Management Discussion

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
Thank you. Good afternoon everyone and welcome to Ajanta Pharma's Q2 earning call. With me I have today Mr. Rajesh Agrawal, our Joint Managing Director, Mr. Arvind Agrawal, our CFO, Mr. Rajiv Agrawal, our Vice President Finance and Investor Relations. I hope all of you have received the financial results by now.

Before we start, here is the order for today. I'll cover the group and our international businesses. Our Joint Managing Director will take India, and our CFO will close with the financials and our guidance for the year.

Please note that during this call, we may take -- we may make certain forward-looking statements which are subject to risks and uncertainties. I will start with overall business performance, and happy to inform you that we have closed the second quarter on a healthy note. Revenue from operations for the quarter grew by 33% to INR1,794 crores. EBITDA grew by 47% to INR543 crores at a margin of 30%, and profit after tax grew by 49% to INR388 crores. For the first half, revenue grew by 29% to INR3,420 crores and a profit after tax by 40% to INR722 crores.

Our financial position continued to strengthen with return on capital employed at 41% and return on net worth at 31% as at end of September 2026. These robust returns reaffirm our position among the industry's leading performers.

Let me now take you through our key business verticals, starting with branded generic business in Asia and Africa, which contributed 38% to total revenue in the second quarter of the current financial year. We continue investing in new markets and products which will ensure consistent growth in this part of the business.

Starting with Asia branded generics, I am pleased to share that despite the ongoing geopolitical tensions in the Middle East, our proactive efforts to leverage alternative shipping routes have enabled us to ensure the safe and timely delivery of consignments to our respective markets. This has resulted in our Asia branded generic business bouncing back during the quarter with a growth of 18% and sales of INR366 crores compared with INR310 crores in the corresponding quarter last year. In the first half, sales were at INR621 crores compared with INR614 crores in the corresponding period last year, representing a growth of 1%. During the first half, we launched four new products in the region and are confident that growth momentum will continue in coming quarters.

Moving to our Africa branded generic business, in Q2 it continued to deliver a strong performance with sales increasing by 41% to INR312 crores compared with INR221 crores in the corresponding quarter last year. In H1, sales were at INR607 crores compared with INR449 crores in the corresponding period last year, representing an excellent growth of 35%. This robust growth in the first half reflects gains in the market share, new product launches, field force addition over the last two to three years, and a favorable currency movement.

During the first half, we launched three new products, further supporting our continued expansion across the region. As can be seen, our conscious call to keep the business well diversified across markets enables us to keep performing and delivering growth in spite of the challenges.

Let us now turn to other two verticals within our international business. Our US generic business continued to deliver a strong performance, contributing 27% to our revenue in the second quarter. During Q2, revenue grew by 41% to INR484 crores compared to INR344 crores in the corresponding quarter last year.

For the first half of the year, revenues stood at INR971 crores, registering a growth of 49% over INR653 crores in the same period last year. The strong growth in Q2 and H1 was partly supported by a lower base in the corresponding periods of the previous year.

During the second half of FY 2026, we had few limited competition products which had driven healthy growth since. New players have now entered these products, which will moderate our growth momentum during the second half of the year. Taking these factors into consideration, we maintain our full-year revenue growth guidance of high single digits for the US generic business.

During the first half, we launched three products, received four final approvals, and filed 1 ANDA. We currently have 17 ANDAs pending approval.

Let me now discuss our Africa Institution business, which delivered a stronger than expected performance during the quarter, contributing 7% to our total revenue. Q2 sales grew by 259% to INR116 crores compared to INR32 crores in the corresponding quarter last year. For the first half of the year, sales stood at INR187 crores, registering a growth of 164% over INR71 crores in the same period last year.

As we have consistently highlighted in our earlier communications, procurements by institutional agencies remain unpredictable, both in terms of timing and the value. While we witnessed strong procurement activity during the first half of the year, given the inherent uncertainty in this business, we do not expect the same level of sales to sustain in the second half.

Now I invite Mr. Rajesh Agrawal, our Joint Managing Director, to brief you on India business. Thank you, and over to you.

Rajesh Agrawal - Joint Managing Director, Ajanta Pharma Limited
Thank you. Good afternoon to all of you. Our India business continued to deliver excellent performance in the second quarter of the current financial year. The strategic investments we have made in expanding our field force and entering new therapeutic areas have started yielding encouraging results. We remain committed to these investments to drive sustainable growth in the coming quarters and years ahead. Reflecting this progress, I am pleased to share that our overall ranking in the Indian pharmaceutical market has improved to 23rd in September 2026 from 24th in March 2026.

