



Jagsonpal Pharmaceuticals Ltd

Corporate Office: Plot No. 412-415, Nimai Tower, 3rd Floor, Phase-IV, Udyog Vihar,
Sector-18, Gurugram -122015, Haryana (India)

Ph.: +91 124 4406710; **E-mail:** info@jagsonpal.com; **Website:** www.jagsonpal.com

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The Department of Corporate Services- Listing BSE Ltd, Phiroze Jeejeebhoy Towers, Dalal Street Mumbai-400 001 Scrip Code: 507789	The Department of Corporate Services- Listing National Stock Exchange of India Ltd Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 Symbol: JAGSNPHARM
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**Subject: Earnings Call Transcript for Jagsonpal Pharmaceuticals Limited Q4 FY26 Earnings Conference
Call held on April 28 ,2026 at 3:00 P.M**

Dear Sir/ Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed transcript for the Jagsonpal Pharmaceuticals Limited Q4 FY26 Earnings Conference Call held on April 28, 2026, at 3:00 P.M. for discussion of Q4 FY26 Financial Results.

The same is also uploaded on Company's website.

We request you to take the above on record.

Thanking you,

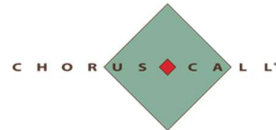
For **Jagsonpal Pharmaceuticals Limited**

Pratham Rawal

Company Secretary & Compliance officer



“Jagsonpal Pharmaceuticals Limited
Q4 and FY26 Earnings Conference Call”
April 28, 2026



MANAGEMENT: **MR. MANISH GUPTA – MANAGING DIRECTOR –
JAGSONPAL PHARMACEUTICALS LIMITED
MR. AMRUT MEDHEKAR – CHIEF OPERATING
OFFICER – JAGSONPAL PHARMACEUTICALS LIMITED
MR. NIRAV VORA –CHIEF FINANCIAL OFFICER –
JAGSONPAL PHARMACEUTICALS LIMITED**

MODERATOR: **MS. SOUMYA CHHAJED – GO INDIA ADVISORS**



Moderator: Ladies and gentlemen, good day and welcome to Jagsonpal Pharmaceuticals Limited Q4 and FY26 Earnings Conference Call, hosted by Go India Advisors. 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 Ms. Soumya Chhajed. Thank you and over to you, ma'am.

Soumya Chhajed: Good evening, everyone and welcome to Q4 and FY26 earnings conference call of Jagsonpal Pharmaceuticals Limited. We have on call with us Mr. Manish Gupta, Managing Director; Mr. Amrut Medhekar, Chief Operating Officer; and Mr. Nirav Vora, Chief Financial Officer.

Please be reminded that the discussion on today's call may include certain forward-looking statements and must be therefore viewed in conjunction with the risks pertaining to the business.

I now request the management to take us through the same and provide some more insight on the quarter and year gone by, post that we'll open the floor to Q&A. Thank you and over to you, sir.

Manish Gupta: Yes, thank you Soumya and good afternoon, everyone. Thanks for joining the call and we appreciate your continued interest and support for Jagsonpal.

I am pleased to report that Jagsonpal is back on growth in Q4 after two quarters of sluggish performance. This is on the back of sharpened focus on execution, especially in the area of MR productivity and retention. At the industry level, while the IPM grew between 7% to 8% during Q4 and most of the year, we have outperformed meaningfully at both the quarter and MAT levels, giving us the necessary confidence of growth acceleration going forward.

For FY26, while the revenue growth has been modest at around 7%, our net profit has grown at 19% before exceptional items. The performance is underpinned by financial discipline and focused execution, which is also reflected in our strong cash position, which was upwards of INR190 crores at the end of the year or on 31st March. While we continue to scout for strategic inorganic initiatives, the board of Jagsonpal is also guided by capital allocation philosophy that remains focused on disciplined value creation and efficient cash deployment.

Alongside the INR40 crores buyback announced on 12th March at INR250 per share with no promoter participation, the board has also recommended a 200% dividend for the year, which includes a one-time special dividend of 75%. While the shareholder approval for the buyback was received on 27th April, the enhanced dividend is subject to the shareholder approval in the forthcoming AGM. These steps of the board are fully reflective of the focus on improving the return on capital employed and or return on equity, as also their confidence in acceleration of business in FY27 and beyond, driving strong continued cash flow generation for the business.



Looking ahead, our strategic priorities remain consistent, which is about driving organic growth through enhanced MR productivity, sharper brand focus, and disciplined cost management, while we continue to evaluate value-accretive inorganic opportunities. With a stronger execution framework, we are confident of sustaining and accelerating the growth momentum while delivering consistent long-term value to our stakeholders.

I would now request Amrut, our Chief Operating Officer, to take you through the operational performance.

