Management Discussion

Ashok Nair - Managing Director, RPG Life Sciences Limited
Ladies and gentlemen, Good day and welcome to RPG Live Sciences API Update conference call hosted by Daulat Capital Market Private Limited. This conference call may contain forward looking statements about the company which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantee of future performance and involve risk and uncertainties that are difficult to predict. As a reminder, all participant line will be in the listen only mode and there will be an opportunity for you to ask question after the presentation.

Conclude. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchdown phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Zain Gulam Hussain from Daulat Capital. Thank you. And over to you Zain.

Zain Gulam Hussain - Analyst, Dolat Capital
Thank you Dhanish. Good evening everyone. I, Jain Gulam Hussain, on behalf of Donald Capital welcome you all for the API business update of conference call of RBG Life Sciences. I would like to thank the management for giving us this opportunity to host the call today. For the management team we have Mr. Ashok Nair, Managing Director Mr. Amol known. I now hand over the conference to Mr. Ashok Naya for the opening remarks. Over to you sir.

Operator
So, good afternoon everyone. I'm Ashok Nairghar and with me I have my CFO Amol Lone and API CEO Mr. Deepak Shukla. So thank you for joining us. As always, it's my pleasure to be interacting with you all. Before I discuss our acquisition of Ragwa Life Sciences that we announced yesterday, I would like to briefly step back and take you through the strategic announcements we made on the 29th of July. And yesterday's transaction is a part of our same overall Strategy. So on the 29th of July we announced three important initiatives.

First, we transferred the API business of RPG Life Sciences into our subsidiary company RPG Active Pharma. We did this because we are seeing structural tailwinds in the form of global supply chain diversification towards China plus one strategy PLI make in India push and the global API industry is tilting towards supply chain diversification. Increasing regulatory expectations and growing demand for reliable manufacturing partners. So we believe India is exceptionally well positioned in this environment.

And RPG Life Sensors already has presence in niche high margin APIs. And we believe that the time is right for our API business to get dedicated management focus, dedicated resources and greater strategic flexibility to pursue growth opportunities as a strong growth engine for RPG Life Sciences. Our existing API business operates from our Navi Mumbai facility which was recently modernized with some capacity expansion as well, we are focused on niche high value low volume product supported by R and D and process development capabilities.

The subsidized AP business recorded external third party sales of approximately 95.1 crore in FY26. Apart from captive supplies to the foundation business, we have onboarded a dedicated CEO Deepak Shukla who comes with deep industry experience and are building a leadership team with complementary experience. Second, we partnered with Invasive, one of India's most experienced healthcare only focused private equity investors. This has brought access to deep sector expertise

and industry relationship on API which can be leveraged for growth.

More importantly, we are creating a buy and build led organization capable of pursuing value creation opportunities at a much faster pace. That's a combination of organic growth on top of our strategic acquisitions. So Inversent will hold 40% in the subsidiary that is RPG Active Pharma on a fully diluted basis. The first branch of the fund raised of approximately 243.33 crore will be utilized towards the purchase consideration payable for the two acquisitions announced now. RPG Life Sciences will retain balanced stake in RPG Active Pharma and the management control along with a consolation of the subsidiary in the books of account.

InvaSant is a pharma focused partner with more than 20 years of sector experience and about 40 investments demonstrating a strong track record of value creation. We expect the partnership to support product selection, M and D customer connection, cross selling opportunities and sharper execution. This partnership provides us the financial capacity and sector partnership required to accelerate value creation and de risk the overall journey. Third, we announced the acquisition of Actis Generics. Actis brings a highly capable intermediates and API manufacturing unit, backward integration prospects, a growing product portfolio and a strong customer relationship.

It was the first building block in creating a larger consolidated API organization. The acquisition consideration is approximately 80 crores including net working capital under the share purchase agreement dated 29 July 2026. Strategically, Actis adds a fully backward integrated platform for APIs and complex intermediates from Izaac. Its facility operates close to full capacity with scope for expansion at the site. It brings technically demanding multi step manufacturing processes, a competitive cost position in key molecules and an antidiabetic and a cardiovascular portfolio supported by long standing customer relationships.