According to IQVIA MAT September 2026 data, Ajanta continued to outperform the Indian pharmaceutical market, registering growth of 17% compared to the market growth of 13%. Our volume growth stood at 18% ahead of the overall market while our growth from new product launches exceeded the market by 70%. Importantly, this performance was broad-based across most of our therapeutic segments, with our growth consistently expecting -- exceeding the respective segment averages. We remain confident of sustaining this positive movement -- momentum in the years ahead.

Within our covered market, we continue to rank among the top 10 players across all our core therapeutic segments. Cardiology remained the largest contributor to our India-branded sales at 37%, followed by ophthalmology at 28%, dermatology at 22%, and pain management at 10%. Our newer therapeutic areas contributed the remaining 3%, reflecting the gradual progress of our diversification efforts.

Coming to our financial performance, the India business contributed 28% to the Company's total revenue during the second quarter. Q2 sales grew by 16% to INR504 crores compared to INR432 crores in the corresponding quarter last year. For the first half of the year, sales grew by a healthy

20% to INR1,013 crores compared to INR841 crores in the same period last year. Field force productivity measured as PCPM improved to INR4.5 lakhs in the first half as against INR3.7 lakhs in FY 2026. This performance was further supported by our continued focus on new product introductions.

Our India business also includes the trade generics segment, which contributed INR56 crores in Q2 and INR104 crores during the first half of the current financial year.

With this, I now invite Mr. Arvind Agrawal, our CFO, to take you through the financial performance. Thank you, and over to you.

Arvind Agrawal - Chief Financial Officer, Ajanta Pharma Limited
Thank you and good afternoon to all. I will take you through the consolidated financial performance for second quarter and first half of the current year. Revenue from operations for the second quarter grew by healthy 33% to INR1,794 crores compared with INR1,354 crores in the corresponding quarter last year. In the first half, revenue grew by 29% to INR3,420 crores compared with INR2,656 crores in the corresponding period last year. Of this, India contributed 28%, branded generics across Asia and Africa contributed 38%, US generic contributed 27%, and Africa Institution 7% during the second quarter of the current year.

This is an affirmation of our diversified business model supporting consistent growth even in the face of challenges in some of our markets. Our gross margin stood at 79% for the second quarter and first half of the year. The improvement over FY2026 was primarily due to favorable currency. For the full year, we expect gross margins to remain around 78% with a variation of plus or minus 100 basis points. Personnel costs remained stable at Q1 level and stood at INR384 crores in Q2 compared with INR317 crores in the corresponding quarter last year.

Representing an increase of 21%. In the first half, cost stood at INR765 crores compared with INR620 crores in the corresponding period last year, representing an increase of 23%. This increase was mainly attributable to annual increments, trade floor expansion, and additional manpower and manufacturing facilities.

R&D expenditure, which is included within personal cost and other expenses, stood at INR72 crores in Q2 compared with INR63 crores in corresponding quarter last year. In first half, cost stood at INR138 crores compared with INR119 crores in the corresponding period last year.

This represented approximately 4% of our total revenue. For the full year, we expect R&D expenditure to be around 5% of revenue, with spending stepping up in the second half. Other expenses in Q2 stood at INR483 crores compared with INR392 crores in the corresponding quarter last year, representing an increase of 23%. In first half of the year, Expenses were at INR971 crores compared with INR765 crores in the corresponding period last year, representing an increase of 27%. First half other expenses include a foreign exchange loss of INR26 crores.

The increase in other expenses is in line with our business growth and mainly reflects higher selling expenses, international logistics, and manufacturing costs. The increase in expenses also reflects our continued strategic investments in products, brands, and people across the branded generic portfolio. We expect other expenses to remain broadly aligned with the current trend. EBITDA for the second quarter was INR543 crores, up 47% from INR369 crores in the corresponding quarter last year, at a margin of 30% against 27% last year.

There was no foreign exchange loss in the quarter, so reported and adjusted EBITDA are the same. For the first half, reported EBITDA was INR971 crores at a margin of 28%. Excluding the foreign

exchange loss of INR26 crores, booked under other expenses, adjusted EBITDA was INR997 crores, up 34% from INR745 crores last year at a margin of 29%. We remain confident of maintaining an EBITDA margin of around 27% with a variation of plus or minus 100 basis points while continuing to invest in the development of our market.

This implies a lower margin in the second half than in the first as competition in the US builds, institutional sales normalize, and we step up investment in R&D and our field force. During the second quarter, other income stood at INR42 crores, and in first half it was INR108 crores. Other income includes gain from foreign exchange of INR24 crores in second quarter and INR69 crores in the first half of the current year. Taken together with a INR26 crores loss under other expenses, the net foreign exchange effect for the first half was a gain of INR43 crores.

