



“Ajanta Pharma Limited
Q1 FY ‘25 Earnings Conference Call”
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Moderator: Ladies and gentlemen, good day and welcome to the Ajanta Pharma Q1 FY 2025 Earnings 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 the conference call, 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. Yogesh Agrawal, Managing Director of Ajanta Pharma Limited. Thank you, and over to you, Sir.

Yogesh Agrawal: Thank you. Good evening and welcome to all of you. With me, I have Mr. Rajesh Agrawal, our Joint Managing Director; Mr. Arvind Agrawal, our CFO; and Mr. Rajeev Agarwal, our AVP, Finance and Investor Relations. I hope that the results are already with you by now. We will take you through business-wise performance for the Q1 of the current year, along with the comparison of the previous year same period.

FY 2025 started on a good note for Ajanta Pharma with notable achievements in first quarter sales, PAT and EBITDA. Branded Generics business saw a healthy growth of 17% on the back of our strategic approach and focused execution. Our consistent efforts yielded commendable results, maintaining our position as a leading player in the pharmaceutical industry. Furthermore, our EBITDA margins expanded to 29%, reflecting our commitment to operational excellence and efficiency.

Our ability to enhance profitability while maintaining financial discipline saw our PAT margins improve to 21% from the previous year's 19%. One of the significant achievements during the quarter was our cash conversion ratio of 141%, which was possible through our concentrated efforts of improving working capital cycle. This will certainly help us to improve our returns on investments going forward. We are confident of sustaining this momentum and driving continued growth in coming quarters. Our excellence in terms of strategy and operational execution will enable us to deliver long-term value to our shareholders.

Moving on to the business details. During the quarter, revenue from operations was at Rs. 1,145 crores, a healthy growth of 12% from our total business comprising of 3 verticals: Branded Generics Business, U.S. Generics and Institution Business in Africa. During the quarter, 76% of the total sales came from the Branded Generics, which is spread across India, Asia, and Africa. The sales stood at Rs. 860 crores, posting 17% healthy growth during the quarter. This business exhibits assurance, sustainability and potential for the long-term growth.

Let me now take up the International Business, and I will first start with the Branded Generics business in Asia and Africa, which contributed 45% in the total revenue. Let's begin with Asia. In Asia, our presence spans across the Middle East, Southeast and Central Asia, encompassing around 10 countries. In Q1, sale was Rs. 277 crores against Rs. 254 crores, a growth of 9%. We launched 7 new products during the quarter in the region.

Africa business is spread across 20 countries. In Q1, our sale was Rs. 230 crores against Rs. 159 crores, posting a very healthy growth of 45%. We launched 2 new products during the quarter

in the region. The higher growth during the quarter was the result of lower sales in Q1 FY 2024 due to pension reform strike in France and Red Sea crisis.

Let us talk about other 2 verticals of International Business. I now move to U.S. Generics. U.S. Generics contributed 20% to the total revenue. In Q1, sale was Rs. 228 crores against Rs. 213 crores, posting a growth of 7%. The growth is in line to our guidance of mid-single digit as most of the launches are skewed towards the last quarter FY 2025. Our superior execution continues to keep us a preferred partner of choice for the distributors. In Q1, we filed 2 ANDAs, received 3 final approvals and launched 2 ANDAs. We have 46 products available on shelf and 21 ANDAs awaiting approval with U.S. FDA. We target to file 8 to 12 ANDAs in the current year.

I now move to Africa Institution. This business contributed 4% in the total revenue, which comprises of antimalarial product. In Q1, sale was Rs. 42 crores against Rs. 65 crores, posting a degrowth of 36%. The sharp degrowth was due to preponement of few supplies in Q4 of FY 2024 as mentioned at that time. This business remains unpredictable due to reliance on procurement agency's schedule.

Now, I invite Mr. Rajesh Agrawal, our Joint Managing Director, who'll take you through India business. Thank you, and over to you.