The significance of ACTIS is that it strengthens the chemistry and intermediate side of the company. Now I'll focus a bit on the latest acquisition of the API and the intermediate business of Raghava Life Sciences which is in line with the strategy I narrated. What excites us about Ragwa is that we get access to an asset with Significant strengths in place, A modern state of the art facility spread over approximately 9 acres close to Hyderabad, around 300 kg of installed capacity. WHO GMP and EU GMP approvals, dedicated R and D infrastructure, a portfolio of 29 molecules with 22 commercialized APs and seven at development stage and some established marquee customer relationship.

The largest manufacturing block is fairly new and has been built over the past three years. The product portfolio regulatory credentials including CEP and kdmf. The acquisition is structured through a business transfer agreement via Slumstay. RPG Active Pharma will acquire the factory product portfolio and customer relationship of the API and Intermediate business for a consideration of up to 135 crores including net working capital subject to customary adjustments and closing conditions. To clarify, we are acquiring only the API and intermediate undertaking and not the CRAMPS operation that the company used to operate.

In this we get a business launch point where strong foundations have already been laid to invest in manufacturing R and D led product development and regulatory approvals but where the full utilization is yet to be realized. So this would always take two to three years to replicate for us and the revenue potential at RAGWA with fuller utilization level is approximately 200 crores. The levers that we would like to look to implement to unlock this value include strengthening business development, increase utilization, expand into higher value markets, especially EU focused and optimize product costs while creating better operating leverage across the organization.

Further, AKTIS is highly complementary to Ragwa where we see opportunities to use ACTIS intermediates, improve cost competitiveness and support faster scale up of selected APIs. We believe that by combining Ragwa's product and capacity with AKPI's backward integration possibilities, RPG's existing API business systems, processes and governance framework along with our PE partner sector expertise, we can unlock substantially more value than either asset could achieve independently. So this is where the real value creation story lies.

We are building a larger, stronger and a more competitive API organization with wider capabilities, deeper customer relationship and greater participation in the growing global API opportunity. To sum up, RPG Active Pharma now has a requisite building blocks required for fast paced future growth products and manufacturing capacities, R and D customers, capital and talent supported by a strategic sector partner. It's worth taking in note that what we have been able to create in short period of time through this consolidation plan.

Just a few months ago the API business operated with approximately 110 kg of manufacturing capacity from a single site. With the addition of actis and Ragwa, RPG Active Pharma now has approximately 505 kg of installed capacity representing more than a fourfold increase in manufacturing scale without requiring major additional capex. Now our employee strength has increased from about 217 people to over 500 professionals now being led by a dedicated CEO whom I spoke about with deep industry experience.

Our R and D scientist team has expanded from 28 to 53. We expanded from 14 products across six therapies to 45 plus products across 13 therapies and from 123 customers to over 250 customers and from 12 pipeline molecules to 28 molecules now. So we have transformed a standalone API business into a significant larger multi size backward integrated organization with further committed capital available for organic and inorganic growth. Every acquisition we look at for API will be with the lens of being a building block in one integrated company focus on deep capabilities, capacity, chemistry, product portfolio approvals and customers.

We will also look to incorporate US FDA approvals and therefore access to the US markets as part of the larger strategy. So our immediate priority is closing and discipline integration. Towards integration we are running a very disciplined pmo meticulously focusing on all work streams. We are also supported by a top consulting firm for integration. This is a very strong post acquisition execution rigor. We are targeting superlative 25% plus growth CAGR in the API business through organic and inorganic interventions sustaining over the next five years.

The API margins are targeted to be in the overall range of our existing API and company level margin margins. Consolidated financials are unaffected by the transfer. Our focus remains on APIs that are niche, multi step, complex chemistry, low price erosion. Therefore we expect value creation in terms of valuation multiples being on higher side of the spectrum as against commodity contracts and our acquisitions are and will remain at prudent valuation with organic sales growth and margin improvement.

There is a large upside for multiple expansions. So overall we believe that the structure and endeavor are value accretive for rpgls as a whole. More importantly, I want to share a broader perspective on our overall RPG life Sciences company. I'm sure you must be aware of our recently announced quarterly results for quarter one FY27 where we saw how our DF business which contributes to 70% of our revenue has again delivered market beating growth consistently. Over the last five quarters we have grown 1.3 to 1.8 times than the market helping us to enter the top 50 pharma company list last quarter by advancing 12 IPM ranks from rank 62 in March 25 to rank 15

June 26 and as per Match Pharma Prime June 2026 data test this has now made us the fifth fastest growing pharma company in India in the last quarter.