Amrut Medhekar:

Thank you Manish and good evening, everyone. And as Manish rightly mentioned that the last two quarters have centered around strengthening the execution engine of the business and we are now beginning to see the impact of these efforts translating into stronger operational performance. While the broader industry, which is IPM, has grown at around 7% to 8%, Jagsonpal has started to outperform meaningfully.

On a MAT basis, which is annual sales, the company has delivered 12.2% growth as per Pharmarack, outperforming the market by 3.6%. And this momentum accelerated further in the last quarter, which is Quarter 4, where the growth reached 14.2% against the industry growth of 10.5%. This performance was driven by disciplined execution, stronger internal processes, and our focused operating approach, supported by an asset-light business model that allows us to remain agile, efficient, and consistently cash generative.

On the other side, if you look at the brands and portfolio, Jagsonpal continues to maintain a very strong and balanced portfolio. Our top 10 brands currently constitute approximately 58% to 60% of our total sales, depending on the quarter, providing both the scale and stability for the business. Importantly, nine out of these top 10 brands are ranked within the top five in their respective categories, reflecting the competitiveness, prescription strength, and sustainability of our core portfolio.

Growth has been led by strong traction across the key therapies, in particularly Gynaecology and Dermatology. Both of which witnessed prescription momentum and remain important growth anchors for the organization. These segments have shown strong doctor engagement and improved prescription conversion, supported by focused execution and sharper brand investments. While a few mature brands in select therapy saw some moderation during the year, the strength in these high-growth segments has more than offset the same, resulting in a healthy overall growth trajectory.

A major focus area for us during the year has been strengthening the frontline capabilities. We have invested in a very structured MR training programs and managers development program aimed at improving the doctor coverage, call quality, territory productivity, and consistency of our engagement. Alongside this, we have worked on improving the field force stability and retention, which has been an important driver for stronger execution over the last quarter.

At the same time, we have sharpened our brand investment strategy by increasing focus on high-potential brands and ensuring better allocation of our resources towards therapies and brand building, where we see stronger growth visibility as well as sustainable long-term opportunities.



These efforts are now clearly reflecting in our improved field productivity, stronger doctor engagement, and better execution on the ground, which is visible in relatively better Quarter 4 performance. And with these building blocks now firmly in place, we are well-positioned to deliver more consistent, scalable, and market-outperforming growth in the coming quarters.

Thank you so much and now I'll request Nirav, our CFO, to take you through the financial highlights.

Nirav Vora:

Thanks Amrut and thank you everyone for joining us. So from a financial perspective, Q4 FY26 reflects a strong improvement in operating performance, with revenue growing by 10% year-on-year to INR64 crores, supported by healthy demand momentum across key therapies and stronger execution. This translated into EBITDA growth of 9% year-on-year to close to INR11 crores, while maintaining stable margins at close to 16%, reflecting disciplined cost management and operating resilience.

Profitability saw a sharper uptick with PAT rising to 31% year-on-year to close to INR9 crores and with a PAT margin expanding to approx. 14%. For the full year, FY26 revenue grew by approx. 7% to INR287 crores and operating EBITDA stood at close to INR61 crores with the margin of approx. 21%. At the profitability level, our profits from operations grew by 19% year-on-year to close to INR45 crores, reflecting a margin of approx. 16%.

The only exceptional item during the year was the impact of new labor code, which was taken in Q3, and overall the business continues to show meaningful improvement in core quality and profitability. We also continue to maintain a strong balance sheet with a cash position of over INR190 crores. Working capital remains well-managed with net working capital cycle at close to 11 days, reflecting our continued focus on financial discipline and prudent capital allocation.

On the buyback front, we have received shareholders' approval for the proposed INR40 crores buyback of up to 16 lakh equity shares at a price of INR250 per share. As mentioned earlier, the promoters shall not be participating in the same. This move is expected to have significant impact on our return ratios, with ROE increasing from approx. 16% to 18%, while ROCE shall improve from approx. 22% to close to 26%.

This reinforces the board's focus on efficient capital deployment and long-term value creation for public shareholders. The record date is May 04, '26 for the same. The detailed buyback timelines and process will continue as per regulatory requirements. Alongside this, the board has also recommended a 200% dividend including a one-time special dividend of 75%. This will result in a total payout of INR4 per share and an overall cash distribution of approx. INR26 crores.

Between buyback and dividend, the company shall be returning over INR66 crores to the shareholders. This reflects our confidence in both the strength of our business model and in the capabilities of generating free cash. We stay confident of sustaining and accelerating growth while maintaining disciplined capital returns. That concludes our update. We shall now be happy to take your questions. Thank you.