Rajesh Agrawal:

Thank you. Good evening to all of you. I'm delighted to share key highlights of the India business. Our performance has been excellent on the back of increased volumes, price increase and new product launches. India business contributed 31% in total revenue. In Q1, sales was Rs. 353 crores against Rs. 319 crores, a growth of 10%. India business includes revenue from trade generics, which contributed Rs. 41 crores against Rs. 36 crores in Q1 in same period of FY 2024.

During the quarter, we launched one new product, which was first time in the country. We continue to outpace IPM by 130 basis points, with Ajanta growing at 8.9%, surpassing IPM growth of 7.6% as per IQVIA MAT June 2024. This trend extends to most of the therapeutic segments we are in, where our growth has consistently outpaced the segment growth. In Cardiology, our growth for the quarter as per IQVIA was 15% against IPM growth of 12%. Though on MAT basis, we still lagged due to the price impact in one of our major products.

In the covered market, we continue to be the fourth largest in IPM and among top 10 in all our therapeutic segments. As per IQVIA MAT June 2024, our faster growth is contributed mainly by new launches, which was about 1.3x to the IPM. We have now 4 brands in top 500 list. In our sales breakdown, Cardiology contributed 38%, Ophthalmology contributed 31%, and Dermatology contributed 23% of our India business with the remaining 8% coming from Pain.

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

Arvind Agrawal:

Thank you. Good evening, and warm welcome to the first earnings call of FY 2025. On this call, our discussion includes certain forward-looking statements, which are projections or estimates about future events. These estimates reflect management's current expectations about future performance of the company. These estimates involve number of risks and uncertainties that

could cause our actual results to differ materially from what is expressed or implied. Ajanta does not undertake any obligation to publicly update any forward-looking statement, whether because of new confirmations, future events or otherwise.

We will look at the consolidated financials and provide year-on-year comparison. The key financial highlights of Q1 FY 2025 are as follows: Total revenue stood at Rs. 1,145 crores against Rs. 1,021 crores, posting growth of 12%. We expect our overall revenue to grow in low-teens in FY 2025 on the back of mid-teens growth in Branded Generics, mid-single digit in U.S.A. and degrowth in Africa Institution business.

Our gross margin stood at 77%, an improvement of 200 basis points from FY 2024. The same was due to higher contribution of Branded Generics business in overall revenue. We expect it to remain in the similar range or 50 to 100 basis points movement due to change in product mix.

Personnel cost was at Rs. 284 crores, an increase of 33%. This increase consists of regular annual increments and onetime charge of about Rs. 30 crores for change in gratuity policy of the company, where we have removed the cap of Rs. 20 lakhs for individuals for their gratuity eligibility.

R&D expenses was 4.5% of total revenue. In Q1, expenses was at Rs. 51 crores against Rs. 55 crores. We expect the expenses to be at 5% for full year. Other expenses in Q1 stood at Rs. 263 crores against Rs. 285 crores in previous year same period. We expect the expenses to go up in coming quarters in the range of 26% to 27% due to increased R&D and SG&A expenses. We achieved EBITDA margin of 29% in Q1. EBITDA stood at Rs. 330 crores against Rs. 271 crores, a growth of 22% over previous year. We expect the EBITDA to be around this range, plus/minus 1% for whole of 2025.

Other income was at Rs. 26 crores in Q1, which includes forex gain of Rs. 8 crores. Income tax stood at 24% during the quarter, and we expect the same to be for FY 2025. In Q1, PAT was at Rs. 246 crores against Rs. 208 crores, a growth of 18%. PAT stood at 21% of revenue from operations. We incurred capex of Rs. 60 crores in Q1 FY 2025. Capex, including maintenance capex for FY 2025, is estimated to be at around Rs. 175 crores.

In Q1 FY 2025, we have generated a healthy cash flow from operations of Rs. 466 crores with cash conversion ratio of 141% and free cash flow of Rs. 301 crores with 123% PAT conversion. This is the result of our consistent efforts in improving working capital cycle.

With these highlights, I open the floor for the question and answer. Thank you.

Moderator: Thank you very much. The first question is from the line of Abdulkader Puranwala from ICICI Securities. Please go ahead.