So a strong API business is complementary to the formulation business and will make it even stronger. The API carve out increases management bandwidth for the formulation engine as RPGAP as a separate dedicated management team. Therefore focus depends on both verticals and we expect better overall performance output. Thank you very much and we are now happy to take your questions.

Questions & Answers

Ashok Nair - Managing Director, RPG Life Sciences Limited
Thank you so much sir. Ladies and gentlemen, we will now begin with the question and answer session. Anyone who wishes to ask a question may press star n1 on their touch tone telephone. If you wish to remove yourself from the question queue, you may press Star and two participants are request to use handsets while asking a question. Ladies and gentlemen, we'll wait for a moment while the question QSM A first question comes from the line of Mohammed Patel with adult voices Public alternatives. Please go ahead.

Yes, we can hear you. Please go ahead.

Mohammed Patel - Analyst, Edelweiss Public Alternatives
Yeah, so I wanted to know what is the approximate headline numbers for RPG Active Pharma which failing 12 months or FY27. What should be the sales EBITDA PAT on PNL side and some balance sheet items like networks, fixed assets, working capital after the announced transaction.

Amol Lone - Chief Financial Officer, RPG Life Sciences Limited
So the guidance numbers. So we are overall we are aggressive enough. We are not publishing the numbers as a separate API business as of now but so the guidance is like on a sustained basis we are enduring 20% plus Kazar in next three, four years.

Mohammed Patel - Analyst, Edelweiss Public Alternatives
Okay, so I also wanted to know the revenue and EBITDA potential for the API business which is now I'm breaking it into three parts. So the current API external sales which is 96 crore act is 48 crore Raghava 19 crore. So in the medium term, in the next three to four years, how should I look at all the three pieces growing and what will be the key growth drivers of each of them?

Amol Lone - Chief Financial Officer, RPG Life Sciences Limited
So the key drivers will be the molecules that they have and then we will have a synergy between all the three companies and then integration from the production side from the top line perspective. As I mentioned the standalone that number we have for 90 crore which is for our company. So all together 20% at CAGR that we are enduring for four to five years as a kazar for the consolidated AP business.

Mohammed Patel - Analyst, Edelweiss Public Alternatives
Okay. And you have mentioned long term aspiration of 1,000 crore in the API business. So broadly how, how many years should we take, you know to reach that 1,000 crore and what should be the sales mix at that time and how, you know how will be the bridge from the current sales to 1000.

Amol Lone - Chief Financial Officer, RPG Life Sciences Limited
So see like we mentioned in the earlier meets as well. So there are organics and inorganics, both the initiatives. This is the second initiative which is inorganic. So the collective initiatives will drive us in five to six years to the 1000 crore landmark. As of now the standalone and plus adding to these two acquisitions we will be at almost half to the half to the the benchmarking that we are having as of now.

Operator - Managing Director
So just to add to amol, if you see we have historically delivered consistent growth and believe that the path to 1000 crore will come from multiple levers rather than any single initiative. So our domestic formulation continues to grow ahead of the market While international formulation APIs and new product launches provide additional growth drivers. Now the API business is becoming an increasing important growing platform. And as I said, we have created an RPG active pharma. So that should actually take us going forward.

The bridge will come from market meeting growth for in domestic formulation, scaling the API platform and expansion to new international markets and more importantly the new product introductions and discipline in organic growth opportunities will create a long term shareholder value.

Mohammed Patel - Analyst, Edelweiss Public Alternatives
Okay, and in terms of the 700 crore investments that we'll be making in the EPI business, what will the split between RPG and investor and what will be the time frame? Approx.

Amol Lone - Chief Financial Officer, RPG Life Sciences Limited
Sorry, come again. The question is

Mohammed Patel - Analyst, Edelweiss Public Alternatives
so we are going to invest 700 crore for the API business. how much, how will be the split? What will be the split between RPG and the investor and in what time frame? We will deploy the 700 crore

Amol Lone - Chief Financial Officer, RPG Life Sciences Limited
from the time frame perspective. As you said, we are looking at the assets and it gets converted into the. And of course the outfit that we have is another 12 to 15 months. We will be trying to see all the completion of all the acquisitions that we are endeavoring and about the investment. So the investment is a total commitment as of now. But as we see if the opportunities are there, considering the shareholding pattern, both the parties will keep on investing.

