

**February 9, 2026**

**BSE Limited**  
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Dalal Street,  
Mumbai – 400 001

**National Stock Exchange of India Limited**  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 051

**Scrip Code: 543904**

**Symbol: MANKIND**

Dear Sir/ Madam,

**Subject: Investor Conference Call for Q3 & 9M FY26 – Transcript**

**Ref.: Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)**

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Pursuant to Regulation 30 of SEBI Listing Regulations, please find enclosed the transcript of the Investor Conference Call for Q3 & 9M FY26 held on Tuesday, February 3, 2026 at 06:00 P.M. (IST).

The transcript is also available on the website of the Company at <https://www.mankindpharma.com/wp-content/uploads/2026/02/Q3FY26-Earnings-Call-Transcript.pdf>

You are requested to kindly take the same on records.

Thanking You,

Yours Faithfully,

For **Mankind Pharma Limited**

**Hitesh Kumar Jain**  
Company Secretary &  
Compliance Officer

Encl.: A/a



“Mankind Pharma Limited  
Q3 and 9 Month FY'26 Results Conference Call”  
February 03, 2026



**MANAGEMENT: MR. RAJEEV JUNEJA – VICE CHAIRMAN AND  
MANAGING DIRECTOR  
MR. SHEETAL ARORA – CHIEF EXECUTIVE OFFICER  
AND WHOLE-TIME DIRECTOR  
MR. SUDIPTA ROY – SENIOR PRESIDENT, SALES AND  
MARKETING  
MR. ARJUN JUNEJA – CHIEF OPERATING OFFICER  
MR. ASHUTOSH DHAWAN – GLOBAL CHIEF FINANCIAL  
OFFICER  
MR. PRAKASH AGARWAL – PRESIDENT STRATEGY  
MR. ABHISHEK AGARWAL – HEAD IR AND AVP -  
STRATEGY**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Mankind Pharma Q3 and 9 Month '26 Results Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Abhishek Agarwal, Head Investor Relations, and AVP Strategy at Mankind Pharma. Thank you, and over to you, sir.

**Abhishek Agarwal:** Thanks, Dorwin. Good evening, everyone, and welcome to our third quarter and 9 months '26 Earnings Call. On the call today, we have Mr. Rajeev Juneja, our Vice Chairman and Managing Director; Mr. Sheetal Arora, Chief Executive Officer and Whole-time Director; Mr. Arjun Juneja, Chief Operating Officer; Mr. Sudipta Roy, Senior President, Sales and Marketing; Mr. Ashutosh Dhawan, Global Chief Financial Officer; and Mr. Prakash Agarwal, President, Strategy.

We will begin with Rajeev Juneja's providing quarterly overview followed by business insights shared by Mr. Sheetal Arora. Mr. Ashutosh Dhawan will then share the detailed financial performance. And after which, we will move to the Q&A.

Please note that this call may include forward-looking statements that represent management's current expectations. These are subject to risks and uncertainties, and actual results to differ materially. Mankind has no obligation to update or revise these statements going forward. For a detailed disclaimer, please refer to our investor presentation uploaded on our website.

Now I hand it over to Rajeev sir for his comments. Over to you, Rajeev, sir.

**Rajeev Juneja:** Yes. Thank you, Abhishek, and a very good evening to all. Welcome to quarter 3, 9 months '26 Earnings Call. In quarter 3, our overall revenue increased by 11.5% year-on-year to INR3,567 crores with the adjusted EBITDA margin of 25.9%.

In 9 months, FY'26 revenue increased by 18.7% year-on-year to INR10,835 crores with adjusted EBITDA margin of 24.9%. The past few months have been pivotal for the company as the disruptive changes undertaken have led to meaningful improvement in our workforce stability and teams gradually gaining maturity and confidence.

Simultaneously, we sharpened our focus on optimizing brand portfolio, reinforcing our presence in core markets with an improved emphasis on key therapies and expanding our corporate hospitals penetration. These actions are now translating into trends of gradual recovery.

In quarter 3, our Domestic business recorded a year-on-year growth of 11.1%, supported by improving volume growth in Mankind's Domestic pharma business, continued strong momentum in the chronic performance and strong growth from BSV domestic portfolio.

Mankind's overall PCPM has also improved to INR7.2 lakhs as on December 31, '25 from INR6.5 lakh as of March 31, 2025 on a trailing 12-month basis.

Further, our secondary sales during the quarter grew by 8.5% year-on-year. We continue to do well in our focus area of chronic therapies as we witnessed strong growth of 16.7% in cardio and 14.4% in antidiabetes in quarter 3.

In 9 months financial year '26, our chronic contribution increased by 200 bps year-on-year to 36.7% versus 34.7% last year, primary led by continued outperformance of 1.2x vs IPM ex GLP-1. We outperformed IPM by 1.2x in cardio and 2.2x in antidiabetic ex GLP-1.

While acute segments remained softer in quarter 3, we expect gradual recovery from coming quarters, driven by strategic initiatives undertaken in the last few quarters. Our focus on building scale and maximizing reach translated into strong brand performance during MAT December '25.

One of the chronic brand, Glizid, which we acquired from Panacea in 2022 is now an INR200 crores-plus brand family, growing at a CAGR of 30%+. In total, 4 brand families crossed an important revenue milestone as the count of INR200-plus crores brands increased from 11 in financial year '25 to 13 and INR50 crores brands have also increased from 49 in '25 to 51 in MAT December '25.

In parallel, our digital transformation initiatives are shaping a new age organization driven by enhancing agility and efficiency. These efforts, combined with improving trends across the businesses, strengthen our position to deliver sustainable long-term growth.

