Management Discussion

Unidentified Speaker - Unidentified Speaker
Trial. Trial. Trial. Trial. Trial. Trial.

Operator
Trial. Pardeep sir, I request you to kindly start with the opening remarks.

Unidentified Speaker - Unidentified Speaker
Trial. Trial. Trial. Trial. I think there was a network glitch. Mr. Pradeep is starting this in a second. Hi everyone. Good evening everyone. Am I audible? Trial. Mr. Varma

Pardeep Verma - Vice President Corporate Affairs and Company Secretary, Ind Swift Laboratories
Is audible. Yes,

Unidentified Speaker - Unidentified Speaker, Confidely Partners
We can hear you. Thank you. Trial.

Pardeep Verma - Vice President Corporate Affairs and Company Secretary, Ind Swift Laboratories
Good evening everyone and a warm welcome to Ind Swift Laboratories Q2 and H1 FY27 earnings conference call. Thank you all for joining us today. Q2 FY27 marks a decisive validation of our strategic transition to a pure-play finished dosage formulation platform. Operating scale and an improved product mix have driven significant operating leverage, margin expansion, and a strong core profitability across both our international and domestic operations. Commercial partnerships with major CDMO partners are progressing rapidly on track to deliver Rs 100 to Rs 130 crore in incremental revenue in FY27 and a total of Rs 200 to Rs 220 crore over 2 years.

Building on commercial supplies of ibuprofen sachet and macrogold sachet, we completed commercial validation for clarithromycin dry suspension, slated for European launch shortly. Global product registrations have crossed 900+ across 85 countries, backed by 2,100+ filed dossiers. Over 330 additional product registrations are expected in FY27. Warehouse development adjacent to our 100% EU delivery facility is underway to support export volumes. Concurrently, the Rs 45 crore upgrade of our Samba facility to EU GMP and PIC/S standard is on schedule to unlock regulatory market access for topical and oral formulation, and it shall supplement both CDMO and own branding business of our company.

Our export footprint remains the primary growth engine with 82.7% of total sales, while domestic verticals continue to provide steady cash flow stability with 17.3% of total sales. Own brands contributed 55.75% of quarterly sales, representing 69% of the export sales, driven by direct marketing and field force expansion across GCC countries, Central Asia, and Africa. Contract manufacturing accounted for 26.99% of sales, supported by scaling supplies to global generic majors. Branded generics accounted for 6.84% of- via our healthcare and agile divisions.

Ethical division contributed 5.43%, led by chronic pediatric and gynecology therapies.

Unidentified Speaker - Unidentified Speaker, Ind Swift Laboratories
Contract

Pardeep Verma - Vice President Corporate Affairs and Company Secretary, Ind Swift Laboratories
Manufacturing stood at 5%, supported by 39 repeat domestic clients. Coming to our standalone financial highlights, operating revenue stood at Rs 234.89 crore, up 15.15% year-on-year basis from

Rs 156.43 crore and expanding 26.22% quarter on quarter from Rs 186.09 crore in Q1 FY27. Operating EBITDA rose 4.95 times year-on-year basis to Rs 42.33 crore versus Rs 8.55 crore in Q2 FY26, and 27.04% on quarter-on-quarter basis versus Rs 33.32 crore in Q1 FY27, operating EBITDA margin expanded 1,256 basis points year-on-year basis and 11 basis points on quarter-on-quarter basis to 18.02%.

Round-trip expenses declined to 45.15% of revenue from 49.38% a year ago, reflecting business mix optimization and operating leverage. Profit after tax surged 3.54 times year-on-year basis and 26.96% quarter-on-quarter basis to Rs 31.03 crore, delivering a PAT margin of 13.21%, up 761 basis points year-on-year basis. Coming to H1 FY27 performance, operating revenue reached Rs 420.97 crore, up 35.79% year-on-year basis from Rs 310.02 crore. Operating EBITDA surged 4.45 times to Rs 75.65 crore, with EBITDA margin expanding by 1,254 basis points to 17.97%.