Profit after tax for the second quarter grew by 49% to INR388 crores compared with INR260 crores in the corresponding quarter last year. A margin of about 22% of revenue. For the first half, profit after tax grew by 40% to INR722 crores compared with INR516 crores in the corresponding period last year. The effective tax rate for the first half stood at 26.5% and is expected to be around this level for the full year. Capital expenditure during the first half stood at INR210 crores. For the financial year 2027, we expect capital expenditure to be around INR400 crores, including around INR150 crores of maintenance capex and the balance for capacity expansion.

Coming to the working capital and return ratios, our financial position has strengthened between March '26 and September 2026. Where return on capital employed improved from 33% to 41% and return on net worth from 25% to 31%. This was supported by better working capital management, with trade receivable days reducing from 125 days to 100 days as there was better collection in the US business. Inventory days also improved from 63 days to 52 days as we continue to focus on enhancing working capital efficiency.

We closed to September 2026 with net cash and investment of INR574 crores after paying the interim dividend of about INR400 crores during the quarter.

To sum up, there are three things to take away from today. First, a strong first half revenue from operations up 29% to INR3,420 crores and profit after tax up 40% to INR722 crores, with every business growing in the second quarter. Second, our financial year 2027 guidance is unchanged revenue growth in the high teens, which factors in a moderation in the second half as new competition in the US takes effect and institutional sales normalize.

Gross margin of about 78% and EBITDA margin of around 27%, each with a variation of plus or minus 100 basis points. R&D at around 5% of revenue, an effective tax rate of about 26.5%, and capital expenditure of around 400 crores. Third, our balance sheet keeps getting stronger with return on capital employed at 41%, and return on net worth at 31%. Our core branded generic business in India, Asia, and Africa remain the foundation for consistent growth in the years ahead.

With this, we now open the floor for question and answer. Thank you.

Questions & Answers

Operator
Thank you. We will now begin the question and answer session. [Operator Instructions] The first question comes from the line of Niharika Agarwal with Nirmal Bang. Please go ahead.

Niharika Agarwal - Analyst, Nirmal Bang
Thank you for the opportunity. My question was more towards the US generics. We saw approximately a 49% growth in H1, so I wanted to understand understand what is really driving this growth. Is it the new launches or market share gains in existing products or improving pricing?

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
No, from the last year second half onwards, we had a product which had a limited competition situation, and we continued that for second half of the last year, and currently this first two quarters, first quarter and second quarter. So because of that, the sales in the US are at elevated levels which we have seen, and that is what has shown into the 49% growth for the quarter. And as we have shared in our opening remarks, the new competition has come in for this product, so we are expecting our market share for this product to be reduced, and because of that, the sales will get normalized for the US going forward in the next quarters.

Niharika Agarwal - Analyst, Nirmal Bang
Thank you. A lso with the 5 to 6 ANDA filings targeted annually, how should we view the US business trajectory for the next two years to three years, more from a long-term view?

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
I think I can only give a strategic direction that we continue to file this product. Like in the first half also, we launched three products. We expect few more approvals during the next two quarters, and probably they will bring them to the market as well.

We have some good products under the pipeline, subject to the approval from the FDA. We should keep bringing them to the market and launching them. So I think we don't share the guidances for the next year, but for the current year, we've had a very good last year, we've got a very good current second half. Next two quarters also will -- with the sales getting normalized, we have still in the beginning of the year, we had given the guidance of the mid-single digit, which we are now revising to the high single digit for the US market.

So this is the outlook for the current year. Let us see how the situation evolves, how many approvals we get now, how many products we launch this year first quarter. According to that, I think next year we will probably share it in the -- at the appropriate right time, maybe in Q4 or the Q1 of the next year.

Niharika Agarwal - Analyst, Nirmal Bang
Thank you. On the Asia business, we saw an 18% growth in Q2. What is really leading to this growth? Is it -- are we seeing improvement in underlying demand, or is it because product launches, or is it just because of the favorable base?

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
I t is a combination of multiple things. The base for the earlier Q1, Q2 was around INR300 crores. Last quarter sales were slightly depressed at INR255 crores, but we've bounced back with INR366 crores. So there were supply chain issues, there were some logistic challenges to get the stocks in the market. So that has all ironed out. And in the last quarter also, we said that there were some sales which were there in the last quarter which got pushed out last minute. So we should see those reflecting in the Q2 and Q3, Q4 as well.