I now invite Sheetal to provide more details on our business performance.

**Sheetal Arora:**

Good evening, everyone, and thank you for joining us today. It's a pleasure to welcome you to our quarter 3 and 9 months financial year '26 earnings call. Let me begin with an update on our domestic business, which continues to show steady and healthy momentum.

In quarter 3 financial year '26, our domestic revenue grew 11.1% year-on-year to INR3,046 crores, supported by strong organic growth of 9.1%, excluding OTC. For the first 9 months of financial year '26, Domestic revenues increased 14.8% to INR9,331 crores, with an organic growth of 8.2%, excluding OTC.

I am particularly encouraged by the strong traction in our new launches during this quarter. Our inhaler portfolio, including Symbicort and Combihale continue to grow at 30%, delivering 1.3 times the growth of the IPM.

In gastro, Vonalong recorded an impressive 86% year-on-year growth significantly outperforming the IPM growth of 54% and achieved the Number 1 rank in 9-month financial year '26. In cardio, Crenzlo has emerged as the Number 1 brand in the branded generics category with strong 92% year-on-year growth.

During the year so far, we have introduced niche chronic therapies, including AdvaUD for chronic liver disorders, HER2-P, a pertuzumab-based biosimilar and 2 products in Neuro/CNS segment, AGPTOY and Cereira. All these brands are seeing encouraging early traction.

Moving to our OTC business, performance improved sequentially during the quarter. OTC revenue grew 5.2% year-on-year in quarter 3 compared to the decline in quarter 2. For 9 months financial year '26, OTC revenues increased 5.6% despite some softness in the general trade channel, which we expect to improve in the coming quarters.

Our key OTC brands continue to perform well at the consumer level. Secondary sales of Gas-O-Fast, Manforce and Ova News grew 33%, 8% and 36%, respectively, during quarter 3. Modern trade and e-commerce channels registered over 40% growth, increasing their contribution to 13% of OTC sales, up from 10% last year.

Coming to our international business, Export revenues grew 14% year-on-year to INR521 crores in quarter 3 this year. For 9 months financial year '26, exports increased 51% to INR1,503 crores. As part of our ongoing commitment to global quality standards our Udaipur facility has received EU GMP certification, further strengthening our international capabilities.

Turning to the BSV business. The portfolio delivered double-digit growth in quarter 3, driven by strong performance across both domestic specialty and exports. The restructured prescription portfolio which transitioned to Mankind effective 1st of November 2025 has performed really well. And for the 9-month financial year '26, the BSV prescription business has already surpassed financial year '25 sales. As we move forward, our focus remains firmly on disciplined execution and sustainable growth.

The corrective actions we have taken are strengthening our foundation, and we expect their impact to become increasingly visible in the coming quarters over the next few years. With clear strategic priorities and the strong portfolio, we remain confident in our ability to create long-term value for our investors.

With that, I will now hand over to Ashutosh ji, who will take you through the financial performance in detail. Thank you so much.

**Ashutosh Dhawan:**

Thank you, Sheetal ji, and good evening, everyone. I'm delighted to have you all with us on our Q3 and 9 months '26 Earnings Call. As you are aware that the BSV acquisition got completed in Q3 '25 last year, therefore, this quarter will have comparative figures, including BSV, however, the same is on a partial basis as BSV was consolidated for 69 days in Q3 '25 last year as compared to full quarter in Q3 '26. Accordingly, the gap between organic and inorganic has reduced significantly in this quarter, and from the next quarter, same will get normalized.

Let me give you a brief of the financial highlights of our quarterly performance for quarter 3 '26.

Our revenue from operations during quarter 3 '26 has increased by 11.5% year-on-year basis to INR3,567 crores as compared to INR3,199 crores in Q3 FY'25. This is driven by 11.1% growth in Domestic business and 14.1% growth in the export business year-on-year basis. Our gross margins for the quarter has increased by 170 basis point year-on-year basis to 72.6% from 70.9% in Q3 '25.

This increase is a combination of sales price increase effect, favorable sales mix and release of certain inventory-related accruals, which we made in Q1 '26 as we were able to liquidate some

of the slow and non-moving stocks during the current quarter. However, on a YTD basis, the gross margin for the 9 months '26 stands at 71.4% in line with the gross margin for the 9 months '25.

Our adjusted EBITDA margin for the quarter is 25.9% as compared to 27.6% in Q3 '25. This decline of 170 basis points is largely attributable to increase in R&D cost by 70 basis points, and the balance is due to higher employee costs. Accordingly, the adjusted EBITDA margin for 9 months '26 is 24.9%, which is closer to the lower end of our EBITDA guidance.

Our reported EBITDA margin for the quarter is 22.9% which is lower by 300 basis points as compared to the adjusted EBITDA margin of 25.9% in Q3 '26. This decrease is attributable to exceptional items comprising of New Labour Code adoption, stamp duty on slump sale of BSV branded generic business within the group, and impairment of some noncurrent surplus assets.

The R&D expenses for the quarter was INR102 crores, which is at 2.9% of the sales, and the same is higher than the R&D spend of 2.2% of sales during Q3 '25. The R&D expense for Q3 '26 remains within the range of 2.5% to 3% of our guidance for the full year FY26.

The finance cost for Q3 FY'26 has decreased to INR157 crores from INR170 crores in Q2 FY'26. This reduction is primarily driven by repayment of last tranche of commercial papers worth INR1,500 crores in October 2025.