PAT stood at Rs 55.47 crore, up 3.29 times year-on-year basis, with PAT margin expanding to 13.18%. We remain completely debt-free with robust cash and liquid reserves. Our Rs 250 crore growth capex covering the Samba EU GMP upgrade, warehouse, new R&D infrastructure, and capacity debottlenecking is fully on track. We continue to hold 7.80% equity stake in Synthymend Labs, maintaining participation in the broader API revenue creation. Backed by deep own presence in emerging markets, regulated CDMA commercializations, and a pipeline of complex formulations, we reiterate our full-year guidance of more than 50% revenue growth in FY27.

Over the medium term, we remain on track for a 20 to 25% revenue CAGR to cross Rs 1,500+ crore by FY30 alongside a 200 to 300 basis point EBITDA margin expansion. Thank you. We are now happy to take your questions.

Questions & Answers

Operator
Thank you, sir. Participants are requested to raise their hand for their questions. Also, one can request their questions in the question box. We will wait for 2 minutes for the queue to form.

Unidentified Speaker - Unidentified Speaker, Confidely Partners
We

Operator
Have our first question. From Mr. Gaurav Shukla. Sir, you may unmute and proceed.

Gaurav Shukla - Analyst
Am I audible, sir?

Unidentified Speaker - Unidentified Speaker, Confidely Partners
Yes, sir.

Gaurav Shukla - Analyst
Congratulations, sir. Very good numbers, and thank you for giving me opportunity. Sir, you have guided, uh, for more than 50% revenue in FY27. Considering H1 performance, what is the expected revenue trajectory for H2? In the guidance, is still comfortably achievable?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
Yes, sir, thank you very much. The guidance which we have given, we feel we are very much

comfort- in a comfortable position to achieve the projected numbers.

Gaurav Shukla - Analyst
Sir for FY28,

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
For FY28 or the whatever the guidance we have given is I think we might revise this

Gaurav Shukla - Analyst
And the numbers might increase. OK sir, send. Sir second question, sir, what is the contribution of international division versus domestic division? To current revenue, which division will be the primary growth driver over the next 3 years?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
See, currently if you speak about H1, uh, of the total revenues, approximately 83% is being derived through exports and 17% through our domestic turnover. Going forward also, we think the ratio would be the same and 80% of our revenues will come through exports and 20% through our domestic sales.

Gaurav Shukla - Analyst
Okay, sir. Answer one thing more. What is the present capacity utilization at the Samba manufacturing facility, and what is the expected utilization by FY28? Answer is in this. Follow. Current status of EU GMP PIC? Yes, upgrade at Samba. When do you expect the facility to become fully compliant for the targeted regulated market?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
See, currently the CapEx is underway and we are expecting the visit from- not from PIX, but from Anvisa Brazil, uh, probably in the last quarter. And regarding your query on that PIX European approval, We expect this to happen maybe anytime next year, anytime next year.

Gaurav Shukla - Analyst
Okay, sir. And utilization level, sir? Present utilization? Utilization

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
From Jammu we are making Jammu plant since expansion is also happening. So the the production area is available for us and I think we are using it at seventy seventy five percent of our capacity.

Gaurav Shukla - Analyst
Sir, one thing clearly Thaimosain launch [Foreign Speech] Current status [Foreign Speech] What is the current status? Clarithromycin

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
Sachet, the variation, the customer has filed the variation in Europe, and as soon as the variation is approved, the batches will initiate. [Foreign Speech] clear sir

Gaurav Shukla - Analyst
OK sir and sir margin as you guided sir 22 percent margin sir [Foreign Speech] blended blended margin internal

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
Target this 22 percent next quarter we we think our revenue numbers should increase and accordingly finger cross for the last world.

Gaurav Shukla - Analyst
OK sir, in this year blended 19%?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
It should be more than 19%?

Gaurav Shukla - Analyst
Okay, sir. Thank

Operator
You, sir. Thanks a lot. Thank you. Just a quick reminder to everyone, if you have a question, please raise your hand using the reaction step. Also, one can request their question in the question box. We have a next question from Mr. Aryan Bhatia. Sir, you may unmute and proceed.

Aryan Bhatia - Analyst
Hey, thanks for the opportunity. Hi, thanks for the opportunity. My question is on the CDMO growth. So if I look at the past 2 quarters, we have We are doing a Rs 50 crore, Rs 60 crore quarterly run rate. So how one should look at the FY28 number in terms of growth for the CDMO business? And on the continuous to this, will this be led by the partnership with Viatris or Mannex? And are these partnerships mostly the site variations which have been done? So this is my first question. See,

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
Come, come again. You, you have asked for guidance of '27-'28 or '27?