Abdulkader Puranwala: Congratulations on good set of numbers. Sir, my first question is with the Africa Branded Generics business. So, in your opening remarks, you alluded to a lower base, but even if we see from a historically run rate perspective, we have done substantially well this quarter. Sir, going ahead, what is the kind of revenue run rate we should see in this particular segment?

- Yogesh Agrawal:** Yes. So I think, as I mentioned, some of the sales got spilled over from the last quarter of Q4 of the previous year. And because of that, this quarter looks a bit elevated. So I think if you see that historically, our average run rate was around Rs. 155 crores to Rs. 160 crores. As I think we've given the guidance for the blended Branded Generics business across India and across all the international markets, we are looking to post a mid-double-digit growth. So I think considering Asia, Africa, we are heading towards delivering that kind of number. I think that's what is the outlook.
- Abdulkader Puranwala:** Got it, sir. Helpful. And second question was with relation to your working capital. So with the kind of improvement we have done this particular quarter, would you like to highlight some measures that you've taken to curtail on your working capital or some change in policy, which has led to this kind of an improvement?
- Arvind Agrawal:** See, basically, there are 2 areas in the working capital cycle, one is the inventory, and another one is the debtors/ receivables. Now, on the inventory side, anyway, our consistent efforts are happening in terms of all the efforts which are being done to reduce the inventory level at every location and every point. While that is being done, the receivable is something where we have been able to achieve some improvement, especially on the U.S. side, and this is where it's getting reflected in the cash accruals.
- Abdulkader Puranwala:** Got it. And sir, final question on the gross margin guidance of between 75% to 76%. So, I mean, if we allude to the kind of growth what you're guiding for, then largely the kind of mix what you have seen in this particular quarter should sustain for the full year. So sir, I mean, any reason why we are being a little conservative here on guiding for the gross margins when we have already above the threshold as compared to what we are guiding?
- Arvind Agrawal:** See, as I mentioned, I am saying that it can be plus/minus 1%. So contribution of Branded Generics of 76% may reduce as we go forward with higher contribution from U.S. or Institution business. So in that case, this variation can take place. But otherwise, we are in consistence with the number which we are talking about.
- Yogesh Agrawal:** Plus the expenses during the quarter, they have been slightly on the lower side, which we expect that in the next 3 quarters, those expenses will slightly elevate. So that will also have an impact on the EBITDA.
- Moderator:** The next question is from the line of Tushar Manudhane from Motilal Oswal Financial Services.
- Tushar Manudhane:** Sir, I missed on the opening remarks about the employee expenses, if you could just repeat the same.
- Arvind Agrawal:** See, basically, in the employee expenses, there is a one-time charge, about Rs. 30 crores, which is there. This is because of the change in policy of gratuity being paid to the employees. Earlier, we had a limit of Rs. 20 lakhs for the gratuity for the employee whenever we are giving it to them when they are retiring or resigning. Now that cap of Rs. 20 lakhs has been removed. And because of that, the provision for gratuity has increased. So that provision is something which is a one-time charge, which has come in, now it will get normalized in the subsequent quarters.