- Moderator:** Thank you so much, sir. Ladies and gentlemen, we will now begin with the question and answer session. Our first question comes from the line of Deepesh from Maanya Finance. Please go ahead.
- Deepesh:** Okay. Now Q4 marks a very strong recovery after two relatively muted quarters. How much of this improvement is structural versus seasonal?
- Amrut Medhekar:** Thank you so much. See, if you look at our portfolio, we hardly have products which are seasonal in nature. And therefore, what we see today is purely driven by operational strengthening, as well as some of the steps that we had taken in terms of our brand building and MR productivity improvement. So, all the growth is completely strategic and structurally made in favor of yields. And I don't see any of the seasonal impact there.
- Deepesh:** So what were the key triggers behind such a sharp improvement in Q4 execution? And how can the company, I mean, going forward will the company perform the same way?
- Amrut Medhekar:** If you remember Deepesh, I'm not sure you were there in the last concall, but we had given you this guidance that we will be delivering a double-digit growth. And that's what exactly we have delivered. So we have done the walk the talk. But second part is we have also given you a guidance that we'll be looking at beating the market growth. And that is what our objective has been and obviously we are taking aspiration to beat it by 1.5x, which is 1.5 times more than the Indian Pharma Market growth.
- And in that direction, we had taken several steps which I enumerated in my talk, which include improving our field force productivity by way of improving their training, their skills, upskilling them, and more importantly trying to engage more customers so that our prescription value per doctor increases. And thereby resulting in lesser cost for acquisition of newer business. And therefore I always call it as a profitable growth for the organization.
- Deepesh:** Right. So what is the biggest execution risk in achieving the targets which you have given?
- Amrut Medhekar:** Execution risk may be macro. On a micro level, at an organization level, I do not see because we have very well-established, very old legacy brands which continue to drive its market share in the current therapies and molecule bucket. However, there are certain new product opportunities obviously which we are continuously looking at, which are into our strength areas which we intend to build.
- One execution risk may be that we may go over-aspirational on certain products, but yet we want to give them a full try with our heart and soul so that we are able to achieve them. But we are not sure how those molecules will eventually emerge as a macro market. So I only see a macro risk happening for the organization. At our level, internally within the organization, we are super confident of delivering operational excellence and growth which is backed by profits.
- Deepesh:** Okay. And what gives the management confidence of further acceleration beyond the current IPM outperformance?



- Amrut Medhekar:** One is obviously it is too early for us to say and as I said earlier on, this is our first quarter wherein we had committed you a double-digit growth, that's what we have aimed for and we tried to deliver. And I'm hopeful that the steps that we are taking towards rationalizing some of our resources and also reallocating those resources for more productive use, I think that will be one of the key drivers. Besides of course improving our own capability and skills of the team so that they perform better in the market and are able to compete meaningfully in clinics for the doctor.
- Deepesh:** Okay. And how should investors think about FY27 growth versus the stated target of 1.5x IPM growth?
- Amrut Medhekar:** We continue to maintain that guidance, sir.
- Deepesh:** Okay. And just my last question. What is the reason of distributing so much of cash to shareholders? I mean, don't we see any growth opportunity beyond, I mean, in our company or any investment as such?
- Manish Gupta:** Deepesh, I think this is not an easy question for the board, simply because how much cash is adequate cash does not have a clear answer that is, I mean, this depends from person to person. Personally as a company, the board was of the view that keeping too much cash is also not productive, especially in the scenario of falling yields and also in a scenario wherein now we have access to bank finance to fund acquisitions. So if you look at our own balance sheet, you can easily believe that we can raise upwards of INR200 crores as fresh debt in the company.
- We have close to INR190 crores of cash, and given our cash flows, we are very hopeful of recouping whatever we are paying out within the next 12 months. So technically we do have wherewithal to undertake an acquisition of up to INR400 crores with our own balance sheet. I think that is more than sufficient in the view of the board and I think they took a very pragmatic decision of not keeping too much cash in the company beyond what is potentially needed.
- Deepesh:** Sir, just, I mean, just to counter that...
- Moderator:** I'm sorry to interrupt you, sir, but you may rejoin the queue for more questions.
- Deepesh:** It's just a counter question because, I mean, it's related to the previous answer, that's why.
- Manish Gupta:** Yes.
- Deepesh:** Yes. So basically your total ROE what you're doing on your cash as well as on your assets is 17% to 18%. Now if you're making that good an ROE, why don't you deploy your cash into the business and give a better ROE? I mean, investors would be happy with dividend of course, but point is if you're giving a good ROE on the money which we are keeping in your company, I think that is good enough for us. Why distribute the entire cash and take debt and have that interest outgo? I mean, that was just my thought process. Otherwise it's great.
- Manish Gupta:** Deepesh, I'll just address this. Basically pharmaceutical industry for growth is not capital intensive. It is brand intensive. And brand requires execution excellence at a field force level,



which is what we are focused on. We do not require any capital beyond what we are spending in terms of growing our business. So any use of real cash that we have is only for inorganic strategy and not otherwise.