In Q3 '26, the depreciation and amortization expenses have increased to INR223 crores as compared to INR187 crores in Q3 FY'25, which is primarily driven by a full quarter impact of depreciation and amortization impact related to BSV assets. The current quarter depreciation and amortization expense is in line with the previous quarter expense which was at INR222 crores.

The consolidated effective tax rate for 9 months FY'26 was at 17.6% which is lower than the consolidated effective tax rate of 21.2% in 9 months FY'25. The profit after tax for Q3 FY'26 has grown by 9.5% year-on-year basis to INR414 crores with PAT margins of 11.6% during the quarter as compared to 11.8% in quarter 3 FY'25, resulting in a drop of 20 basis points, which is primarily due to the drop in the EBITDA margins, partially offset by a reduction in the finance cost. Our diluted EPS is INR9.9 per share of INR1 paid for the current quarter.

The Cash EPS, which is EPS adjusted for noncash items, like depreciation and amortization has increased during the quarter to INR15.6 from INR13.9 in quarter 3 FY'25, which is an increase of 12.1% year-on-year basis.

The net operating working capital days for the quarter on a trailing 12 months basis is at 51 days as compared to 52 days in the corresponding period. The working capital in value terms has decreased by INR110 crores between the current quarter and the previous quarter.

During the 9 months FY'26, our CFO to EBITDA ratio has increased to 93% as compared to 68% in 9 months FY'25. This is primarily on account of improvement in the working capital as well as realization of certain government receivables. Our capex spend for 9 months FY'26 was

INR473 crores, which is 4.4% of total revenue and the same is in line with our guidance of 4% to 5% of revenue.

In line with our prudent financial strategy, we continue to strengthen our balance sheet and have reduced our net debt to INR4,294 crores as of 31st December 2025, resulting in the net debt to adjusted EBITDA ratio of 1.3x in Q3 '26 on a trailing 12 months basis, which has improved as compared to net debt to adjusted EBITDA ratio of 1.4x as on 30th September 2025.

With this, we conclude our financial update and welcome any questions which you may have. Over to you, Abhishek.

**Abhishek Agarwal:** Thank you, Ashutosh, sir. And thanks, Dorwin. So Dorwin, you can open the forum for Q&A.

**Moderator:** Certainly Sir. Thank you very much. We will now begin the question and answer session. Our first question comes from the line of Tushar Manudhane from Motilal Oswal Financial Services Limited.

**Tushar Manudhane:** Sir, on the prescription side, where the industry growth itself is a bit slow at about 4% and as a part of acute therapy that forms a considerable portion for the Mankind portfolio. So how we sort of intend to grow in this therapy as such, where the industry growth itself is struggling or what are the countermeasures so that the proportion of anti-infectives reduces over a period of time. So that we are able to outperform the industry on an overall portfolio level. That's my first question?

**Sheetal Arora:** I mean if you see several of other therapies which are showing consistent growth quarter-on-quarter. If you see Gynec has grown from quarter 1, 4% to 11.3% in quarter 3. Gastro has grown from almost negligible growth to 7%. Even chronic segment - every quarter has shown a growth of 12% to 15%, even our inhalers like Symbicort, Combihale is showing a growth of 30%.

However, very rightly said, performance in the anti-infectives segment for Mankind has been relatively muted. Why? Because this category is people and relationship driven where prescriptions are typically ranging from 3 to 5 days. So as our teams get settled and doctor relationship will mature, we expect consistent growth over the coming quarters.

If you see overall the industry, even the anti-infective segment of IPM is not doing great. So for us, yes, definitely, when the relationship will mature, then quarter-on-quarter, you will see gradual improvement in our growth of anti-infective segment.

**Tushar Manudhane:** In fact, from that perspective, if you would like highlight what is the share of in-licensed or the specialty portfolio now in the Rx sales, combining all the therapies, we have to sort of...

**Ashutosh Dhawan:** Tushar, as of now, the portion of specialty portfolio or the in-licensed portfolio, in particular, is quite negligible. It is less than 2% or so in the overall sales mix.

**Abhishek Agarwal:** So Tushar, this share is for in-licensed portfolio, we have not specifically called out for specialty portfolio. This is for in-licensed.

- Tushar Manudhane:** Sure. Got it. And secondly, on the therapy level, respiratory also, like compared to industry, the growth has been bit soft at 7.6%. If you could call out any factors on this therapy?
- Sudipta Roy:** Yes. Tushar, this is Sudipta here. In respiratory, as you rightly said, though, this is looking a little softer. But if you see as Sheetal sir has rightly said, that our inhaler therapy has done pretty well. Even the new launches have done pretty well. Our slight gap has come in cough therapy, which we are, again, relooking into some of the strategies in cough portfolio, which will come in next quarter.
- Tushar Manudhane:** And just lastly, the CFO to EBITDA ratio is very strong for FY'26 compared to FY'25. So Ashutosh sir, if you could highlight factors driving this and how sustainable this is going forward?
- Ashutosh Dhawan:** I understand you are asking about...
- Abhishek Agarwal:** Tushar, can you repeat your question once again, please?
- Tushar Manudhane:** CFO to EBITDA ratio has become very strong. I mean this has been the thing for FY'26 full year compared to FY'25 in the range of like 92% - 93%, which is 80% in FY'25 so if you could...
- Ashutosh Dhawan:** Yes. So historically, if you see, our CFO to EBITDA ratio has been in the range of 75%-odd or so. In this particular quarter, it is high because of -- one, is that we have been able to optimize on the working capital. So on a year-on-year basis so that has released.
- Second factor is because we were able to realize some of the government receivables. So because of that also, the cash flow has improved. And if you look at the tax element also, there is a drop in the value term. So these are the 3 factors because of which you see a spike of 25% increase in the CFO to EBITDA ratio. But having said that, it will taper down in the near quarters.
- Moderator:** Our next question comes from the line of Chintan Sheth from Girik Capital.
- Chintan Sheth:** Ashutosh ji, on the interest cost saving, we have seen a sequential drop in almost INR500 crores from September to December, despite we have paid almost INR1,500 crores of CP in October plus we have the current quarter, OCF has been pretty decent. The net debt figure looks a little high if you can touch upon why is that, that would be helpful?
- Ashutosh Dhawan:** So if I understood your question correctly, you are trying to analyze that the interest cost drop is not commensurating with the drop of the outstanding loan amount. Is that the question?
- Chintan Sheth:** Also the absolute net debt number also has not seen a similar drop sequentially?
- Ashutosh Dhawan:** So see, net debt is okay because the debt has to be realized over a period because how the debt was structured was that the repayments were coming on a 6 monthly basis. So that is why the net debt is improving, but the overall debt is not, because there is a time gap of 6 months. That's why there is a lag in that.
- Chintan Sheth:** Sorry, I couldn't understand. So September, we have ~INR4,700 crores of net debt. We repaid INR1,500 crores in October. The number in December is INR4,200 - INR4,300-odd crores. So