Operator - Managing Director
So basically this is a strategic partnership aimed at building a meaningful API organization rather than delivering short term outcomes. So both partners are aligned around long term growth and opportunities and the capital deployment plans. So.

Mohammed Patel - Analyst, Edelweiss Public Alternatives
Okay, I have further questions. I'll join the queue.

Operator - Managing Director
Thank

Ashok Nair - Managing Director, RPG Life Sciences Limited
you. Our next question comes from the line of Shubh Mehta with ICHA Securities. Please go ahead.

Shubh Mehta - Analyst, ICICI Securities
Hello. Am I audible? Thank you for the opportunity, sir. First one if you can help me sir, what is the TAM of 22 products which we have under the Raghava and which is which are commercialized and if you can name or quantify top five or top three products over there.

Operator - Managing Director
So as we said 18 products are commercialized. The time of products is in billions. As you see they are high growth markets. If you want the top five which we use, one is of course Sita, Gliptin, Vildagliptin. Then we have River, Oxiban, Apexiban, Lacosmide, Apaglopazin, Empa. So there are many like this. So I'm just. You wanted the top five or six or these are some of them and even some. Yeah.

Shubh Mehta - Analyst, ICICI Securities
And how do we plan to scale up? So also do we see some capital opportunity over here from Raghua to use it for capital utilization?

Operator - Managing Director
Yeah, of course we do. See there's a lot of synergy between Actis Ragwa and our Navi Mumbai plant. And there are plans to see what more synergy can be used and how we can use those API things for our own capital production. So over time we expect the synergies to drive higher growth, better margins and stronger returns on capital deployment. And we have identified opportunities across backward integration, manufacturing optimization, capacity utilization and customer expansion which can improve competitiveness across multiple tracks.

Nishita Shanklesha - Analyst, Sapphire Capital
And the other thing is also see the two businesses are highly complemented.

Operator - Managing Director
Actis brings strong intermediate and process chemistry capabilities while Raghava adds scale, capacity, product breadth and regulatory approvals. So I think this too fits into our whole scheme of things and our strategy and plan.

Shubh Mehta - Analyst, ICICI Securities
All right sir, second one on the balance sheet what is the cash position? If you can help us understand in the balance sheet at this point in time because we have invested 80 odd cross in Actis and 135 odd cross over here in Ragwa. And then we had some rights issue also. So,

Amol Lone - Chief Financial Officer, RPG Life Sciences Limited
so in the earlier, earlier announcement and now also the amount which is coming from P is fully getting invested into these both the acquisitions.

Shubh Mehta - Analyst, ICICI Securities
So current current cash position in the balance sheet would be round. Sir.

Amol Lone - Chief Financial Officer, RPG Life Sciences Limited
No, this means. So it will be just sufficient for the working capital management of the. Of the AP

business. We are talking about only the RPG ap right? API business. No,

Shubh Mehta - Analyst, ICICI Securities
no, no. I'm talking about the console. Console entity

Amol Lone - Chief Financial Officer, RPG Life Sciences Limited
level will be 200 plus.

Shubh Mehta - Analyst, ICICI Securities
200 plus also sir, on the strategic fund. Fund strategic front initially when invasion invested the amount the valuation was around 600 odd cross which. Which for 40% stake of. For 243 odd crores. And the same rights issue which we did. I believe it was considerably at around valuation of 210 crores. Can you help us? Can you double click over there what was the strategy or how do we. How should we look over it. So is there some kind of arrangement which we have with invascent?

Amol Lone - Chief Financial Officer, RPG Life Sciences Limited
No. So that the valuation the right issue is only for the subsidiarization. And there is nothing this not connected. The both the activities are completely different. The subsidization is happened and then the investor has come with the input. I mean their infusion of the money. And then we will be doing the acquisition. So that is how we acquired these two companies with the support of the investors.

Shubh Mehta - Analyst, ICICI Securities
I have a few more questions. I will round back the queue.