- Tushar Manudhane:** So, we should be probably Rs. 250 crores plus/minus per quarter sort of an employee expense in the coming quarters.
- Arvind Agrawal:** You are right.
- Yogesh Agrawal:** You should minus Rs. 30 crores to kind of get a run rate for the remaining quarters. Yes.
- Tushar Manudhane:** Sir, given the product mix, if we are able to sustain the gross margin, and even if I assume, let's say, Rs. 10 crores, Rs. 15 crores increase in other expenses, still we should be doing much better in terms of the EBITDA margin. So what is holding us back for the forthcoming quarters or full year of FY '25 from having a better profitability or better margins?
- Arvind Agrawal:** No. As I mentioned, the expenses were very low in the first quarter. I think, as we go along, the expenses will pick up, the other expenses. So in that case, our expectation is that the EBITDA margin should be in this range or plus/minus 1%.
- Tushar Manudhane:** And sir, how much was the Trade Generics business for the quarter in India?
- Arvind Agrawal:** Yes, it was Rs. 41 crores this quarter as against Rs. 36 crores in the last year same quarter.
- Tushar Manudhane:** And lastly, how are you seeing the base business as far as U.S. is concerned? Is the price erosion sort of stable at, say, mid-single digit or is getting higher, if you could shed some light there?
- Yogesh Agrawal:** Yes. Price erosion is stable. It remains to be in the high-single digits. There is no aggressive price erosions or any kind of things up there. So for now, I think the market seems to have stabilized quite well.
- Moderator:** The next question is from the line of Gagan Thareja from ASK Investment Managers.
- Gagan Thareja:** Sir, on the Africa Branded Generics piece, it has been fairly volatile across the quarters, even in the past, and you have alluded to channel filling and destocking, kind of playing in how the numbers behave across quarters. Is this something of a similar nature in this quarter?
- Yogesh Agrawal:** Yes. As I mentioned in the opening remarks, this quarter looks a bit elevated because some of the sales of the last quarter got factored in, it got accounted in this quarter. But historically, if you see, we have delivered a CAGR of about 13% to 14% growth for the last 5 years in Africa if you seen quarter-to-quarter or one year to second year, so I think this kind of volatility can happen. One quarter may be for x, y, z reasons, channel filling, defilling, any issues there like we had a Red Sea crisis or the strike in France. So that does impact. But I think we have to look at a longer horizon of 1 year or maybe multiple years. And I think the fundamentals remain strong to deliver the mid-teens growth there.
- Gagan Thareja:** Okay. And when you say that Branded Generics market for -- I mean, sales for you will grow at mid-teens. Will it be mid-teens across all the 3 markets, India, Africa and Asia? Or are we sort of seeing some different numbers?

- Yogesh Agrawal:** We are giving the mid-teen growth guidance for the Branded Generics in emerging markets, which is Africa plus Asia. That does not include India.
- Gagan Thareja:** All right. All right. And then if I look at this year's sales mix, given your guidance of higher growth in Branded Generics versus Institutional and U.S. business, which are relatively lower-margin businesses, it would intuitively seem that the sales mix should lead to better margins year-on-year. In addition to that, you have added to your sales force in the past year in the African market, Asian market, and which should see an improving PCPM. So, if you reason it out, it will seem that there should be a good strong case for margin improvements. Is that line of thought wrong?
- Arvind Agrawal:** No, I think that line of thought is not wrong because as we said, 29% EBITDA in this quarter is something which is very clearly seen. And as I mentioned in the opening remarks, I think plus/minus 1% is the variation which can happen. Otherwise, it is something which is going to be there.
- Gagan Thareja:** Plus 1%, I understand, sir, minus is something that is hard to understand given the way things are moving for you, unless, of course, there are some forced major conditions of any sort.
- Yogesh Agrawal:** That is the reason because Institution business is not in our control, what orders we will get. U.S. is unpredictable market, which can happen. There are many other factors for the supply chain in the emerging markets. So we have to factor in for any volatility, which can happen, which is unforeseen.
- Gagan Thareja:** Are freight costs in any way impacting you in 1Q? Or do you foresee them impacting you going ahead on a year-on-year basis?
- Yogesh Agrawal:** Yes. On a year-on-year basis, I think what we have seen, the freight costs go up in Q4. So far, in the Q1, they have remained at the similar levels. They have not aggressively gone up. But on an annualized basis, we believe that we would be adversely impacted by Rs. 30 crores in the freight cost as compared to the full-year last year and current year last year. So we'll have a stock rate of Rs. 30 crores. Assuming that the freight level remains at the current level. If they go up or down, accordingly the impact will change.
- Gagan Thareja:** And in terms of sales force addition, what are your planned additions this year in India and the other markets?
- Yogesh Agrawal:** In India, there is no increase in the sales force we are estimating. In the emerging markets, we could have an increase of the sales force of about 8% to 10%, but that could happen towards the later part of the year. So it may not be so significant in the current quarter and the next quarter. I think most of the addition will happen towards the end of the year, maybe third quarter or fourth quarter. So against 1,800, probably we could add another 100 to 150 people.
- Gagan Thareja:** Right. And finally, what is your capacity utilization, a broad sort of indicative number?
- Arvind Agrawal:** About 60% to 65% across the plants.