So I think combination of everything, a lot of things getting streamlined the logistics, the geopolitical

tensions which created the logistic challenges that is getting streamlined. We are doing well. We are able to increase our market share. So combination of everything, we had ourselves given the guidance for Asia in the high double digit sorry, in the mid-teens, and we continue to stand by that though for the first quarter sales was less, but we'll catch up in Q3 and Q4. So for the whole year, Asia, we are looking to post a mid-teens kind of growth.

Niharika Agarwal - Analyst, Nirmal Bang
Okay, that is all for me. Thank you for the opportunity.

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
Sure.

Operator
Thank you. Next question comes from the line of Tushar Manudhane with Motilal Oswal Financial Services Limited. Please go ahead.

Tushar Manudhane - Analyst, Motilal Oswal
Thanks for the opportunity. So first, on the step-up on the R&D spend, if you could further elaborate, this is for which geography is it? Just US or the others overseas as well?

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
So US is almost 50% is for the US and 50% is for the India and emerging markets. That is our spend classification, approximately I'm telling.

Tushar Manudhane - Analyst, Motilal Oswal
And for US, this is like any specific product where we think there is an opportunity for us, or these are for multiple products?

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
No, no, we have a program runs on multiple products at a time. Our team is developing, and as R&D, it is we are developing not the simple IR products. If you see, more than 50% of our products are delayed release, extended release products. So we primarily focus on the complex products. So that's why it takes time, and sometimes we have a good year where we have the good bioprocessing, and sometimes the year we don't get that much success. So we are working at a time on multiple products.

I think this could be more than 15-20 products at a time, and our outlook is that we should file 8 to 10 ANDAs every year. So yeah, there are multiple products for any geography, not only for US, for any geography. There is a number of products which are being developed at a time.

Tushar Manudhane - Analyst, Motilal Oswal
Got it. So just on the EBITDA margin guidance of 27% plus minus 1%, when we have done almost 29% for first half. So by back of the envelope calculation, it seems it's going to be like almost 26% for second half. Is that the way the trajectory of the margin would be for second half?

Arvind Agrawal - Chief Financial Officer, Ajanta Pharma Limited
Yes, that is what because as we mentioned, the MD also clarified about that. The US Business is going to be a little lower. Even the Institutional business is going to be a little down. So both of them getting normalized, I think EBITDA margins will be a little lower than when they first talked.

Tushar Manudhane - Analyst, Motilal Oswal
And lastly, for the India business, the cardiac therapy growth has been lower than the IPMs. If you could just highlight in terms of steps you're taking to that either in line or better than the IPMs.

Arvind Agrawal - Chief Financial Officer, Ajanta Pharma Limited
Actually our growth is in line with the IPM. As I have mentioned in the presentation also, there is some anomaly in the EQR [Phonetic] numbers which we are trying to sort out, but I think it is taking some time. Otherwise, our growth in cardiac is in line with the IPM

Rajesh Agrawal - Joint Managing Director, Ajanta Pharma Limited
We 're slightly better than the covered market. So, so internally we are not worried about it.

Tushar Manudhane - Analyst, Motilal Oswal
Got it.

Operator
Thank you. [Operator Instructions] Next question comes from the line of Rashmi Shetty with Daulat Capital. Please go ahead.

Rashmi Shetty - Analyst, Dolat Capital
Thanks for the opportunity and congratulations on good set of numbers. S ir, on the India part, in first half , we have seen growth of around 20%. Even IPM growth is pretty strong, around 12% to 13%, for first half. So what we want to understand, and generally what we are seeing, that the growth is broad-based only. So what has really changed from earlier where the growth was just 7% to 8%, and now it has more than 11%.

What has really changed in the IPM itself? And even for our Company, and whether this kind of growth is sustainable in next year also, if you can comment on this.

Rajesh Agrawal - Joint Managing Director, Ajanta Pharma Limited
Multiple factors. I think one of them is the penetration of the hospitals. That is taking place. The number of beds to patient ratio is improving naturally. Also, the fact that multiple government schemes are really helping to drive the prescriptions and the offtake thereby, so that's definitely helping. Insurance coverages, again, large government schemes as well as private insurance coverage is improving. So These are all broader factors which are aiding the growth.

Of course, this kind of growth was not forecasted until last year. Also, one of the things that's happening perhaps is the slight bit of slowdown in the growth of the generic, unbranded generic segment, which we saw taking off for the last two three years. Has kind of slowed down a little bit. So that's adding back to the RX distribution growth. These are the very broad factors that are aiding, you know. We hope that this trend continues. New product launches really as well.