there is a drop sequentially of INR500 crores despite INR1,500 crores of repayment which we have seen.

Plus the OCF we have generated. I assume that also were used for working capital, and we are seeing working capital improvement sequentially. So as you mentioned, INR110 crores absolute from September to December, there is a drop in absolute working capital. So over there, also, we have not utilized much of the capital.

And capex number is also more or less in the band of under INR200 crores. So I'm trying to understand that we cannot utilize the capital anywhere, working capital is low, incremental capex spend for the quarter is also under INR200 crores. Still the net debt number sequentially has not been reflective of the INR1,500 crores repayment in there. I'm trying to understand the...

**Ashutosh Dhawan:** Our apologies, we are not able to hear you properly. I think there are multiple questions framed into this one single question. So yes we can take them offline. These particular questions, we can break it and take it offline.

**Chintan Sheth:** Okay. Got it. And if you can help me...

**Moderator:** Yes, sorry to interrupt Chintan, you do have a lot of background disturbance on your line, and you do sound a little muffled. May I request you to please check the device mode you're using?

**Chintan Sheth:** This is okay. This is audible now?

**Moderator:** Yes, this is much better. So please go ahead.

**Chintan Sheth:** And the export, if you can split between BSV and organic growth for us. That will be helpful?

**Moderator:** Members of the management, if you're speaking at the moment, you are not audible.

**Abhishek Agarwal:** So basically, the quality of voice, we are not able to understand the questions properly. So request whosoever is asking the questions, they can use headphones instead of speakers.

**Chintan Sheth:** This is audible?

**Abhishek Agarwal:** Yes, this is audible.

**Chintan Sheth:** So I was asking export revenue split, what's the organic growth for the current quarter?

**Prakash Agarwal:** So in Sheetal ji comment, it is mentioned that the Mankind exports is mid-single digit, and the remaining is from BSV consolidation.

**Chintan Sheth:** And lastly, on the restructuring and the implement we have -- you are talking about, it will still take more quarters or more months to recoup back to the IPM or above IPM growth for us? Or the process we have started on the corrective measures, how soon we expect or any guidance around that? Because the last 5 months, we have seen we are lagging behind the IPM growth. How should we expect them recovering back to the normal 1.2x, 1.3x IPM growth, which traditionally Mankind was delivering?

**Rajeev Juneja:** Shall I take this question?

**Sudipta Roy:** Yes, sir.

**Rajeev Juneja:** So the point basically is what, I mean, you're supposed to understand, we have gone for a major kind of a transformation in Mankind, the last, I'll say, 12 to 15 months' time. 2-3 things have happened. Try to understand. One basically is what we started taking a transformation in the form of hiring of approximately 15%-20% field force, reps and managers, leaders as well and then hiring people.

In this process, what basically happened, we overestimated our power of executing and making sure that the new people those who join Mankind, understand the culture of Mankind. We overestimated this and we did not understand properly and deeply. I should really confess the problems. Whenever any kind of -- happens and people are being asked that to leave some kind of insecurity creeps in people's mind.

So in this process, good people also went. So it has taken 12 to 15 months. So once you realize this fact, that despite of taking actions why the response is not coming, then you go even deeper down. And that made us more wiser in the form of that culture of Mankind was not properly being understood by the people because Mankind is a very unique kind of organization.

There are no targets. We believe only in daily sales. Please mind it, daily sales, not weekly sales. In the end of the month, we just want the total sales should not be more than 40% of sales done in 1st to 21st.

We are so rigid about these things. Rigid means we will not let anybody do -- I'll say, more primary sales to meet the targets because there are no targets. We're always behind growth, right? And once you believe so much in hygiene and you bring new people and you bring transformation, it takes time. So that basically has taken time.

And obviously, in the last couple of quarters, that attrition, which was happening has gone down drastically. Initially, we asked people to leave. And during this process, even good people left. Then we saw a huge attrition because that meant insecurity crept in people's mind.

So when we went, talked to people, brought everything transparently in front of everybody and the new leadership. See naturally, new leadership also came, they came from different companies. And this time, we took people from those companies, those who are very good in the chambers and market of specialties, chronic side, upper crust of the market, right? We have always been a bottom-up kind of a company.

So what basically happened even those people took time to understand the culture, they came from Cipla, they came from Alkem they came from Sun Pharma, they come from every best company, right? So over there, the culture is different. Culture is target, culture is other things. Good. They are good. We are good.