So you're right that if we can generate 17% and 18% from our core business, but that is only working capital that is invested there. By pumping in more working capital, I cannot grow the business. We can only grow faster than the market through better execution in the marketplace, which we are already focusing on. So per se capital is not required for the organic growth. It's only for inorganic growth and keeping that cash at 7% in the bank pre-tax, I think defeats the objective.

- Deepesh:** Great, great sir. Thank you so much. Clear, sir. Thank you.
- Moderator:** Thank you. Our next question comes from the line of Anupam Agarwal from Lucky Investments. Please go ahead.
- Anupam Agarwal:** Yes, thank you so much for taking my question and congratulations on good numbers, sir. My first question is that if you can break down your full year growth of 12.2% as per Pharmarack between the four therapy segments, that will be really helpful.
- Amrut Medhekar:** Therapy-wise we are overweight on three therapies, which is Gynaec, Ortho, and Dermatology. Currently offhand I won't be able to give you exact breakup between these three therapies.
- Manish Gupta:** Yes, but I'll give you, mean, while we don't have latest numbers, but roughly about half of our business is Gynaecology, 25% odd would be Ortho, and another 10% to 15% will be Derma.
- Anupam Agarwal:** No, my question was more so on the growth, which business therapy is kind of driving that growth largely?
- Amrut Medhekar:** So largely driven by number one, Gynaec and number two is Derma.
- Anupam Agarwal:** Okay. Sir, you've talked about MR productivity, just a question on that. So what is the MR count today and what was the productivity let's say, same quarter last year and what was it in the fourth quarter?
- Amrut Medhekar:** So number of MRs continue to be same, there is no new addition of MR in the last quarter, which is under reference now. And productivity, the growth that you are looking at is pure play, productivity improvement by the existing MRs.
- Anupam Agarwal:** Understood. Sir, in your presentation there are a couple of lines mentioned about you launching or ideating one to two products every quarter. How are we placed on that? What is the kind of new product launches that we've done in the fourth quarter? What was it in the last full year and what are we planning for the next year?
- Amrut Medhekar:** So we had total of six new product launches and three SKUs, I mean the brand extensions. We intend to have similar number approximately 9 to 10 in this current year as well, in which half of it will be more of rejuvenating the older brands, the legacy brands that we have. So some



brand extension in the same legacy brands. And there will be close to around five or six opportunities which will be in the new product therapies.

- Anupam Agarwal:** New product therapies or new products within the existing therapies?
- Amrut Medhekar:** New products within the same therapies, our strength areas which is Gynaec, Ortho, and Derma.
- Anupam Agarwal:** Understood. Great sir, I just wanted your breakup of the growth therapy-wise, so maybe I'll take that offline. That's it from my side. Thank you so much.
- Moderator:** Thank you. Our next question comes from the line of Gautami Agarwal from Perpetuity Venture. Please go ahead.
- Gautami Agarwal:** So, my first question is on the gross margin side. As we can see Q-o-Q this year the gross margins have declined and on the other hand the other expenses have increased Q-o-Q and Y-o-Y. So is there a particular factor or is it fair to assume that these are the stable numbers going ahead?
- Manish Gupta:** You're referring to any specific number of Quarter 4 or...
- Gautami Agarwal:** Quarter 4, sir.
- Manish Gupta:** No, so, are you referring to Quarter 4 or for the full year? Because our full year gross margins are largely in line, there has been minor change, but it is more or less 64.2%. Yes, about 20-30 bps, which is just a product mix issue, nothing more than that.
- Gautami Agarwal:** All right, sir. And what about the other expenses part?
- Manish Gupta:** Other expenses also if you look at that has marginally increased, I mean 30 bps, that could be attributable to largely these are a bit of timing issue. Let me just give you example like when do you conduct your cycle meeting, your annual cycle meeting, budget meeting. Last year it might have happened in April and this year it might have happened in March.
- So on the size of our balance sheet, I mean of our P&L, a INR 1 crore difference here and there makes a difference in the percentage. But structurally there is no increase in our cost structure beyond the normal inflation.
- Gautami Agarwal:** Okay, okay sir. Got it, fair. My next question is on the guidance end. So previously our guidance had been of 12% to 14% on the top line and 100 to 150 basis points on the EBITDA margin level. Where I see that this year has been a one-off year and since our growth has been exceptionally well compared to the IPM data, so is it fair to assume that we will be sticking to the earlier guidance going forward?
- Amrut Medhekar:** Good, good. We had given the guidance, ma'am, if you remember last quarter also, we had clearly mentioned and we repeat it at the cost of repetition, we are certainly targeting a 1.5x of the pharma industry growth. Currently the pharma industry is trending anywhere between 6%-7% to 8%-9%. So this is the window in which it is operating. And if I calculate 1.5x of that, it translates to anywhere between 12% to 15% right now.