Aryan Bhatia - Analyst
I'm looking for the growth for CDMO business in FY28 because in H1 we are particularly- I've done in contract manufacturing export business Rs 100 crores. So what should be one expect the growth rate for FY28?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
See, the guidance of the revenue guidance has already been shared, and regarding our projects, we explained in the last call also. Currently Vitrace is one that has been signed off, we are waiting for site variation change approval on clari clari clarithromization sachets. Ibuprofen has kicked off and it will start taking pace from next quarter, probably July. As of now, I think till date we have done a r And in quarter 3, we are estimating a revenue of Rs 20 crores only from ibuprofen, and around Rs 20 to Rs 25 crores of revenue of ibuprofen in last quarter.

So going forward, the numbers are very big for these both, both these products along with Macrovol. So definitely the growth in coming years will come from these 2 molecules. Much better as anticipated.

Aryan Bhatia - Analyst
Okay, so just wanted a clarity. So for H1, we have done almost Rs 100 crores for the contract manufacturing export business. So is this the purely a CDMO business?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
See, the revenue numbers for export in this quarter was approximately Rs 190-odd crores, right?

Aryan Bhatia - Analyst
Out of

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
This, the CDMO's revenues was approximately Rs 65 crore. Rs 65 crore. And yes, and Rs 125 crore was for our own products, own branding products.

Aryan Bhatia - Analyst
So the Rs 65 crore is CDMO, right? The contract manufacturing. Yes,

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
Yes, yes, yes.

Aryan Bhatia - Analyst
Okay, and so if I look at section, we have done Rs 15 crore in Q1, Rs 65 crore in Q2. So how should we look at the quarterly run rate? Will this lead to a higher number, the quarterly run rate?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
For CMO will increase both will increase the revenue numbers will increase number one and I think the ratio should fit in between 35-65 35 percent contract and 65 percent are what pr Approx 60, 58 crores in quarter 2 as compared to about 25 crores in quarter 1.

Aryan Bhatia - Analyst
Got it, got it. And on the deals which we are looking at, CMO deals, right? So we have one deal with Tiffenwecker for atorvastatin. Has that kicked off? Because in that deal we do have some property.

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
It is not atorvastatin with Tiffenwecker, it is atorvastatin. This is what I was just telling you, that last quarter we did a revenue of Rs 25 crores for that molecule, and this second quarter we have done Rs 58 crores.

Aryan Bhatia - Analyst
Okay, so are we in future looking for similar deals where we'll be having some profit share as compared to the deal? Yeah, that business

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
Development activities are always ongoing, and our marketing team is working on this.

Aryan Bhatia - Analyst
Got it. And on the Samba facility, like, we are looking for, you know, approvals for UGMP and PIC/SO. Are we focusing from that facility in the export side as well? Because that is the domestic facility for us.

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
Yeah, from the approval means that we plan- we want to target exports only.

Aryan Bhatia - Analyst
Got it. Thank you. Bye. That's from my side.

Operator
Thank you. Thank you. Just a quick reminder to everyone, if you have a question, please raise your hand using the reactions tab. Also, one can request their questions in the question box. We have our next question from Mr. Zakir Nazir. Sir, you may unmute and proceed.

Zakir Nazir - Analyst
Can you hear me?

Unidentified Speaker - Unidentified Speaker, Confidely Partners
Yes, sir, we can hear you.

Zakir Nazir - Analyst
Sir, uh, congratulations, uh, to Team Ind Swift for, I think, a blockbuster set of numbers. Sir, would it be safe to assume that as Mr. Gagan mentioned, we will revise our growth numbers? So would it be safe to assume that March 28th we would cross the 1,200-1,250 kind of top line?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
Very difficult for me to comment on March 28th at this juncture. I think by in the next investor call, we should be ready with our next financial year numbers.

Zakir Nazir - Analyst
And, uh,

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
Fingers crossed, hopefully we should do.