This is not a point that we should say that our culture is good. But now everything has been understood. So now how a person should really see, how we see everything. We see everything

on 3-4 parameters, whether our sales month after month is increasing or not increasing. That is what our quarter after quarter, things are improving or not improving.

Number one. That is what we see. At the same time, we keep a very close eye on our daily sales. If daily sale is good, it is good. Because please understand, it's a basic common sense because we have built this company with our own hands, every department we have created ourselves, right? So we understand it very well. The simple logic is prescription is sale.

That's all. Rest all is farce. Only prescription is sales. So we believe totally in that. So once you start building this kind of a culture, which is totally unique, which is totally different. It has taken time. We honestly -- we confess it very, very, I mean truly, that we expect that we will be able to transform it in 9 months' time. It has taken more time. I mean we also feel I'm a bit sorry that we should have really, I'll say, dived deeper in the initial phase, but don't really, I mean, we cannot change that.

Now things are absolutely right on track that I can assure you. And that's one reason we are seeing our sales traction. See, for example, it was volume growth in these 9 months is 1.9% versus last year, it was quite less. So right now, if you just compare industry to industry, that would not be right.

And I give you one more example. Our growth in chronic side is continuously from last quarter-on-quarter increasing and in the range of approximately 14%-15%. Look at industry. Industry growth quarter-on-quarter was 9%, 10%, 11%. Only last quarter, only in third quarter, it is showing 16% so this basically is beyond my apprehension because chronic is not acute, chronic is not antibiotics.

That some kind of epidemic came, some problem came and it will increase. There can be 10,000 reasons for that. So right now, we're just focusing that relatively quarter after quarter, month after month, are we on a path of right improvement or not strong, right improvements or not. And we are very confident that we'll be doing much better.

**Moderator:** Our next question comes from the line of Kunal Dhamesha from Macquarie.

**Kunal Dhamesha:** First, 2 clarities. Have you shared the organic growth in the domestic prescription business for this quarter?

**Abhishek Agarwal:** Yes, Kunal, we have shared for quarter 3, it's 9% plus. And for 9 months, it's 8.2%, excluding OTC.

**Kunal Dhamesha:** Yes. Secondly, on the restatement of the revenue. So when I look at the quarter 3 '25 revenue, it's been restated by about INR31 crores, INR32 crores. Can you share what it is related to?

**Ashutosh Dhawan:** So restatement is on account of the...

**Abhishek Agarwal:** So restatement is on account of Mahananda -- as you know that we have sold Mahananda in the month of Feb. So we have reinstated all the financial statements for the past few quarters to align with the apple to apple comparisons.

**Kunal Dhamesha:** Okay. And then lastly, when I look at the BSV revenue, you suggested it's growing at a double-digit pace. But when I put the organic numbers, and I adjust the Q3 FY'25 number by that adjustment of 62 days out of 91 days. Then it seems like BSV revenue seems to be flat to me in quarter 3 FY'26 on a year-on-year basis?

**Prakash Agarwal:** So I'll give you some color on the BSV numbers. So Q3 has seen a very strong growth in BSV upwards of 20% plus overall.

**Kunal Dhamesha:** But numbers are not suggesting that, right?

**Prakash Agarwal:** Again 20% plus has been better than the international business.

**Kunal Dhamesha:** Can you share the total BSV revenue, please? Because numbers are not aligning with what you've been sharing. It's coming out to be around INR395 crores for me, the BSV revenue for this quarter?

**Prakash Agarwal:** So we can take this offline. I think the growth is 20% plus for BSV total, including the Rx business. And we can share the number, there is no issue. So the absolute number is INR464-odd crores including Rx and other businesses.

**Kunal Dhamesha:** Okay. I think we need to kind of touch base on this because my numbers are totally different. And lastly, on the consumer business, I see we have been sharing that the secondary sales growth has been very strong for most of our key brands, but it doesn't get reflected in the primary sales, right? So there's been a trend for the last 3 quarters, wherein all our secondary sales has been growing 15% upwards. But then our 9-month primary sales growth is only around 5.5%. So what explains this gap?

**Rajeev Juneja:** See, if you just look at our OTC side, the second quarter was approximately minus growth because of this GST and all other things. On the second side, this third quarter. Our growth in e-commerce business is upward of 30%, 40%. In modern trade is upward of 30%, 40%. And at some of the places we have put brakes.

And that basically is the reason the growth has not come. There's some business called cash and carry and in that business, what happens, people those who buy instead of selling in the, I'll say, the consumer, they were selling to our own customers. So that basically was creating a kind of rate cuts in the market.

That we just taken a, I mean, hard stance on that without taking any other thing in mind. In Mankind, again, I must reiterate, hygiene is very, very important. We don't want to really inflate the sales and tomorrow, it really comes back to us. That's the major reason for that. Otherwise, if you look at the secondary side, it's better.

**Kunal Dhamesha:** But sir, at some point, secondary sales would match up to the primary sales, right -- the inventory correction so for the last 3 quarters, we have been seeing double-digit secondary sales growth, but then primary is not coming up?