Rashmi Shetty - Analyst, Dolat Capital
Okay. And for India business, for Ajanta Pharma, how do how should we see for the entire year this growth should we still maintain that 15% guidance, or you feel that probably in the second half also we'll be able to do better?

Rajesh Agrawal - Joint Managing Director, Ajanta Pharma Limited
Our guidance is mid-teens, we've always maintained that we should be able to grow 20% to 25% faster than the IPM growth and the growth, which is what we are doing. It would be marginally

better, but again, it's a bit early. Post Q3, we will have a better understanding of where we expect to land.

Rashmi Shetty - Analyst, Dolat Capital
Okay. And on the Africa branded generic business, we are seeing growth more than 30%. No, you know, for the second half our base is also pretty high. So what kind of normalized growth can we expect for the full year?

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
No, Africa, we are having a very good moment in our favor. The growth is the composite result of many things. A s you would know, we've been expanding our field size in Africa significantly over last two to three years, and now we are seeing those field size are blossoming and they are becoming more productive. We've also launched some good products, so that also is helping the growth. And of course, we are also taking the market share in our existing products. And I think there is also some help which we got from the currency fluctuation, which we have seen if you see the same-to-same comparable period.

But having said that, we have a good momentum, so we had given the guidance of high double digit for the Africa business, and we are hopeful that to continue the momentum going forward in the second quarter also.

Rashmi Shetty - Analyst, Dolat Capital
So you mean to say that similar kind of momentum in the second half also, despite the high base in H2 FY26?

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
More or less, could be slightly less, but it will be a robust growth.

Rashmi Shetty - Analyst, Dolat Capital
Understood. And sir, on the working capital cycle, you all mentioned that credit receivable days and inventory days have come down. At the end of the year of March '27 what should we expect? Because these days will be down only compared to March '26, or it would more or less come similar to the earlier levels?

Arvind Agrawal - Chief Financial Officer, Ajanta Pharma Limited
I think it will come to the similar level. I n receivables you may see some improvement, but in inventory we will go back to the March level because currently half year and quarter end, so some down, but I think year end, you expect the same like what last year we have closed.

Rashmi Shetty - Analyst, Dolat Capital
Understood. And just on the one clarification required for the forex loss, in the consolidated P&L, how much was the forex loss which is sitting in the other expenses? For this quarter?

Arvind Agrawal - Chief Financial Officer, Ajanta Pharma Limited
For the quarter there is no loss.

Rashmi Shetty - Analyst, Dolat Capital
Okay, for the H1?

Arvind Agrawal - Chief Financial Officer, Ajanta Pharma Limited
For the quarter there is no loss, only there is gain. But in the H1 there is a loss of INR26 crores.

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

Arvind Agrawal - Chief Financial Officer, Ajanta Pharma Limited
And there is also gain which is sitting in the other income.

Rashmi Shetty - Analyst, Dolat Capital
Other income, yes, that I'm aware. Yes, sir. Thank you.

Arvind Agrawal - Chief Financial Officer, Ajanta Pharma Limited
On FX, w e have got INR43 crores of profit in the first half.

Rashmi Shetty - Analyst, Dolat Capital
Okay.

Arvind Agrawal - Chief Financial Officer, Ajanta Pharma Limited
Thank you.

Rashmi Shetty - Analyst, Dolat Capital
Thank you

Operator
Thank you. [Operator Instructions] Next question comes from the line of Aman Kumar Singh with Intas Pharmaceuticals.

Aman Kumar Singh - Analyst, Intas Pharmaceuticals
Yes, good afternoon and congratulations for doing a very good result. I'll just like to know a little bit more about what we are doing to expand our Asia business. We have seen tremendous amount of growth in India business, in US Business, in Africa business, especially the institutional side of Africa business is trying. But what is our role? What how we are going to expand this Asia business? Because if other business moderates, so some of the areas needs to buck up so that we can have a better growth in the next coming quarters.

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
I think your question is very broad-based, so very difficult to give a very specific answer. But the there are two folds. I'll split it in two ways. The existing geographies where we are present -- the existing geographies where we are present, we have a very good product pipeline which is under registration in the various countries. We have number of good products under development in the R&D. So both as they come to the market, you see certain percentage of the growth is driven by the new product introduction.

We have a good product pipeline and that will continue to drive the growth. Or we are also continuously adding the manpower in the -- because we see there is a gap, there is a void, or as we launch more products, we need more people on the ground. So with that also, we are able to increase the growth momentum continues. Just to share with you, in the current first half itself, we have added more than 100 people in the emerging markets in the field. So we've increased our field size by about 5% for the first half, and we have given the guidance that we'll be increasing around

7% to 8% in the field size the whole year in the emerging markets.