Amol Lone - Chief Financial Officer, RPG Life Sciences Limited
Sure.

Ashok Nair - Managing Director, RPG Life Sciences Limited
Thank you. My next question comes from the line of Nishita with Sapphire Capital. Please go ahead.

Nishita Shanklesha - Analyst, Sapphire Capital
Hello. Hello.

Amol Lone - Chief Financial Officer, RPG Life Sciences Limited
Yes, please.

Ashok Nair - Managing Director, RPG Life Sciences Limited
Yes, we can hear you. Please go ahead.

Nishita Shanklesha - Analyst, Sapphire Capital
Yeah, so I just wanted to understand. You mentioned that we Plan to invest 700 crores in our API business. So what is the 700 crore for? Is it just for the acquisition or. Or are we also adding some capacity?

Operator - Managing Director
So, so basically the 700 crores is for looking for acquisition. There'll be some part of it which will be used for capacity building and improving our R and D capabilities.

Nishita Shanklesha - Analyst, Sapphire Capital
Okay. And so in the next 12 to 15 months we'll utilize the 700 crores for the acquisitions.

Operator - Managing Director
That's right. As you mentioned,

Nishita Shanklesha - Analyst, Sapphire Capital
that will.

Operator - Managing Director
Yeah, that's exactly our endeavor. We would like to deploy the funds within the next 12 months.

Nemil Shah - Analyst, EPFAS Asset Management
Okay. Okay. And the acquisitions that they are looking for, are they in the like same category as actors and Raghava? Or like are we looking for some forward integration in our API?

Operator - Managing Director
So we have been very clear that our play has to be niche molecules. Our play has to be in molecules which is difficult to make and where you need multiple step synthesis and multiple step development. So our looking for such acquisitions will be towards the same side and our focus will remain. Of course, we already have strong franchises in therapies such as Nephrology, remotely in other chronic segments. So giving us a relevant commercial base where select API capabilities can potentially also be leveraged further.

And our focus remains on creating value across the entire chain for product selection, R and D manufacturing and commercialization. But at the same time we would like to be disciplined as far as the capital allocation is concerned.

Nemil Shah - Analyst, EPFAS Asset Management
Okay. Okay, understood. And my next question is that. So what are our margins? EBITDA margins in the current API business without the acquisition.

Amol Lone - Chief Financial Officer, RPG Life Sciences Limited
So that we restrained disclosing the margins of the API. But it is, it is in the mid-20s and with the acquisitions it will be at a similar line.

Nemil Shah - Analyst, EPFAS Asset Management
Okay, okay, understood. And my next question was. So you mentioned that our API business will have A growth favor of 20% for at least next three, four years. How do we see our formulation business going? What can be the growth cake at there?

Operator - Managing Director
So in fact if you see our 70% of business is our domestic formulation. Another 14% is the international formulation. And as we early in my talk also I mentioned that we almost growing 1.8 times in the market and we are the fifth fastest growing the domestic. The very reason for us to have a separate focus for apartment with a separate team is also to have an increased focus in our strength area of formulations. So formulation we have been always growing it for the last three, four years we have been growing at 12%.

This year we have grown by 16%. So our aim is always been how do we grow 1.5 times more than market. And that is something which is we dedicated.

Nemil Shah - Analyst, EPFAS Asset Management
Okay, okay. That is it from

Operator - Managing Director
and just thank you. Growth will be around 25% over the next three, four, five years.

Ashok Nair - Managing Director, RPG Life Sciences Limited
Thank you so much sir. Our next question comes from the line of Mohammed Patel with LL vs Public Alternative. As a follow up question, please go ahead

Mohammed Patel - Analyst, Edelweiss Public Alternatives
sir. Why at this revenue went down from 70 crore to 48 crores

Ashok Nair - Managing Director, RPG Life Sciences Limited
active revenue. Deepak, would you like to.

Unidentified Speaker
Yeah. Hi. Hi Deepak here. So what we saw then actors, there was a price erosion which took place in one of their key intermediates and later on they have been able to replace it with some other intermediate with higher margin. And that's where this happened. But we see that the next intermediate now which is coming up that's doing very well and we see a brighter future for that.