As the scenario moves forward because now you have some glut of launches into metabolic, anti-obesity and things like that, obviously the market is also expected. I'm repeating the word and underlining this word, expected to perform better. We are saying even if we are not present in anti-obesity right now, our portfolio is strong enough to still beat the market and deliver a 1.5x the growth.

Gautami Agarwal:

Okay sir. Got it. Thank you sir, that's it from my side.

Moderator:

Thank you. Our next question comes from the line of Sajal Kapoor from Antifragile Thinking. Please go ahead.

Sajal Kapoor:

Yes, hi. Thank you for the opportunity. Hi team. A few questions from my side. If we track the next two quarters, what quantitative thresholds, I mean for example MR productivity growth or volume growth, would kind of validate that this turnaround that we have reported in Q4 is on track versus slipping back to the industry level growth? Any few, maybe two quantitative thresholds that we can actively monitor.

Amrut Medhekar:

Hi Sajal, very good afternoon to you. This is Amrut Medhekar. Am I audible?

Sajal Kapoor:

Hi Amrut, yes, you are audible. Thank you.

Amrut Medhekar:

Yes. So Sajal, if you look at the last reported numbers of Pharmarack, that is what we look at, or IQVIA also, almost similar numbers for the industry. I'll just break it down for you. So volume has been almost flat for the pharma industry on a moving annual total basis. So yearly the volumes have been almost flat. It ranges anywhere between 0.5% to 1.2%-1.3% on a month-on-month basis.

The new product contribution is upward of 3%. The price growth is roughly around 5% plus. And therefore the annualized growth is roughly in the range of 7% to 9% month-on-month. Now if you look at the JPL, which is Jagsonpal numbers, and look at Pharmarack data only and try to mirror this, our volume growth is reflected as 2% there.

Our new product is matching the industry growth which is 3% plus. Our price growth is little shade higher, which is at around 6.5% to 7% on the price side. So overall our reflection is showing as 12%. So this is where the industry and Jagsonpal is as far as the external reflections are concerned.

Internally we are certainly trying to beat these numbers also, Sajal. And I think I had indicated to you on the same questions last quarter as well, that we foresee in the -- as you asked specifically for the next two quarters, I see same numbers getting even better.

Sajal Kapoor:

No, definitely we certainly hope for that, Amrut. And thank you for answering that. Next question is, I mean, so our top 10 brands today contribute about 58%-60% of revenue, our top 10. And these have driven the recent recovery obviously. So over the next two-three quarters, what specific indicators, I mean such as growth contribution from the next 10 brands so to speak, new product revenue share, or reduction in top brand dependency should be tracked to assess, whether growth is broad -- broad-based rather than concentrated?



I mean, at what point would you consider the portfolio sufficiently diversified to sustain the aspirational 1.5x IPM growth without relying sort of disproportionately on few large brands?

Amrut Medhekar:

Yes, yes. So Sajal, this is industry-wide I think a very common question which comes across. See, most of the industry and especially the old organization will have this legacy impact. So you will have some brands which are very old but constituting a very large chunk of your top line. And hence it becomes very, very important for you to trend your line when you grow in your growth trajectory, that line has to be kind of managed very well.

That you are not threatening your core brand, the volumes to remain or rather grow, so that's your core engine, right? That's going to funnel your growth or fund your growth, future growth. While new products will obviously accelerate that growth. So our focus will continue to be on our power brands, our core brands, which are kind of two or three brands each of the business unit or vertical, therapy vertical that we operate with. That's where our majority of the resources will be deployed.

At the same time we are trying to build a portfolio which is future growth proof. Meaning some of the products where we see next 10 years, 20 years growth. These are the products in which we have identified which are complementing our strength and which possibly will have much better chance of success, Sajal. So as I rightly I think put the numbers to you, we are certainly looking at upward of 3% growth coming purely from these strong new product launches as well, while ensuring that our volume and price growth matches or betters the pharma industry.

Sajal Kapoor:

And that's helpful, Amrut. And lastly, we still off the view that the trade generics is not a competition as far as our business is concerned and this lack of volume which is an industry-wide phenomenon, it may or may not be partially if not fully linked to the trade generics growth, but that has nothing to do with any challenges that we see as on today?

Amrut Medhekar:

Currently none, because this is not a new phenomenon Sajal. This is going on for almost a decade and last five years possibly it got little accelerated post-COVID scenario, wherein the generics had taken a front seat because of lot of Jan Aushadhi Kendras coming up as well as generic businesses of the large pharma companies are also trying to take away the market share. But none of these numbers are currently validated, Sajal.

There is no custom report which is available saying that generics is eating into the branded formulation. Right? So I am very sure the way we are operating today, we are able to drive volume growth. We are able to make new product success. And we are also able to take premiumized pricing. So that also talks about our brand strength in clinic with the doctor's mind.