- Rajeev Juneja:** See, last 3 quarters or 4 quarters what we have done, we have taken plenty of transformation. I mean maybe we mentioned in the past that from a few thousand stockists, we reduced down number of stockists, those who would be responsible for doing our OTC business. That's also one of the major reason that this kind of reflection is coming. But health of the organization is always primary that we're doing. Soon, you'll see upward improvements in OTC that we can assure you.
- Kunal Dhamesha:** Sure, sir. And lastly, on the...
- Ashutosh Dhawan:** The last quarter, you need to look at differently because of the GST impact, there was a discount so because of that also, the primary sales got impacted. So that is why the mismatch and secondly, as Rajeev ji has highlighted that once you increase the non-GT portion, which is the other components, modern trade and quick commerce, etc.
- So there also the revenue recognition is at a lower rate because of the accounting policy. So that's another reason why you see a subdued primary sales. So these are the 2 factors why these 2 numbers are not reconciling.
- Rajeev Juneja:** Let me add 1 more thing. I mean, these good questions, really, I mean, steer our mind as well, made us more I will say give us more resolve to act faster that even take in account.
- Kunal Dhamesha:** Sure, sir. Sure. And lastly, one for Ashutosh, sir...
- Abhishek Agarwal:** If you compare the brands also for quarter 2 and quarter 3. So some of the brands are common, which is showing strong secondary growth, and some of the brands are different also.
- Kunal Dhamesha:** But I think Manforce and Gas-O-Fast are the key brands, right? Anyways, the last question is on the impairment we have taken -- the last question for Ashutosh, sir, on the impairment of that INR13 crores charge that we have taken related to BSV's Hyderabad facility. So what has changed between, let's say, our purchase price allocation exercise to now, which has led to this impairment being taken now?
- Ashutosh Dhawan:** Okay, that's a good question, Kunal. So this was a land which was there in the BSV books, okay? And since we are building up the facility at Vadodara. So therefore, this particular piece of land has been classified as a surplus land. So therefore, we are in the process of returning it back to the authorities, this land.
- So in order to monetize this asset and returning it back. So whatever is the difference between the realizable value and the book value that has been recorded as an impairment cost for this.
- Moderator:** Our next question comes from the line of Neha Manpuria from Bank of America.
- Neha Manpuria:** Sir, while I got the background in terms of what led to the integration and how we're seeing an improvement. Just wanted to get a sense, do you think we get back to higher than industry growth, let's say, in 12 months, 18 months' time, based on what you're seeing on the ground, how soon do you think we can get to, let's say, in line with industry growth or better than industry

growth. Do you think this would be a much more longer process? Or just trying to get a sense based on given that you've done so much work on the ground?

**Rajeev Juneja:**

Neha, hopefully, I mean, all things are done because see, we have always seen, I mean, more growth than the industry always been like that. We are so used to it that when it did not come, it gave us a surprise and rather shock. And once you basically go to that kind of a phase, you go yourself, check everything, recheck it and you do a bit of micro management as well in a sense that why it is not happening, why these things are there.

And once we start seeing it, we found out the reasons and started acting faster. And the answer I gave you in the past as well, I mean, just a few minutes back as well. Then we are seeing the traction is right.

See, to build the right kind of organization because this is our only thing we do, 24/7, 365 days. You think about Mankind only. And we just believe in the strongest of the foundation that it should be daily sales, hygiene should be amazing, whatever we speak should be really, I mean, should be true, we should not give them an overestimation to people.

We've always been conservative. For the first time you saw that and got surprised why it happened. But what we see right now confidently things are really on a right track. The kind of, I'll say, the pulse the kind of feel we want in Mankind, we are having that. See what basically has happened.

So when this transformation happened, the transformation happened in reps, first lines and in top line as well. And when top line came from different companies, they are able people, talented people, amazing people. We need those people.

But there is a huge difference in culture of Mankind. And I can tell you honestly, with the rest of the industry, no targets, daily sales, last week sales, which should not happen, who does it? Nobody does it. So we are a different company. I mean, most of the pharma companies do what. They have different styles. Their style is good, but our style is very unique, right?

In one division, 1,700 people versus any other pharma company would be having 300, 400 people. Having 30, 40 brands right, in 1 division versus, I mean, 4, 5 or maximum 10 brands. So our working is totally different, 5 lakh plus doctors coverage, deepest coverage. This is a formula that 20% results come from 80%, 80% comes from 20%.

But we didn't follow that. Our 70% sales come from 70% doctors. That kind of a philosophy we have always followed. Never followed anything, whatever everybody is doing. So once you start working in this kind of an organization, it takes time to explain to everybody as well. But honestly, we are very confident things will improve. Things have really come to right? I'll say that the stage actually, which are giving us comfort and confidence.

**Sheetal Arora:**

Neha, if I can add to Rajeev sir point, what he had said. One thing I would like to add that if you see the stability in the team, every quarter team is becoming more stable. Attrition has gone down. That gives us full confidence that going forward, every quarter, things will improve and Mankind would be back to its original Mankind.