So this is the one for the existing geographies. So we are on track. The challenges we faced last year and the first quarter was more of a logistics and supply chain, not really the demand or our ability to increase the business or get the market share. As those two challenges are behind us, we are confident that we should be able to post good results in the existing. And we are also actively looking at the new markets where we are not present in the Middle East,

There are certain markets where we are at a mid-stage. We are not at a very evolved stage. So those also, as they keep blossoming, they also continue to deliver the growth. So all in all, there is good engines or growth drivers which are there in Asia also, which have been put in to sustain, to give us sustained growth in the coming year as well.

Aman Kumar Singh - Analyst, Intas Pharmaceuticals
Thank you. It was a good answer. Another question I have is, while doing our India business, you said that one of the growth drivers which you are actually seeing is large increase in prescription from the Indian market, especially the government-aided schemes from the government hospital and even the new beds which are getting added in our country. There is also an issue related to recently a lot of drugs being coming under NPPA radar. So how that is going to affect our growth or our profit margin while doing business in India?

Rajesh Agrawal - Joint Managing Director, Ajanta Pharma Limited
No, some of these products that are under the NLEM are only in oncology segment, and since we do not operate in that segment, it has zero impact on whatsoever. So we continue to operate in normal circumstances.

Aman Kumar Singh - Analyst, Intas Pharmaceuticals
Okay, thank you. I think I got my question. Thank you so much.

Operator
Thank you. Next question comes from the line of Harshal Patil with Ask Wealth Advisors. Please go ahead.

Harshal Patil - Analyst, Ask Wealth Advisors
T hank you, sir, for the opportunity. I have just 2 questions, and these are more from an understanding perspective. So one is, I just wanted to know just continuing on to the earlier participant's point. So, while the oncology thing government is taken up, but we do have cardiology with us. So that also is something which the hospitals would administer. So let's just build a case wherein something like this comes in.

So Is there a case where we'll also be impacted? Maybe we'll have to share something with the channel, or maybe we'll have to revise some prices. Any thoughts, any color if you can provide on this, that will be helpful.

Rajesh Agrawal - Joint Managing Director, Ajanta Pharma Limited
No, until we have a specific product list from the government and the specific pricing, till that time it's not possible to do any working on this. So you would greatly appreciate, so otherwise it will become too theoretical and there will be multiple situations. So there is no immediate threat, broadly speaking in my view. So this is where we are.

Harshal Patil - Analyst, Ask Wealth Advisors
Okay. So that's helpful that you're not very worried. That helps. Second thing is sir, with respect to the in-licensing semaglutide thing we've done. So, I just wanted your thoughts on when do you think really we would be seeing the numbers in the revenues. And since we are more centered towards the Africa and the MENA regions, so what potentials would we see around? So any type of comments, maybe qualitative or something, would also be helpful, sir.

I know this is more from kind of long-term story, but I just wanted to understand it.

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
I think any sales should start coming in in the next year, which is '27-'28. A s you know, it takes a lot of time for product registration in various countries. On an average, the approval lead time around two years, and we've just started to file the dossier. So it will trickle in. And since arrangement is for the large number of countries, which includes small, medium, and large-sized countries, So it will start to trickle in. It will not be like a one product launch of a sizable in one country where you see the full-blown benefit in one, one go itself.

So it will have a trickle kind of impact. So I think we shouldn't factor in too much whatever growth guidances we keep giving every year. I think that will be including all this tie-ups and licensing tie-ups also, it will be -- that will be folded into the data which we are giving.

Harshal Patil - Analyst, Ask Wealth Advisors
Okay, so you're saying that whatever be the potential, it will be more so included as a part of the guidance as and when it's shared, is it?

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
Yes. So we will keep sharing every year. We share the guidance at the beginning of the year. Whenever we share the guidance, it will be encompassing this in-licensing also.

Harshal Patil - Analyst, Ask Wealth Advisors
Sure. So, the, the point that I'd be taking is it the lead time for approval is around two years and we've just about started filing. So just as a ballpark understanding, I can just have these points, right?

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
Absolutely. You're absolutely correct.

Harshal Patil - Analyst, Ask Wealth Advisors
Perfect. Thank you, sir. That's it from my side and all the best.

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
Thank you.

Operator
Thank you. Next question comes from the line of Yasser Lakdawala with M3 Investment. please go ahead.

Yasser Lakdawala - Analyst, M3 Investment
Hi. I'd probably appreciate if you could shed some commentary on our MR productivity on the India business. And just to build on the India business, when you talk about new launches, what are the

sort of portfolio gaps in our existing therapy areas that you feel you need to fill with these launches as well?