Sajal Kapoor:

Sure, sure. No, that's helpful, that's helpful Amrut. Thank you so much.

Moderator:

Thank you. Our next question comes from the line of Avnish Parman from Vaikaria. Please go ahead.

Avnish Parman:

Yes, hi. Good afternoon. Thanks for taking my question. I just had a question about the potential impact of whatever is happening in the Middle East. If you can just outline whatever impact the business is facing and also if you can just touch upon, I guess that all your manufacturing is



outsourced. So are you having any kind of feedback from your CMO partners in terms of constraint on raw material supplies, be it API or solvents or packaging material?

Manish Gupta:

Yes. So I'll respond to it in two parts. Clearly from a demand perspective, there is no impact of whatever is happening on the Middle East. Okay. So the demand remains secular as far as the industry is concerned. Having said that, clearly there are certain pressures on the cost front, especially packaging material. Clearly all the vendors are seeing cost increases and they obviously while they are carrying certain inventories, they will be looking to pass on some of the cost increases.

Finally I think all of us will find an equilibrium. Having said that, I believe pharmaceutical industry overall will be lesser impacted given that the gross margins in this industry are better than most other industries. So with 65% to 80% gross margins that most of the branded companies enjoy, I think our ability to take some of these cost increases are far superior and we are also allowed a 10% price increase.

So some of it will get consumed within that price increase. So all in all, yes, there will be cost impact. Will it have any impact or any significant impact on the profitability of the company? I don't believe so.

Avnish Parman:

Okay, thanks Manish. Just a follow-up on that. Hypothetically speaking, let's say the API cost increases by let's say 50% for the CMO manufacturer. I just wanted to have a sense on how the contracts are structured. Is all of that cost increase passed on to the marketing company or it's like a share of the pain kind of a system where some pain is shared by the CMO guys and some only a part of the pain is passed on to the marketing company? How is it structured usually in the contract?

Amrut Medhekar:

Thanks for this question. I'm sure you would know that I also have a little bit of CMO background, I actually worked in the CMO earlier on. So typically the cost doesn't get as is transferred to a buyer or a client. So depending on the structure of the agreement, it is typically absorbed over a period of time and in a staggered fashion as per your purchase orders. Because you even your purchase orders are not there for every 15 days or every week. Your purchase orders are also staggered over a quarter.

And therefore the absorption is also real-time as per the prices prevailing at that particular point of time when the purchase order is getting released. And while we have an agreement which is longer term in nature, the agreement also allows you time to absorb those increases over quarters. So it's not one quarter impact at all.

Avnish Parman:

No, no. That's fine, I understand. My question was that over time, is it completely passed on to the marketing company which then passes on to the market by price increases or some is absorbed by the CMO guy?

Amrut Medhekar:

I mean, even the price increases are normally not seen being permanent. They will also fall when the scaledown also happens for those molecules and the supply chains typically kind of smoothens out. So today what we are looking at supply chain constraints is less related to



movement of the products, more related to the insurance cost. So typically those will also drop down.

Manish Gupta: See, just to further add on this, finally nobody will do business at a loss. Right? So we have to find a middle ground between the CMO and us and also a middle ground between us and our customers. Okay. So everyone tries to absorb what they can, everyone will pass on what they can, and a new equilibrium gets established. Okay. But having said that, as I was mentioning, the overall cost in our scheme of things is not that significant as it is for many other industries.

Avnish Parman: Yes, understood. Last question from my side. You mentioned three of your dominant therapies Gynaec, Ortho and Derma. If you see in the last three-four months IPM growth has kind of picked at about close to let's, say 10%-11%. If you take a blended growth for these three strong therapies of yours, are these therapies on a blended basis going higher than IPM or lower than IPM?

Amrut Medhekar: No, they are in line with the IPM growth currently.

Avnish Parman: Okay, okay. So when you say you're going to grow at 1.5x of IPM, that also practically means that you're growing at 1.5x of your covered market growth. Correct to assume that?

Amrut Medhekar: Yes, yes.

Avnish Parman: Okay, okay. Thank you. I'll get back in the queue.

Moderator: Thank you. Our next question comes from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi: So Mr. Gupta, I'm trying to understand that what percentage of our revenue is coming from e-pharmacies, that is the online Netmeds and 1mg etc., and what are the terms of trades in terms of credit period, working capital as well as margins? Are they higher or lower versus the traditional our sales channel?

Manish Gupta: I'm sorry, I didn't get your name please. Can you repeat?

Madhur Rathi: My name is Madhur Rathi.

Amrut Medhekar: Yes, Mr. Rathi, thank you for this question. Currently the number is almost insignificant for us to have any mention of this in terms of supplies to these online pharmacies. However, the structure for every organization differs for these pharmacy chains. Some of the supplies do happen from the authorized stockist in each and every warehouse of theirs as per the location, geographical location.