- Moderator:** The next question is from the line of Sudarshan Padmanabhan from JM Financial PMS.
- Sudarshan Padmanabhan:** Congrats on good set of numbers. Sir, my question is to understand in the Cardiovascular business of ours. I mean, in the last 2 to 3 quarters, we've basically seen the growth a bit muted. If you can give some color with respect to now that we have been adding MRs. And the other segment specifically with the MRs continue to remain pretty strong. How do you see this segment gathering momentum? And what actions have you taken there, sir?
- Rajesh Agrawal:** The prime reason for the subdued growth that you see in Cardiology segment is because one of our largest brands, the largest brand for the company, MetXL had come under the further price reduction by NLEM in the last year, and that impacted us until March of '24. And that's why you see a subdued growth because we were the price leaders, and we took a sizable hit on the MetXL topline as well as, of course, getting added into the bottom line.
- But after that, if you look at the Q1 of the current year, which is April, June quarter, our growth in MetXL and overall in Cardiovascular segment is much better than the IPM and the likewise molecule growth. So that was a minor aberration that happened. But we don't see any major challenge in the Cardiology segment. As I said, the growth has bounced back. We have grown at 14.8% as against 12.2% of the cardiology segment in the Q1. So we have grown faster.
- Sudarshan Padmanabhan:** Yes, sir. Normally, when the market leader takes a price cut and they have such a strong market share, eventually, with the lag, we will start getting the market share back. So that would be visible probably in the first quarter. And we should gather momentum as we move to the second and third quarter. Is that right, sir?
- Rajesh Agrawal:** Yes. We are quite hopeful all the efforts are on to build the momentum up.
- Sudarshan Padmanabhan:** Yes, sir. And second is, sir, one thing I was pretty happy to see on the annual report that we had 14 launches and some of the launches that we had were first time in India. If you can give some color with respect to how are these 14 molecules doing and how many more launches are we seeing in the first quarter or we plan, say, in the first half of this year, sir?
- Rajesh Agrawal:** On a blended basis, if you look at the growth composition of Ajanta versus the IPM, contribution from the new product launches has been better than the industry growth by 1.3x, as I mentioned in my opening remarks, which, as I said, gives a very encouraging picture of how we are able to perform in all the new brand launches that we have undertaken in the last 12 months to 24 months also. We have a robust pipeline, and I see that these brands can become very important and significant for the company in the coming few years.
- Sudarshan Padmanabhan:** Sir, one final question before I join back is the Africa Branded has rebounded very sharply -- I mean, after majority of FY '24, we saw some kind of channel inventory. If this quarter more or less reflective of what we can achieve, say, in the next -- on a quarterly basis, has there been any kind of a front-loading in this quarter in terms of the run rate, sir?
- Yogesh Agrawal:** As I again clarified, our run rate was about Rs. 155 crores per quarter. So if you see last 3 quarters, that was the run rate. Last Q4 was at Rs. 110 crores odd. So we had a drop on the

quarter. And as I said, some of the sales got pushed into this quarter. So this quarter, I think you should add in the last quarter and work out the average, and there's a growth in that. Of course, there was a healthy growth despite the fact that the the sale got added in this quarter.

We feel confident of posting a decent growth in Africa. But I think the way I would say -- I would urge you to look at our Branded Generics business in emerging markets is look at the blended basis. Africa at times may grow faster and Asia may be slightly behind or Asia may grow faster than Africa. But the right way -- the whole DNA looks -- is the same, the gross margins are around the same. So I think on a blended basis, we are giving the guidance of mid-teens growth for the Branded Generics business of the emerging markets.

Moderator: The next question is from the line of Vishal from Systematix. Please go ahead.