- Neha Manpuria:** Got it, sir. Prakash, this INR464 crore BSV number that you gave for the quarter, would this number be higher quarter-on-quarter flattish quarter-on-quarter? What would be your sense? What would be this number for second quarter?
- Prakash Agarwal:** So we are giving growth numbers. So Q1, BSV grew mid- to high single digits. Q2 was mid- to high single digit. And Q3, it is upwards of 20%. So overall, in 9 months, it's about double digit -- early teens.
- Neha Manpuria:** Overall, okay. Got you. And the 9.1% organic growth that we mentioned for Mankind domestic 9%-odd that does not include the TTK portfolio that we have moved, right? Or does that includes the TTK portfolio that has been moved to Mankind?
- Prakash Agarwal:** So it happened during the quarter. When we have given BSV guidance, we have included the Rx, but however, 9% would have an element of few days coming into Mankind.
- Abhishek Agarwal:** This 9% exclude TTK portfolio, Mankind BSV both. So basically, this 9%, if you are talking about, it's only Mankind excluding TTK portfolio excluding OTC.
- Neha Manpuria:** Sorry, Abhishek, I lost you, but no worries I can take that offline.
- Abhishek Agarwal:** So basically let me repeat what I'm saying, 9.1% includes only Mankind, it does not include OTC. It does not include BSV portfolio. It does not include TTK portfolio.
- Neha Manpuria:** Okay. Got it. Okay. Thank you for verifying that. And my last question is on the Consumer Health business. The stockists that we have reduced, etc., would that mean that our sales have been reset lower for the next few quarters? Like this is the new base that we should build in for the OTC business? And how should we look at growth in the next year then for the OTC business?
- Abhishek Agarwal:** Would you like to take outlook for OTC for...
- Rajeev Juneja:** Yes, yes, I gave my answer. I gave the answer that see in the last couple of quarters, lot of things we have undertaken, BSV is one, consumer is one, total Mankind is one, lot of things we have done in last 15 months' time. And don't forget that we took on BSV in the month of November only.
- So in consumer side, we took many transformative actions that number of stockists were reduced. Then we saw that it's unlike prescription kind of a thing. It only depends upon the demand so there is some part of push and some part of pull, both sides are there.
- Then you make sure that it should be right. It should not become imbalanced, imbalance that you end up putting more primary sales and secondary sale is less. So during this total process, we got certain success in e-commerce a lot.
- And this modern trade a lot. Then we saw one thing that this cash and carry kind of a business was there that we stopped. So we see all the things have happened, and I've explained to you that, and we hope that going forward next year, good double-digit growth would be there.

**Ashutosh Dhawan:** As said, if you look at the 5.2% growth looks muted because last year, the last quarter grew by 30%. So it's a base effect as well. That's why this is looking a bit muted. And the quarter prior was impacted because of monsoons and GST 2.0 impact. So we are hopeful that going forward, we are on the path of recovery for this business.

**Moderator:** Our next question comes from the line of Sidharth Negandhi from Chanakya Wealth Creation.

**Sidharth Negandhi:** I think there has been a fairly good understanding on what transformation has happened on the people front. If I would ask on how do you see the product portfolio to supplement this, right? You highlighted about how you outpaced ex GLP-1 growth. But then GLP-1 is a reality of the future, right? And therefore, in terms of the impact that GLP-1 had on your own existing portfolio? If you could share some color on that and your own plans on launching GLP-1? That was question number one.

Question number two, on the acute side of the portfolio, are you seeing the growth being impacted more by trade generics or by loss of share to sort of other IPM players, how are you seeing that? That's question number two.

Question number three, you spoke about e-commerce and modern trade growing about 30%, 40% in OTC. Certain quick commerce players have highlighted the fact that sexual wellness for them has grown multifold sort of upwards of 100%. Within this, if you could give some color on how your growth has been and how is share look like for you?

And then fourth, you mentioned about the NSP for quick commerce and modern trade being lower than GT. How is the EBITDA profile in that case compared to GT and therefore, how should we think about profitability for that business as these channels sort of gain more salience?

**Prakash Agarwal:** Yes, I can take a few -- a lot of questions. So the first one was on GLP. So it's a currently innovator market, and we are on track for a day 1 launch. It would be around March, somewhere around March end. So we are on track, and we expect to be a participant in the launch in day 1. So that's your first question.

On the acute side, you talked about the impact of trade generics, etc. I think, first of all, the impact is our internal corrective action that we are taking, and that's why the growth has been muted in the market. As Sheetal ji in the opening also said that there's already some recovery that you've seen in Gynec and Gastro. So apart from cardiac, which has been consistently outperforming IPM, we are now seeing good recovery in Gynec and Gastro also. Only anti-infective is an area where we are still underperforming. There, as that is a space where there's a lot of work going on.

We have increased the GP penetration which we had lost due to the team rejig that happened. So this will also eventually come back. And that's why we have full confidence that we'll be able to outperform IPM going forward. Might take a little time, but we are on track with that. From a trade generic side, I think market is much bigger. It caters to a certain population. We cater to the prescription market.



And there, we expect that healthy market growth of 8% to 10% is possible. And going forward, our endeavor is to outperform that. From an e-com MT side, I think NSP is generally lower given that the quick commerce keeps their margin, etc.

But we can't give you a specific on margins and growth of sexual wellness. We don't give product-wise breakup. Overall, we expect that Q4, you would start seeing double-digit growth. And for the guidance for next year, we'll come back to you on Q4.

**Sidharth Negandhi:** Sure. So just a follow-up on that, you.

**Prakash Agarwal:** Can we take the last 2 questions, please?

**Moderator:** Our next question is from the line of Kunal Randeria from Axis Capital.

**Kunal Randeria:** Sir, appreciate Rajeev ji's explanation on what things went wrong and how you're kind of rectifying that. Sir, it clearly seems looking at the therapy growth that it's not a systemic issue. So I'm just wondering how come this came out in the first place, number one? And number two, are there external factors in play also maybe like something like trade generics impacting our business, something like that?

**Rajeev Juneja:** So I should answer this, Prakash. The question was that external impacts, right? The trade generic was there and is there and would be there. There's no doubt about that. But being a dynamic kind of a company, we should really take these things in stride.

The point basically we explained to you is that still approximately 60% or 61% business of Mankind comes from acute side, which depends upon relationship with people, doctors, all sort of things are there. That is the only thing in Mankind we feel. Nothing else.

**Kunal Randeria:** Sure, sir. No I understand that, sir, what I didn't understand, pardon my ignorance here is, see, if cardiac and diabetes is doing extremely well, right? So the cultural issue that you we spoke of, obviously, doesn't seem to be in those divisions? So how come it came from the acute division, especially when you don't give aggressive targets to the sales force?