Mohammed Patel - Analyst, Edelweiss Public Alternatives
Okay. And We've mentioned that 48 crore is at full capacity. So we need to add capacity in.

Ashok Nair - Managing Director, RPG Life Sciences Limited
So Robert rightly observed. So that's the reason that you know we acquired other assets also. And as Ashok just mentioned that there will be part of this capex which will go into some capacity dewater lacking as well. So I mean that's the advantage we are going to bring to the overall company that where we have huge demand but less capacity. So we'll utilize the capacity available in the our companies in other places like Rahava. And that's where we will ramp up the revenue also and ramp up the capacity.

Operator - Managing Director
So just to add to Deepak, the decline in active was not due to any structural issue with the business. In fact the product portfolio or the manufacturing asset. The company continued to maintain strong customer relationship, technical capabilities and highly utilized facility. Our assessment actually indicated that the business had limited access to growth capital and a broader commercialization engine which constrained its Ability to fully capitalize on the operational available in the market. So we believe this underlying asset remains strong.

And by bringing additional capital, business development capabilities and a larger product ecosystem we can unlock significantly higher growth going forward. So more importantly, the market expansion and growing into high margin European market will also help synergy across customers and products will help improve revenue for standalone ECDIs. And now we have Ragma capacity. So as you said ACT is maybe a hundred percent distinct. Now we would like to put together the whole RPG AP and look into one synergy and how we can actually start sharing the other capacities to make one larger play.

Mohammed Patel - Analyst, Edelweiss Public Alternatives
Okay. Which means that practice revenues could stay at this number for maybe a year or so.

Operator - Managing Director
You can actually increase. Right. Ultimately this is going to become one.

Mohammed Patel - Analyst, Edelweiss Public Alternatives
Okay. Okay. Okay. My next question is. So by which quarter can we expect the RPG Active Pharma 40% shareholding to reflect in the consolidated financials in the minority intersection?

Amol Lone - Chief Financial Officer, RPG Life Sciences Limited
This is from this quarter it will be sales.

Mohammed Patel - Analyst, Edelweiss Public Alternatives
Okay. And so what is the annual captive sales number by RPG active pharma to RPG license?

Amol Lone - Chief Financial Officer, RPG Life Sciences Limited
Last year it was around 15 crores and it will be in the similar range.

Mohammed Patel - Analyst, Edelweiss Public Alternatives
Okay. Okay. And one last question. So Ragava Life Sciences should be majorly the API or again there is an API intermediate split there.

Operator - Managing Director
So the major is API. There's a small, small percentage play of intermediates.

Mohammed Patel - Analyst, Edelweiss Public Alternatives
Thank you sir. All the best.

Operator - Managing Director
Thank you.

Ashok Nair - Managing Director, RPG Life Sciences Limited
Thank you. Our next question comes from the line of Namil Shah with PPFAS Asset management. Please go ahead.

Kalash Jan - Analyst, Accurate Advisors
Yeah. Thanks for the opportunity sir. I wanted to get a sense that Raghava having this niche and complex molecular portfolio, what would be the regions they serve to? So are they also domestic focused or more export oriented?

Operator - Managing Director
So I think Deepak can answer that but he can elaborate it majorly. Rangwa currently is in domestic around 15 to 20% is what it is having the international operation. But with our synergy and with our customer, with our cross sells we see that we should be able to actually take all these molecules to those places. So it is not just about plants. Their approvals are strong and their products are also strong. So we believe that with our customer know how and our customer connect, we should be actually cross selling this and we'll be in a better place.

Kalash Jan - Analyst, Accurate Advisors
Got it sir. And secondly again this 700 crore capex that we have we are planning in the next 12 to 15 months across the acquisitions and capacity expansion. So again from RPG Life Science as in formulation business they will also have to make some commitment being the parent entity. So does that kind of Hinder the growth for our formulation business. Considering that we are life cycle management plans going out there the even the portfolios performing well. So then is there any cost that the formulation business would be bearing?

Amol Lone - Chief Financial Officer, RPG Life Sciences Limited
So just one clarity. This 700 crore what commitment that we have the existing acquisitions are part of it. So we are already now committed 240odd crore for the existing acquisition which is coming out of that 700 crores. So the balance amount as well as if we see any larger assets as well. All the future commitments will be coming in the like I mentioned in the ratios that shall shareholding and we are endeavored to spend it by in 12 or 18 months altogether. To answer your question on formulation, there's a complete different focus on formulation business separately and API business separately.