Vishal: Sir, with respect to the Branded Generics markets, Africa and Asia, would you be able to share some color as to what is driving the growth, so basically, whether it is market expansion getting into new geographies or if the large part of it is basically volume and value growth in existing markets? And do you get the same kind of price increase in these markets as you get in India?

Yogesh Agrawal: Yes. So it is largely a factor of increased market share from the existing products. As you know, we have added people in our international markets last 2 years. So that is also reflecting. And the third factor is we are continuously launching new products in these markets. So all these 3 are driving the momentum for the growth. So if you see last year, we've added 18 products in Asia. We launched 9 products in Africa. So put together almost 27 products got launched.

And already in the current year, we have launched 7 in Asia and 2 in Africa, so 9 products got launched for the quarter. So if we are able to add similar kind of products, it takes time for them to nurture and grow, but it just adds up every year, all these 3 factors gets added into that. There is not such a big price increase. In international markets, that luxury or that comfort is not there. So most of it is new products or increasing the volume of the existing products.

Vishal: And sir, some sense on how these markets are versus India. So do you find these markets as competitive as India is? Or currently, these are less competitive and you have more space in terms of launching new products in these markets, the emerging markets and Africa?

Yogesh Agrawal: No, it is as competitive as it is in India. Everything is to be fought and gain the market share. Having said that, we believe that we have a very good skill set to identify the gaps in the market and bring the products, get the registrations and bring them to market and make into a successful brand. So we are very strategic in product selections, adding to our various teams and making a sizable brands out of it. Yes.

Vishal: And sir, just one final question. On India, what we are witnessing is companies are either trying to add MR bookings or they are acquiring other companies, smaller companies. So we are doing neither. So we are neither adding MR nor we are looking at any acquisitions. But we are still growing faster, but how do we intend to sustain this considering the growing competitiveness?

- Rajesh Agrawal:** No, the plans are always on. We are always evaluating and looking for opportunities, also not only in terms of acquisition, but also there are strategic additions in the MR counts which are being done. We already have a good optimum coverage. We are rather focusing on increasing the productivity per rep. That is really the focus for us for the last few years. And we are on a constant evaluation if there are opportunities to further strengthen the segment or any other new segment, then we will at the right point in time enter those segments.
- Moderator:** The next question is from the line of Gagan Thareja from ASK Investment Managers.
- Gagan Thareja:** Sir, most companies who have high salience in emerging markets have reported poor growth because of adverse currency movements whereas that has not been the case for Ajanta. So can you perhaps elaborate on what was constant currency and how -- and what has been the impact of currency movements in these markets for you?
- Arvind Agrawal:** See, currency movement is something which is not very substantial at all. It is something which is the normal growth, which we have got through volumes as MD mentioned earlier in his opening remarks. We are consistently increasing our market share. We are consistently launching new products. And all that is giving us the growth. So it is not just the currency thing which is coming into the picture.
- Gagan Thareja:** No, I get that. Sir, my question is more in the sense that how much of your sales is completely hedged for currency movements?
- Arvind Agrawal:** Okay. So currently, we are hedged for about 6 months sales already. And going forward, depending on what the view is on the currency, we normally take the hedge even for 9 months or 10 months also.
- Gagan Thareja:** Okay. And, sir, coming to the India business, where you have sort of focused on 4 therapeutic areas. Is it possible to understand to what degree you have been able to sort of broad base your portfolio of products in these 3, 4 areas? And do you also intend to come into new therapy areas in the coming 2, 3 years?
- Rajesh Agrawal:** So the first part of your question, it -- in different specialties, we have different coverages. For example, in Ophthalmology, we are second ranked by way of sales and first ranked by way of prescriptions as per SMSRC audit. Now, in that particular segment, we have close to 70% of the market coverage being in those therapeutic segments, whether they are NSAIDs or antibiotics or antiglaucoma, so on and so forth, right? So we have a large coverage in ophthalmic. Whereas if you look at some of the other segments in cardio and derma, we have a relatively smaller presence because the way it has evolved, and we have entered at a point in time where we could not launch the older molecules.
- Answering your second part of the question, obviously, as I said just now, we are evaluating different therapies every quarter and every 6 months. And if we find the opportunity, then we will, for sure, launch those specialties, enter into some of the new specialties in the coming year or so.