**Rajeev Juneja:** So again, understand the point. Point basically is what when you're dealing in acute side, you bring daily prescription. In chronic side once prescription is there, it is yours. You keep working. I mean, whatever new prescriptions you generate that really adds to your growth. That's the answer actually. I mean we could have expected more growth in chronic as well.

So we're not happy with 15% growth as well. Always continuous hammering, continuous reminders to the customers, it's like this only. And plus, in chronic side, a lot of our brands have become quite big and big becomes bigger in chronic, very fast.

Again, let me add one more thing. If I talk about the anti-infective side, our maximum sales come from oral therapies, oral side. In industry, it is approximately 60% oral 40%, I'll say, injectable. That's another thing.

**Kunal Randeria:** Just 1 more, if I can. So you have a fantastic last 3-4 years in export growth. This quarter, you mentioned some mid-single-digit growth. So I'm assuming it's in rupee terms. So in dollar terms,

I think there would have been a decline, I guess. So will this continue because of the base? Or do you expect that to recover maybe in the coming quarters?

**Sheetal Arora:**

See, Kunal, we have always maintained our stand that wherever we go, we go with a complex niche molecule, which are difficult to manufacture. If you see last year, our U.S. sales and growth was mainly opportunity based because of one eye drop over there. And in ROW, we are in the process of sending the dossier to different countries, the commercialization will happen after a couple of years, maybe 2028-2029.

So our main focus will remain in domestic, still 85%. In U.S., whenever any opportunity will come definitely we're going to go for that, but we won't compromise on EBITDA, and we will go for a niche complex molecule. In ROW, it will take another 3, 4 years. So our focus was domestic and will remain domestic.

**Ashutosh Dhawan:**

This is in line with our guidance, what we gave for the year.

**Moderator:**

We have the last question from the line of Dheeresh from WhiteOak.

**Dheeresh:**

Sir, this transformation thing, I think we started about a year back at the same time as the BSV acquisition. So now 1 year out since we started this, what and you can give me an approximate number also, like what percentage of our field force, including managers and all would be new to Mankind, meaning they have joined new in these last 12 months? And what percentage of our client-facing field force is old, which is aware of the Mankind culture that you talked about in the call today as well?

**Rajeev Juneja:**

Approximately 20% - 25% is new.

**Sudipta Roy:**

20% including all new managers and field force, it is overall around 20%. This 20% also it's not at one go. So it's happened in phases. So it is not about 1 year, we are having a 20% new people. So it is in phases.

**Dheeresh:**

So sir, only 20% is new to the culture, why is the impact so much, Why is it taking so much time? There is a lot of attrition. Normal attrition in the industry is quite high. So 20% new to culture is not that big a number. And why is it taking so much time to get to the rhythm of Mankind is I'm not able to understand?

**Sudipta Roy:**

See, I think Rajeev, sir has already told, see, our 60% business is more of acute and within that 60% also, it is more of GP dominated, right? So in GP cases of business, our relations -- personal relationship with the people matters a lot. So when the faces change, that relations and the impact also goes away.

So that created a lot of impact, especially in our deep interiors and our deep reaches. So I think what you are asking that why 20% is giving so much of impact. This is one of the reasons because one, is our portfolio was dominated by acute and major support was coming from GPs.

**Sheetal Arora:**

And one thing I would like to add that we have done so many things in last 1 year or so, made BSV acquisition, restructuring of OTC, then correction in Mankind Pharma and Mankind was

very strong in UP and is very strong in UP, the little attrition happened in UP. And because of that, it took a little time.

And time where the PCPM was huge in eastern part of UP, some district of UP. So that's why so many things have happened simultaneously at the same time in the last 16-18 months. But now if you see the quarter-on-quarter going forward, every quarter, the anti-infective will grow. The things will be much better.

**Dheeresh:** All right, sir. Looking forward to better quarter...

**Abhishek Agarwal:** 20%-25% was on a year-on-year basis. So you know like around 15-18 months has been involved in this strategic corrective measure. Basically 20%, you can say part was impacted in last financial year and another part of which is impacted in this financial year. So broadly a slightly bigger number, which you can say is a new field force.

**Rajeev Juneja:** Abhishek, let me answer this in a different manner. Abhishek, let me answer. Can I answer in different manner?

**Dheeresh:** Yes, sir. I'm listening. Tell me.

**Rajeev Juneja:** See, it's all a matter of heart only. I mean, for example, if in your office, 20% people are being asked to leave systematically. What kind of energy would be there in total team? Just think about that. That's the right answer. So it's not only numbers that matters. Whatever numbers are left, what kind of a heart and mind they're giving in the work, that also matters a lot.

And we are always that kind of organization because where energy is everything. So don't look only numbers, numbers, right? See the force behind numbers. If 80% people start giving 100% kind of their energy, or 110% kind of energy, wonders can be done. If same 80%, only 80% people start giving half of their energy because they're also insecure. They also need some kind of reassurance. So understand that from that perspective, we think from that lines only.

**Moderator:** Ladies and gentlemen, we will take that as the last question for today. I would now like to hand the conference over to the management for closing comments. Over to you, gentlemen.

**Abhishek Agarwal:** Thank you, Dorwin, and thank you, everyone. And for any further queries or clarification, please feel free to write to us on [investor.relations@mankindpharma.com](mailto:investor.relations@mankindpharma.com). Thank you, and stay happy, stay healthy.

**Moderator:** Thank you. On behalf of Mankind Pharma Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.

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