And second is you also get into the rate contracts which are annual in nature for some of the products which are high prescription and high volume. So currently we don't have per se very high volume or value contribution from these e-pharmacies.



Madhur Rathi: Understood. And also when last did we take a price hike across our product portfolio and what was the quantum of the price hike? And what is the average salary hike that we are looking on account of our MRs this year?

Amrut Medhekar: Madhur sir, in terms of exact percentage I won't be able to share this because we are yet to close our appraisal cycles and KPI completions for the last FY. We are in that process and while we conclude this, it will possibly be this quarter.

Second part of your question was that when the price increases will happen. So price increases will be SKU based because as per 12 month, complete 12 month period gets over, then only one SKU is allowed for a price increase. And that's when we actually take as well. It all depends on how much inventory you have with you and how much is the need for the extra inventory to create a purchase order or to trigger a purchase order.

Madhur Rathi: Right. And sir just a final question. Sir, if I look at our scale versus the size of the market, it's much larger in terms of I think SKU offerings as well. Sir, so our growth estimates of 1.5 times the market, are we being conservative in that in either new product addition or growing in these three segments Gynaec, Ortho and Dermatology? So either in new product addition are we being conservative because our scale is not what is the market, our scale is not that high?

Amrut Medhekar: I'm not able to hear you clearly, but I can possibly sense what you wanted to ask. I'll just answer that. See, our market as you said, I think Manish ji has already elaborated those numbers to you. One is the earlier question which you asked about the price increase, our 92% of the portfolio is outside the NLEM, which is price control. So almost you can say 90% of my portfolio I can go up to a price increase of 9.9%.

Second part that you asked the question is whether our participated market or covered market is big enough to drive our growth upward of 1.5x. Is my question understood correctly?

Madhur Rathi: Yes sir, and also on the new product addition because versus the target market our product addition can be much faster, so yes.

Amrut Medhekar: Yes, correct. So we are trying to rejuvenate that. As I mentioned in my opening remarks as well, we are trying to rejuvenate our portfolio but obviously we are working with a specialty segment where prescription pickup doesn't happen from day one. New product establishment is a very, very hard work for prescriptions to start flowing in from each and every pin code of the country, which will take possibly a year plus for us to do that.

And that's what we are working out with new product addition. As I mentioned, as per Pharmarack, we are matching or doing better than the pharma industry in terms of our new product performance. So we are already at 3% plus in terms of our growth contribution from the new products. And we are trying to further accelerate that.

Madhur Rathi: Got it. Sir, that was from my end. Thank you so much and all the best.

Amrut Medhekar: Thank you.



- Moderator:** Thank you. Our next question comes from the line of Aditya Chheda from InCred Asset Management. Please go ahead.
- Aditya Chheda:** Hi, good afternoon. Can you break your Q4 FY26 and FY26 growth in price, volume and new products?
- Amrut Medhekar:** Yes, I'll give you the breakup for Q4 which you are asking. So for us volume growth was almost in line with the market. I'll give you first the Pharmarack numbers how they are reflected for -- unfortunately I don't have the quarter right now, I have the year. So can I give you for the year right now?
- Aditya Chheda:** Yes, that is fine.
- Amrut Medhekar:** So I had given it earlier, I repeat. So for the Indian Pharma Market, the volume growth has been approximately 1%, little less than 1%. New product has been little higher than 3%, it was around 3.1%. And price is little less than 5%, so it was around 4.8%. So sum total of this is around 8.5%. If you round it off, it will become 9%.
- Now for Jagsonpal, the numbers reported are volume growth is 2%. New product is matching which is 3.2%. And our price growth is in the range of 6% to 7%. Sum total of this comes to 12%.
- Aditya Chheda:** Got it, great. That's it from my side. Thanks.
- Moderator:** Thank you. Our next question comes from the line of Hitaindra Pradhan from Maximal Capital. Please go ahead.
- Hitaindra Pradhan:** Hi sir, I hope I'm audible. Sorry, I missed this like -- about new product pipelines, which therapeutics you said those molecules would be?
- Amrut Medhekar:** Yes, our molecules you will possibly come to know in a month's time, but we are looking at some good breakthrough molecules and hopefully we'll be in the second wave of launch for this first-in-India product. So we are preparing ourselves for Gynaecology one therapy, second obviously we are looking at Ortho and Derma. So you will come to know about this, we'll make an announcement at the opportuned time, mostly either May end or June first week.
- Hitaindra Pradhan:** Got it, sir. And sir on the second, on the MR efficiency that you're working on. So these new products I assume will be aligned and that would help us increase the efficiency of our field force because if my understanding is correct, I mean there were some churning issues and you were trying to tackle that and improve the efficiency from our field forces. So, I assume all these new products will be aligned and that would be helpful to increase or manage the productivity?
- Amrut Medhekar:** Yes, yes, absolutely. So as I said, there is one upskilling workshop which has happened. There is a very good product and therapy training which was given to all the MRs. We are also looking at the talent improvement within the organization so that all the promotions also happen internally as a policy for the organization. While we try to blend with the external hiring in case, we are not able to find anybody internally for a new position.



