has helped us set up a front end in the US. We are able to build a reasonable front end in South Africa. So obviously South Africa being the biggest chunk of that money.

So I think this is always an ongoing process. You look at multiple transactions, but in the end you only consummate one or two. So that's how it goes.

Digvijay Patel - Analyst
So just a thought on the acquisition, why not purchase the entire stake of AdCorp? Like we have 51 pending there. That seems like a target that we can directly acquire right now. I would

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
Love to think which is what at this time only 49 was at offer. So that's why we are here. But hopefully, I mean, if the major shareholder chooses to do it, then we'll come. At this time, it's not at play. But certainly, I think if they are interested, we are also interested. At this time, only 49 is at play. So that's what we bought. I think the asset is so valuable that 49 also was Very meaningful. That's why we took it.

Digvijay Patel - Analyst
Sure. So we have the first right of refusal right there.

Rajeev Nannapaneni - Vice-Chairman and Chief Executive Officer, NATCO Pharma Limited
So absolutely, yes. At this, I'll end the call. Again, thank

Rajiv Menon - Investor Relations, NATCO Pharma Limited
You very much. Thanks for your questions.

Operator
Thank you. Passing the call to Mr. Rajiv Menon for the closing remarks.

Rajiv Menon - Investor Relations, NATCO Pharma Limited
Thank you everyone for joining today. If there is any question unanswered, please reach out to the investor relations team.

Operator
Thank you. Thank you very much to Natco's management team. Ladies and gentlemen, on behalf of Natco Private Limited, that concludes today's conference. Thank you for joining us, and you may now disconnect your line and exit the webinar. Thank you.