Zakir Nazir - Analyst
Yes, but the way trajectory is going, sir, it looks as if you will, you will cross the psychological 1,000 mark, uh, this year itself with the exit, uh, EBITDA of 20%.

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
Yes,

Zakir Nazir - Analyst
And this is

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
A minimum internal target which has been given to the entire team.

Zakir Nazir - Analyst
Fantastic, sir. And, um, would you just throw some light on- I had, when I had read in one of your, uh, previous con calls about Synthimed stake being a part of it being monetized in the next few quarters, sir, what are your thoughts on that?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
See the currently the entire stake the majority stake in Synthimed is being held by India RFs and we have heard that there have been diligences happening v hive off some of their stake. And we, we in

fact informed our investors that we also have tag-along rights with them. We believe in coming quarters IndiaRF will liquidate some of their holdings in Synthimed, and if the valuations are good, we might also tag along. And, and accordingly, in the board meetings it will be decided that how much stake do we participate at this stage?

Since the valuations of the API business are growing and they are in talks with 2 of the leading pharmaceutical companies based out of Hyderabad to acquire them as a part of Synthimed, we feel this investment will grow and we should wait for a couple of years more before we liquidate our entire holding in this. But yes, Some some ocean should be on the block in coming quarters.

Zakir Nazir - Analyst
Sir, so should should as as you mentioned, sir, okay the EBITDA margin will cross 20% in the last quarter. So could could it be safe to assume that next next full year we will maintain about that 20% EBITDA level, sir?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
See in the past whatever whatever we have achieved we have. Tried to maintain it. So yes, we we will maintain that levels for sure.

Zakir Nazir - Analyst
And your thoughts on your CMO versus API versus the small whatever small formulations you have? What is your focus on that, sir?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
See, focus is primarily on exports only. We are not into APIs now. The focus is more on now entering into. More territories. Like I spoke last time also, that Peru, Mexico, Brazil- there are 3 territories where the registrations have started, along with markets in Rwanda, Congo, Cambodia, Lagosina, Ivory Coast, Benin. Uh, so these are all, uh, business development activities which are ongoing, and we are registering our products in these markets. So going forward, the revenue numbers, the growth, the new territories and markets, it will come from this segment only.

Zakir Nazir - Analyst
Thank you, sir. Fantastic. Best of best wishes for the year and wishing all of you a very happy Diwali, sir.

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
Thank you so much, sir. Thank you

Operator
So much. Participants are requested to raise hand. With questions. Also, one can raise the questions in the question box. We have a next question from Mr. Vishnu Agarwal. Sir, you may unmute and proceed.

Vishnu Agarwal - Analyst
Am I audible?

Operator
Yes, sir. Yes,

Unidentified Speaker - Unidentified Speaker, Confidely Partners
Sir.

Vishnu Agarwal - Analyst
Uh, first of all, congratulations to the entire team. Great numbers. Hello, am I audible, sir?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
Yes, sir. Yes, sir. Yes, sir, you're audible. Thank you so much for your compliments. Yeah,

Vishnu Agarwal - Analyst
Great. Yeah,

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
Great,

Vishnu Agarwal - Analyst
Sir. So I wanted to ask about our Dharabasi facility, you know, where we do most of the CDMO business. Uh, what is the current capacity utilization, sir?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
See, we have been increasing our capacities.

Vishnu Agarwal - Analyst
Yeah,

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
Every time now and then. And currently the capacities are utilized between 70 to 75% level.

Vishnu Agarwal - Analyst
Okay. And, and I, as I understand, sir, actually that we may be shifting some of our warehouse from the existing facility and use those space to create more manufacturing unit. And then shift our warehouse to the nearby place. When are we planning to complete this exercise,

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
Sir? See, uh, the land has already been acquired, the requisite approvals are in place now, the construction has started, and we hope to shift our warehouse from the existing facility outside in next 10 to 12 months.

Vishnu Agarwal - Analyst
10 to 12 months.

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
Okay,

Vishnu Agarwal - Analyst
So until then, until then, actually whatever capacity we have at Dharavasi will be sufficient to reach Rs 1,200 crore top line, um, by FY28, sir?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
Yes.

Vishnu Agarwal - Analyst
Okay, okay. And sir, what- one more question. I understand that our focus is on CDMO and export business, but what I understand is our margins are best in our own branded export products. What kind of, you know, traction we are seeing there, sir? Are we going to see the increase in that component as well? Because that is where our blended margin is better here.