And secondly, any addition do you believe do you believe over the next three to five years we'll have to maybe diversify the therapy mix? So any comments on that will be helpful.

Rajesh Agrawal - Joint Managing Director, Ajanta Pharma Limited
On the productivity part, as I mentioned in the opening remarks, the first half productivity stands at INR4.5 lakhs as against INR3.7 lakhs for the entire financially allotted last year. So we have gained substantially in the per man per month productivity. So that is where we stand. What else would you like to know?

Yasser Lakdawala - Analyst, M3 Investment
On the existing sort of branded generic portfolio you have, where do you feel you need to with these new launches, where do you need to sort of fill in those portfolio gaps? In the existing therapies? And secondly, any therapies you'd like to sort of get into over the next three to five years that we believe.

Rajesh Agrawal - Joint Managing Director, Ajanta Pharma Limited
It's a continuous process within our Company to be on top and ahead of the competition in terms of identifying new product opportunities and keep launching them as and when we feel that a sizable market size and there is a gap area, then that's how we do it. So we have a rich product pipeline for the remaining year as well as going forward. To answer the last part of your question on the new therapeutic areas, again, we keep evaluating. Like last year, we entered into gynaecology, and which is gaining great momentum for us internally.

So in that sense, we keep identifying, looking for newer therapeutic areas. And as and when we have a great go-to-market strategy, we will enter those specialties.

Yasser Lakdawala - Analyst, M3 Investment
Sure. Thanks for that. And lastly, on our emerging markets branded generic business, what would be our acute chronic mix? And do you even track that? That'd be interesting to hear that.

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
We track that and I think it is quite healthy. We have a good acute-chronic ratio. I think I don't have the figures right now, but maybe our investor relations can get into it.

Yasser Lakdawala - Analyst, M3 Investment
Sure. Thanks a lot and wish your team a happy Diwali.

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
Thanks.

Operator
Thank you. [Operator Instructions] Next question comes from the line of Foram Parekh with BOB Capital Markets . Please go ahead.

Foram Parekh - Analyst, Bank of Baroda Capital Markets
Thank you for the opportunity. My first question is on the emerging markets of Africa and Asia. And so if you can give us some specifics, like you have said we have added 100 people in the emerging

market. So if you can give us the MR count separately for Asia and Africa and the productivity as well.

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
We don't share that granular details, so we just give the overall number. So emerging markets, last year we had 2,400 MR strength, and then we added around 100 people more, so we are at around 2500.

Foram Parekh - Analyst, Bank of Baroda Capital Markets
Okay. H ow should we think about it? Is it equally distributed between Asia and Africa, or some larger part goes into which geography?

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
As I said, we don't give out those details, so it will be difficult for me to comment on that.

Foram Parekh - Analyst, Bank of Baroda Capital Markets
Okay, if you can give us the productivity number.

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
Productivity in emerging markets stands at around INR8 lakhs and above. I think it is about INR48 lakhs plus

Foram Parekh - Analyst, Bank of Baroda Capital Markets
So my second question is on the India business. So, we did venture into newer therapies of nephrology, gynaecology, and all. So in that you mentioned about gynecology doing picking up well. So if you can give us some specifics, like how many doctors have we reached and how many MRs are being attributed towards the newer therapies?

Rajesh Agrawal - Joint Managing Director, Ajanta Pharma Limited
A gain, we are not giving division-wise or specialty-wise MR split. However, if you still would like to reach out to the investor relations teams, we'll be happy to share whatever best that we can. Broadly speaking, both the specialties are progressing well for us, which is what matters the most. This is like a three to five years progression that we are looking at. So it will have to continue to build for us.

Foram Parekh - Analyst, Bank of Baroda Capital Markets
Okay. And so my last question is on the US market. We have mentioned about five to seven filings to be done in the US. So if you can just help us if there are any Para 4 filings within these count.

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
I believe no. I think there is no P4 filing.

Foram Parekh - Analyst, Bank of Baroda Capital Markets
Sure. That's all from my side. Thank you.

Operator
Thank you. [Operator Instructions] Next question comes from the line of Yogesh Soni with Haitong Securities . Please go ahead.

Yogesh Soni - Analyst, Haitong Securities
Thanks for the opportunity, sir. My first question is on the US business. Given that you have said that

you might see some amount of competition coming in on the products and the run rate for US would likely be lower in the second half, which would impact margins. So does that imply that our US business profitability is now in line with the corporate level? If you could clarify on this.

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
We do not give out the geography-wise or business vertical-wise margins, but US remains to be healthy for the first half considering we had some products which are -- which was a limited competition. So I think we have constraint in what details we can share, so we don't give out those. We don't have, we don't give as a policy, we don't share those data for the territory-wise GCs.