Gagan Thareja: Right. And for U.S., while this year, you are talking of mid-single-digit sort of growth with 8 to 10 filings if I heard it correctly. How should one think for Ajanta's U.S. business in a 3- to 5-year timeframe?

Yogesh Agrawal: Well, that's a very long outlook. We normally don't give that kind of guidances. We will stick to the current year. Having said that, you can factor in the number of -- we've already shared the number of ANDAs awaiting approval and number of ANDAs which we are targeting to file current year. And that should be the run rate for the next 2 years also. So a lot of products will get launched. And as I said, current year also good number of launches will happen towards the Q3, Q4. So that will -- the factor will come in into the next year. So just generally, my sense is, I think next year, our growth in U.S. should be in double digits, but I'll hesitate to give any kind of specifics whether it's low double-digit or mid-teens or high-teens, but I think the outlook looks positive to us.

Gagan Thareja: Okay. And for the emerging markets, do you intend to increase presence or maybe add new markets or new countries where -- I mean in Asia, I think Philippines is large for you, followed by some of the Middle Eastern markets and CIS?

Yogesh Agrawal: We have started to build -- we have started to look at some of the markets. Central Asia is our next thrust right now. So we are in the active phase of ramping up our presence there by filing a lot of product dossiers. And as the product gets approved, then we'll add the people to promote them. We are looking at Anglo Africa also to add their -- increase the product portfolio.

Some other geographies are also there in Asia, but it's a bit too early. We have just identified the products, started filing there. It may take 3 years by the time we get the approvals and we start to commercialize. But yes, to answer your questions, there are some countries which are at advanced stage, where we file the dossiers, approval should come in 12 months to 18 months. Some we will file or we have just filed, so that may be 3 years. So there are different markets and different maturity curve, which will fructify in next 1 year, 2 years, 3 years.

Gagan Thareja: But you don't intend to get into any of the LatAm markets.

Yogesh Agrawal: Honestly speaking, I think the way we have prioritized our entry, there are certain number of markets, which we believe where we have good understanding and skill set and they will be easy addition to us as compared to going to Latin America, which will be a very completely new market. And with the same resources, it will take longer time for us to ramp up there. So I think there is enough work for us to do for next 2 years in the geographies which we are present in, that is Africa and Asia and the Middle East. Once we are probably at advanced stage of filing dossiers, then we will look at the Latin America.

Gagan Thareja: Okay. And in India, do you feel the need to add to your sales force, not this year, perhaps, but next year?

Rajesh Agrawal: Yes. Maybe in the next year. As we go along, we will evaluate further by the end of the year maybe. Quarter 3 or quarter 4, we'll evaluate. But we are doing strategic additions if required, nothing in major numbers, yes.

- Gagan Thareja:** Okay. So even if there is a sales force addition in FY '26, it will be not a very significant number is what you're saying?
- Rajesh Agrawal:** We don't -- yes, we don't foresee a significant number. Basically, again, productivity is what we are focusing on, so -- and we are gaining good momentum into that, so it's fine.
- Gagan Thareja:** And what's the PCPM for your India business currently?
- Rajesh Agrawal:** For the end of first quarter, PCPM has touched 4 lakhs.
- Gagan Thareja:** And what was the number for 1Q last year and whole of last year for that?
- Rajesh Agrawal:** FY '24 was Rs. 3.5 lakhs, and current year first quarter is 4 lakhs.
- Moderator:** As there are no further questions, I would now like to hand the conference over to Mr. Yogesh Agrawal for closing comments.
- Yogesh Agrawal:** Thank you, everyone, for joining this call. In case if there are any further questions that remain unanswered today, please reach out to our Investor Relations. Thank you.
- Moderator:** On behalf of Ajanta Pharma, that concludes this conference. Thank you for joining us and you may now disconnect your lines.