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
Yes, if you see in Q2, the mix of revenue is higher in our own branded products as compared to contract manufacturing. The revenue has increased. The revenues of own products have gone up to 68%.

Unidentified Speaker - Unidentified Speaker, Confidely Partners
Yeah.

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
As compared to 32% in contract manufacturing products.

Unidentified Speaker - Unidentified Speaker, Confidely Partners
Yeah. Yeah. Yeah. So the focus,

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
Yes, you are correct. The focus is more on this. And as Zaki sir told about this BD activities, so whatever new BD activities are being done,

Unidentified Speaker - Unidentified Speaker, Ind Swift Laboratories
Whatever

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
New BD activities are being done, They are towards registering our molecules in different markets now.

Unidentified Speaker - Unidentified Speaker, Ind Swift Laboratories
Okay, so

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
We are- we have our hands full in terms of contract manufacturing with Vitrace and Aerotex, and there are discussions also happening for the same molecules with some other customers also in advanced stages. So focus of the management is very clear to register more, more and more of our products in different countries. Wherein the margins are good, and you have the entire control of the product and the market.

Vishnu Agarwal - Analyst
That's all from my side, sir. All the very best for the remaining quarters, and happy Diwali to everybody there.

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
Thank you, sir. Happy Diwali.

Vishnu Agarwal - Analyst
Take care, buddy.

Operator
Thank you. We have our next question from Mr. Aryan Bhatia. sir you may unmute and

Aryan Bhatia - Analyst
Proceed. thanks for the follow-up. my question is on the partnership with which we have done with Vitrace, Manix, Arotex. so in this partnership have we developed the products and license out to the partners and this products has been shared by the par

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
Only. We, we developed, we shared the stability data with them, and accordingly site variation was filed for ibuprofen and Clary. The site variation for Iku has been approved, and accordingly the goods are being supplied. For Clary, the site variation is still awaited.

Aryan Bhatia - Analyst
Got it. And second question is on how are you looking to increase the complexity of our business and getting into new modalities? I just wanted to know our focus on the R&D side as well to increase the complexity, getting into higher complexity formulation.

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
So, so, so, so the plan is not the way you have asked to enter into complex. In API, yes, we were into complex molecules. Herein, the focus is more where do we get good revenues and good EBITDA margins. So, so in the presentation which we have shared today We have shared the name of the products, uh, which are at R&D stage and in which financial year they should be out to the market. There are, uh, 10 to 12 molecules, 11 molecules which should be ready by '28-'29, and in '29-'30 there are 2 molecules.

They are in different therapeutic categories, mainly antibiotic, urology, antiprotozoal, Ulcerating qualities. So, so forward-looking portfolio has been shared if, uh, in our presentation today. Again,

Aryan Bhatia - Analyst
Got it. And the- our own brand did product registration in the export market. So what is our focus? Are we looking for more product registration in the regulated market or more in the semi-regulated market side? I, I in

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
Fact, uh, just now told that Peru, Brazil, Mexico, the partners have been identified, the registrations have started along with markets in Congo, Cambodia, Rwanda, Legizona, Benin, and there are 8-9 territories wherein we are registering our products.

Aryan Bhatia - Analyst
So how would IndSwift differentiate versus other players who are also registering their products in these markets?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
So this is kind of an ethical sale. We, we feel that, uh, these are old molecules. We are in this business from very long, and, uh, we, we are manufacturing this for the- all these products from our regulated site built in 2006. In all these territories, uh, we have working with one of the best distributors, the Our local teams are available in the African market, so we know the market well. The marketing people handling this are with us from last 20 years, so we see we can enter into these

markets easily.

Aryan Bhatia - Analyst
Okay, so my question is like, why would a distributor would like prefer IndSwift product as compared to, let's say, another company who is willing to sell their product in the same market?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
So the market is very big. And as of now, it is all, all about pricing now. So whoever- the quality, I can assume, would be same for everyone, but we feel that we can give a more exciting price.

Aryan Bhatia - Analyst
Got it. Thank you. That's from my side.

Operator
Thank you. We have a follow-up question from Mr. Gaurav Shukla. Sir, you may unmute and proceed.