Yogesh Soni - Analyst, Haitong Securities
But, we might have witnessed significant amount of improvement on the profitability front with regards to the US market. Is it so?

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
Yeah, absolutely. And that is what we've seen in the P&L also with the 49% growth which we have posted on the US. And that also shows it has flown down to the EBITDA PAT as well. We posted a very healthy PAT of 49% growth.

Yogesh Soni - Analyst, Haitong Securities
Okay. And so one more thing on the emerging markets, given the kind of investments that we have done in the last two years whether it is with regards to adding of the field force or entering new geographies or new product launches or new therapy areas. Do we see that over the next two to three years the kind of performance that we are looking to deliver in the emerging markets should be better than what we have previously done, at least in the last five years?

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
So if you see our last previous also, I mean, you leave out year-to-year variations and there are so many factors which go into the play. Like current last year it was purely a geopolitical issue. There was nothing related to Ajanta or pharmaceutical companies, and it impacted everyone. So our performance was largely driven by the external factors most of the times, not so much by the internal business. And in most geographies, if you see our Asia and Africa, I think last three years, if you see my average CAGR, I think we are doing around 13% to 15% of CAGR.

So, and we are optimistic that I think Ajanta story is not a quarter story. Ajanta story is not two quarter story. It is not one year story. It has to be seen in a three year horizon and plus. So we could have a quarter where the sales are slightly depressed, next quarter elevated, but if you see average over year-over-year, three year trajectory, we've been able to post good growth. So we remain optimistic. We feel that emerging markets We have all the growth drivers in place, so we should continue to post good growth.

Yogesh Soni - Analyst, Haitong Securities
Okay. Thank you, sir. That's it from my side.

Operator
Thank you. Next question comes from the line of Harshal Patil with Ask Wealth Advisors. Please go ahead.

Harshal Patil - Analyst, Ask Wealth Advisors
Thanks for the follow-up, sir. Just one thing wanted to understand. This is for the India business. We've got our four therapy lines which are kind of accounting for a major chunk of the growth in India. And recently the two new have been added. So as we've got -- we've guided for a mid-teens kind of growth in '27 and maybe is there any comment that you could give as to any specific therapy that would sustain a stronger growth or probably is susceptible to some weaknesses? Or something like that for FY27.

And going ahead over a larger period for '28 or something, should we assume on a covered market basis we'll be ahead of the IPM and something like that? If you can say.

Rajesh Agrawal - Joint Managing Director, Ajanta Pharma Limited
So I will restrict my comments to the current year. If you have already seen in the first half or maybe the MAT basis, we are growing much faster than the IPM growth rates in each specialty. So whether it was ophthalmology, even though Ajanta is the number one ranked Company in ophthalmology, including derma as well as pain, cardiovascular, we are almost on par or just marginally better. So we're doing well. And it is with gynaecology and nephro. However, the base remains very small, so the growth really is not worth talking about.

So next year I think we will come to that, maybe in Q4 when we look at the guidance for FY28. But so far, currently, we are okay. We will be able to maintain these growth rates.

Harshal Patil - Analyst, Ask Wealth Advisors
Okay, that's helpful, sir. Thank you.

Operator
Thank you. [Operator Instructions]Next question comes from the line of Foram Parekh with BOB Capital Markets. Please go ahead.

Foram Parekh - Analyst, Bank of Baroda Capital Markets
Thank you for the follow-up, sir. If you can just help us with the constant currency growth for the US market.

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
Constant currency growth is about 30% and high. I think it's in the range about 30%-35%. For the first half is about 35% odd. For the second quarter is, I think, about between 30%-35%.

Foram Parekh - Analyst, Bank of Baroda Capital Markets
Okay. If you can help us with the CC growth for Asia and Africa as well.

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
I think I don't have those figures right now with me, but you can consider about 4% to 5% is the currency -- currency exchange gain which we've seen in the entire export business, whether it is Asia, Africa, or US. It could be slightly higher also, I think about there.

Foram Parekh - Analyst, Bank of Baroda Capital Markets
Sure, that's helpful. That's it from my side.

Operator
Thank you, ladies and gentlemen. That was the last question for today. We have reached the end of

question and answer session. I now hand the conference over to Yogesh Agarwal for closing comments.

Yogesh Agrawal - Managing Director, Ajanta Pharma Limited
Thank you everyone for joining us today. In case you have any further questions that remain unanswered, please feel free to reach out to our investor relations team. Thank you.

Operator
[Operator Closing Remarks]