So the management is looking both the companies as an individual company in terms of growth strategies and all synergies.

Operator - Managing Director
Just to tell you in formulation business since you are there, we have just made. We have started a new business in the space of cardiology and urology a new division. We have actually made more segmented into super specialty businesses. We have brought new talent who are now heading this business and we in fact strengthened our whole marketing the digital team in the business domestic continues and in fact has an increased focus since now API has got a dedicated for focus. In fact we strongly believe that domestic formulation should further grow from what we are doing today.

Kalash Jan - Analyst, Accurate Advisors
Got it. So that explains well. And just to get a sense on the board composition of the new subsidiary entity. So would we have someone on board from the PE form as well as some maybe from Raghava or will it again be led by Mr. Deepak and the management from RPG Lifelines.

Operator - Managing Director
So as a long term strategic partnership investment will have representation on the RPG board and will contribute to governance sector expertise and strategic guidance. And the Ragwa and actors will not have any role.

Kalash Jan - Analyst, Accurate Advisors
Thank you very much. I'll join by for you. Thank you.

Ashok Nair - Managing Director, RPG Life Sciences Limited
Thank you Ladies and gentlemen. Anyone who wishes to ask a question, press start and one Our next question comes from the line of Kalash Jain with accurate advisors. Please go ahead.

Unidentified Participant - Analyst
Yeah, thank you for the opportunity. So just wanted to know if you will be making some additional investments to you know just bring in the efficiencies and ramp up the utilization at Raghavan Life Sciences.

Amol Lone - Chief Financial Officer, RPG Life Sciences Limited
Not major like we mentioned this certain small things will be required but nothing major getting added towards the capacity because as of now it is sufficient enough for our entire growth plan for the entire API portfolio.

Operator - Managing Director
Just to add to amo the facility has already seen significant investment in recent years. And it comes with modern infrastructure, regulatory approval and substantial instant capacity. So immediate focus is not large cappers, but improving utilization, strengthening commercialization, optimizing the product mix, and driving operational efficiencies. So we believe there's a meaningful headroom for growth within the existing asset base itself, which is one of the key reasons the acquisition is attractive.

Unidentified Participant - Analyst
And so by what time or what timeline you expect to, you know, reach the kind, the 200 crores kind of revenue numbers. Hello?

Amol Lone - Chief Financial Officer, RPG Life Sciences Limited
Yeah, yeah. So seeing at the. The overall strategy we have, we can't give you the guidance, but approximately in another two years, we see that we crossing that mark.

Unidentified Participant - Analyst
Okay. And any color on margins at, you know, at this point. And what kind of margins are we expecting going ahead?

Amol Lone - Chief Financial Officer, RPG Life Sciences Limited
Yeah, so like mentioned, sometime back it will be mid 20s. However, there'll be a pressure in the initial period as we acquired it just now, and on a sustainable basis we'll be at our back to our mid-20s.

Unidentified Participant - Analyst
So currently it would be running at around 15% levels.

Amol Lone - Chief Financial Officer, RPG Life Sciences Limited
That guideline, Sorry, we can't give.

Unidentified Participant - Analyst
Okay, sure. Thank you so much.

Amol Lone - Chief Financial Officer, RPG Life Sciences Limited
Thank you.

Ashok Nair - Managing Director, RPG Life Sciences Limited
Thank you. Ladies and gentlemen, anyone who wishes to ask a question may press star N1. Reminder to all the participants, if you wish to ask a question, may press star N1. As there are no further question from the participant, I would like to hand the conference over to the management for the closing remarks. Thank you. And over to you, team.

Operator - Managing Director
Thank you very much for insightful sessions and questioning. I hope we were able to give the responses as expected. So thanks a lot once again and looking forward to see you again soon. Thank you so much. Thank you.

Kalash Jan - Analyst, Accurate Advisors
Thank you.

Ashok Nair - Managing Director, RPG Life Sciences Limited
Thank you, sir. Ladies and gentlemen, on behalf of Dollar Capital, that concludes today's call. Thank you for joining us and you may now disconnect your lines. Thank you.