Gaurav Shukla - Analyst
Sir, for follow-up, sir, how much the current international revenue is recurring business from the existing customer and how much comes from the newly acquired customers?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
So normally, so we prepare data for the molecule-wise. On the new customers, you'll- I believe the revenue approximately this year, the new revenues have come approximately 80 to 90 crores from the new customers.

Gaurav Shukla - Analyst
Okay, sir. Sir, and one thing more, you have, uh, more than 2,100 dosiers filed and 520+ approval. How many of these approval are commercially active and generating meaningful revenue?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
So can you repeat, sir?

Gaurav Shukla - Analyst
You have, uh, more than 2,100 dossiers filed and 520 plus approval sir [Foreign Speech] how many of this approvals are commercially active and generating meaningful revenue sir

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
I hope for all the approvals are must be active so so all this approvals should be active but we can come back to you on this and they all are generating

Shalika Malhotra - DG Finance, Ind Swift Laboratories
Own authorization. And we are having total registration 950 approx in RKT, and the 520 is our own. And these, the revenue generated, the total revenue generated is out of these only, from our own registrations. So all these are in different, different markets.

Gaurav Shukla - Analyst
Okay, thank you. Thanks a lot, and happy Diwali, sir. Thanks a lot.

Operator
Thank you. We have a next question from Mr. Rohan Mehta. Sir, you may unmute and proceed.

Unidentified Speaker - Unidentified Speaker, Confidely Partners
Yes,

Rohan Mehta - Analyst
Sir. Uh, sir, actually, uh, congratulations first of all on a good set of number for the Q2 and half yearly FY27. So my question was regarding the product registration. Like, the company expects the 333 additional product registration in the FY27. So like, how much of that registration has already been secured during H1 FY27?

Shalika Malhotra - DG Finance, Ind Swift Laboratories
Sir out of the 330 I think we have [Foreign Speech] right now the exact number is not with us but approximately 100-150 has already been registered.

Rohan Mehta - Analyst
Okay, already. I have another question like if you see the Europe is representing approximately 47 percent of the geographical [Foreign Speech] As shown in the investor presentation, so what steps have been taken to reduce the dependence on the market?

Unidentified Speaker - Unidentified Speaker, Confidely Partners
Sir,

Shalika Malhotra - DG Finance, Ind Swift Laboratories
As in Europe, if you go, if you gone through, we are having CMO as well as own market. So now in Europe itself, we are entering with our own products. So Europe is a very stable payment-oriented territory, so we don't think so we need

Rohan Mehta - Analyst
Okay, got it. Yeah, thanks for the opportunity.

Operator
You just a quick reminder to everyone: if you have a question, please raise your hand using the reactions tab. Also, one can request their questions in the question box. We have a next question from Mr. Vijay Soni. Sir, you may unmute and proceed.

Vijay Soni - Analyst
Hello, am audible?

Unidentified Speaker - Unidentified Speaker, Confidely Partners
Yeah,

Vijay Soni - Analyst
Yeah, yeah, yeah. So I had two questions basically. So first of all, what is the company's expected working capital requirement as the revenue scales to 1,500 crore by FY30?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
By FY30?

Vijay Soni - Analyst
Yeah,

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
Right. So very difficult to tell you, you have asked a question, uh, 4 years ahead. But if we, if we do a turnover of approximately Rs 1,500 crores by FY30, the working capital requirement should be in the range of Rs 350-odd crores.

Vijay Soni - Analyst
Okay, and the trade receivables have increased from Rs 168 crore to around Rs 234 crore. So what is the current debtor cycle, collection cycle?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
See, the average realization is 75 days, and, uh, till the time of we were preparing the balance sheet, uh, most of the debtors hit us in, in the last- mostly the debtors are due on the last day. So they come in corresponding quarter. So you'll see a good reduction of days and value in the third quarter. October was a very good debt collection period for us, and we hope it continues in November also.

Vijay Soni - Analyst
So what is the company's target debtor days and inventory days for FY27 and FY28?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
So target for inventory is minimum 90 days, and for debtors, uh, it should come at an average of about 60 days.

Vijay Soni - Analyst
Uh, okay, thank you so much.

Operator
Thank you. We believe there are no further questions from anyone. We will now take questions from Q&A box. We have this question from Shiladitya Chaudhary. For FY28 and FY29, what would be the growth rate and margin trajectory for over FY27, and what will be the main growth drivers?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
So the guidance has already been shared, and, uh, the main growth drivers is the partnership which we have entered into. Basically, the growth will come from AIBO Group in Clery and Macroball.

Operator
Okay, here's another question on- and has asked for details on the CapEx, uh, the timeline, and how the ramp-up will happen. And what about the asset turns?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
The detail on CapEx can be separately shared. I think we can share with Confidence Leap, and you may forward this because very difficult to explain because there are a lot of CapExes going on. And each one has a different timeline.

Operator
We have few questions from Varun Nagpal. In the last conference call held in August 2026, the management has stated that there are another 2 customers other than Viatris and Aerotex that the

company is engaged with for deal for the same products. What is the status of that deal? Second question is, what is the growth in revenue?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
Yes, the we are in active discussion with other two customers, and we hope to sign off in the last quarter.

Operator
Second question is follows. What is the growth in revenue and net profit in constant currency terms for quarter two of FY27, given that the Indian rupee has depreciated in past one year?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
So I think we'll come back on this because the numbers will get very real.

Unidentified Speaker - Unidentified Speaker, Confidely Partners
Okay. Is basically related to such. Yeah, second

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
Question there.

Operator
Third question is, is there any impact of reduction? No,

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
There has been no, no impact because the product list given by them, we are not in the same product list which NBPA reduced the pricing. We were not into that product list, then we will reduce all the prices. The product list was very different to what we have manufactured.

Operator
Yes, a few more questions. For APIs, how much is sourced from China and other countries? What is the percentage sourcing from Synthimed?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
See, majority of the APIs, the key APIs, are being sourced from Synthimed only. And China, for only one or two molecules, like what's happened from China, the majority of API starting materials come from Synthimed only. And our total purchase from Sintimat in this financial year should be approx 100 crores of the total purchase of 400 crores.

Operator
This next question is research and development expenses as percentage of total revenue.

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
[Foreign Speech] R&D R&D development expenses.

Shalika Malhotra - DG Finance, Ind Swift Laboratories
R&D expenses are till in this quarter is approximately eight CR. And in 25-26, it's approx 12 crore.

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
25-26 [Foreign Speech]

Operator
[Foreign Speech] We have few more questions from Shiladitya. Given the kind of growth and capex plans, do you want to upgrade the FY30 vision of 1500 crores?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
So very difficult to comment on the vision of FY30 as of now.

Operator
Next question is, uh, what is the approx worth of Sintimat stake we hold?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
See, we hold 7.8% in Sintimat, and worth of this, it all depends what valuation Sintimat gets. We, we think the valuation, the, the API business should be valued between 7,000 to 8,000 crores at this point of time.

Operator
We have one question from Vikas Rohira. Are we sure of achieving EBITDA of 20% for full year for FY27? For that, we have to do more than 20% in Q3 and Q4, as we have not touched 20% in Q1 and Q2.

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
So I think we, we spoke on this couple of times, and, uh, we have- the management has given their vision of achieving 20% in full year. So we are fully focused and determined to achieve this.

Operator
Okay, there are 2 more questions from anonymous attendee. How is the working capital cycle differ in a CDMO business versus our own brand business in export market?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
We have never segregated the working capital which has been used for CDMO or our own branding. Uh, from our eyes, I think it, it, it is more or less the same. In our own branding business, we mostly work on advance or LC payments. So the working capital cycle is little lower in our own branding business as compared to CDMO business.

Operator
Next question is, how much time does it take for a product to be registered and start generating revenue in export market for our own brands?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
It depends. Different markets take different times for the product to get registered. So, so market-wise we can discuss, but, uh, it should take minimum 1 and a half, minimum 1, 1 and a half year for the products to get registered, and, uh, for the revenue number should start from maybe 2 years from day one.

Operator
We have one question from Venkat. How do we see the CDMO growth expanding beyond Viatris?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
So beyond batteries also, we spoke that we are discussing the same product with some other

players also. Besides this, the growth will come from the existing CMO suppliers whom we are supplying.

Operator
There's one more question from anonymous attendee. He has requested to share your views on what you consider could or might be some challenges that you expect to foresee in achieving the guidance, and if you, if you have any plans to address them if and when they arise.

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
See, as, as of now, must have seen that there has been a growth From quarter 1 to quarter 2, and we see this growth to continue in quarter 3 also. Currently, we don't foresee any risk wherein we should not be able to achieve our projections. We don't see any risk. We, we think the orders are in hand, the raw materials are in place, the production facility is equipped. So, so it is we just need to deliver. We just need to manufacture and deliver.

Operator
We we have one question from one of the participants from Mead Gada. Sir, you may unmute and proceed.

Mead Gada - Analyst
Hi, sir. Congratulations on great set of numbers. I wanted to understand that the CMO contracts with Beatrice. Uh, you know, how are they set up? It is like a cost plus or a formula-based pricing? How do we understand that?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
No, we have given up- we have agreed on a pricing. We have agreed on a transfer pricing, not cost plus something. We have agreed on a pricing.

Mead Gada - Analyst
Understood. And if you can throw some light on how the ibuprofen market is right now and where is it expected to go over the next 6 to 12 months?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
See, we, we- this is a CMO business and we, we have our quantities agreed from VITRIS on this. So it is VITRIS only who is driving the sales. We are just manufacturing worldwide ibuprofen on behalf of VITRIS, and we, we, we- the guidance is coming from VITRIS only, and it is a very old molecule, I believe, and still growing.

Mead Gada - Analyst
Understood. And, and over here, when it comes to the technology which Vitrix has provided to you, so you can sell those products to other customers as well, which you highlighted earlier? No,

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
No, no, no, we cannot.

Mead Gada - Analyst
Okay. And for the products which you would be selling, uh, in FY28 or registering in FY28, how should the timelines be? Like, you've already developed those products, or it are- they are under the R&D phase as of now?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
We have shared the, uh, new product list in our presentation which we have uploaded today. So for FY28, we don't see any new molecule coming up in '28. The new molecules should come in '28-'29 only. The growth will come in '27-'28 from the existing molecules only.

Mead Gada - Analyst
And the revenues for those products will also be coming from 28, 29, or they will be one year out? Yes,

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
The revenue should come from 28, 29.

Mead Gada - Analyst
So registration should happen today, right? For those products?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
No, it is at the R&D stage as of now, and in early 28, if we start the registrations, maybe by last quarter of 28, 29, the revenues numbers should come in.

Mead Gada - Analyst
And any targeted dosage forms which are considered, or it will be plain vanilla API sold to the customers? So

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
It is not an API, it is a formulation, and we have shared the list of therapeutic categories and, uh, the molecule name in our presentation.

Mead Gada - Analyst
Got it, sir. Thank you. That's it from my side.

Operator
Thank you. Moving back to questions from Q&A, this question is from Rohan Mehta. How does IndSwift differentiate itself from other Indian formulation companies competing in international generic markets?

Gagan Aggarwal - Chief Financial Officer, Ind Swift Laboratories
See, as IndSwift, The products which we are supplying in the regulated market, we are not competing in that molecules with the innovator. So that is a big difference because whatever CMO we are doing for our customer in Europe, we are not competing for that molecule in that market with them.

Operator
Thank you. As there are no further new questions, we would now like the management to give the closing remarks.

Pardeep Verma - Vice President Corporate Affairs and Company Secretary, Ind Swift Laboratories
Thank you everyone. On behalf of the entire management team at Ind Swift Laboratories, I would like to extend our sincere appreciation to all our investors and analysts for your time and active participation today. We greatly value these interactions and your insightful questions and

constructive feedback. Play a vital role in helping us build greater transparency and strengthen our business. We remain firmly committed to maintaining an open, regular dialogue with the investment community as we execute our strategic roadmap.

Should you have any further questions or require additional details, please feel free to reach out to our investor relations team and Confidely Partners. Thank you all once again for your continued confidence and support, and we wish you all a very happy Diwali. From InSwift team, thank you.

Operator
Thank you, Pardeep sir. Thank you all for joining InSwift Laboratories Q2 and H1 FY27 conference call hosted by ConfideLeap Partners. Participants may now sign off.