The third piece that we are working on is whether the geography in which we are operating, we are able to get more productivity. So we are not adding any geographies, we are not adding any new MR, but we are trying to see whether organically from the same geography we are able to extract more. And thereby conserving our cost as well.

Hitendra Pradhan: Got it. And that would have any implications on our incremental cost, margins or working capital, all these initiatives?

Manish Gupta: No, not at all. I mean, any implications on our operating cost and or working capital? No. See, as you would have noticed, we are already working on a very lean working capital, 11 days, and this has been consistent for two years now. So we believe we are best-in-class as far as working capital management is concerned and we intend to stay that way.

Hitendra Pradhan: Got it, sir. And sir final one on the capital return policies, like I see that the strategy seems to be like we want to return back, the dividend via a dividend or share buyback and so that our net cash kind of remains below INR200 crores. So is that understanding, correct? I mean, will we continue to do that? I mean, we are generating healthy cash flow, so we don't want to kind of keep surplus cash over like INR200 crores. So, I mean, is that understanding, correct?

Manish Gupta: I don't think we have a number in mind, but yes, we believe with the robustness of our cash flows which continues, we have adequate cash currently and even what we are paying out through both buyback and or enhanced dividend will fully get recouped within the year itself. I mean, you can arrive at the number, but yes, we believe that the current cash position of the company is more than sufficient to fulfil any inorganic initiatives that we may need to undertake.

Hitendra Pradhan: Got it, sir. Thank you sir and all the best.

Moderator: Thank you. Our next question comes from the line of Anupam Agarwal from Lucky Investment Managers. Please go ahead.

Anupam Agarwal: Yes, hi. Thank you for the follow-up. Sir, just on the top 10 brands. So if you can call out what the growth has been for those top 10 brands on a basket level and what has been the growth for the tail end brands which is the other 42% of the business?

Manish Gupta: Yes, can you repeat the question? Anupam, the line wasn't too good when you spoke.

Anupam Agarwal: Yes, I'm asking the top 10 brands which contribute 58% to your revenue, what was growth in those 10 brands and what was the growth in the balance 42% of the business?

Amrut Medhekar: It's almost in line. So top 10 brands are obviously constituting much more healthier bottom line for us, so our growth on those brands has been in line with the rest of the portfolio. It's hardly 1% change. But I think we'll arrive at the right number because we have not added the numbers and seen it, we'll come back, but it won't be very, very different.

Anupam Agarwal: Understood. And sir, do you have different divisions for each of these therapies in terms of MR or are they inter-linked?



- Amrut Medhekar:** Your voice is not very clear at all. Can you please repeat this or maybe little bit away from the mic, I think it's getting smudged.
- Anupam Agarwal:** Yes, I was asking in terms of your MR productivity, between the three brands, between the three therapy segments, do you show the MRs are inter-linked in terms of divisions or are they separate independent division by itself?
- Moderator:** Anupam, I'm really sorry. But if you're wearing a Bluetooth or anything, can you please remove the Bluetooth because your voice is echoing and we can't hear you properly.
- Amrut Medhekar:** I can repeat the question, Anupam just tell me yes or no. You asked me whether the three therapies are separate divisions and whether we are growing equally something like that?
- Anupam Agarwal:** Yes
- Amrut Medhekar:** So all three businesses are independent. We are trying to have a character around those businesses. One is a clear-cut Gynaec business which has absolutely no confusion, so entire portfolio is pure play Gynaec. Second business is what we are trying to build up is around Orthopaedics, which doesn't have all pure play Orthopaedic brands currently. Third business is again clearly a Derma focused business.
- So Derma focused, the Gynaec focused is absolutely there in place, while the third vehicle which is still to be built or work in progress you can say is the Ortho franchise. Which will happen as the quarter progresses over next couple of quarters. And all the three engines will fire equally well, I'm confident about it for contributing towards the profitable growth for the organization.
- Anupam Agarwal:** Got it. Sir, last question if I may. Can you quantify in absolute figure what is the MR productivity for each of these three business segments?
- Amrut Medhekar:** I won't be able to give you exact numbers there for each of these businesses in terms of productivity. However, I can promise you one thing that the growth will be entirely driven with the productivity improvement as we don't intend to increase the MR numbers currently or managers number currently. So manpower remaining same, our growth will be still higher than the IPM.
- Anupam Agarwal:** Can you rank them in what is highest in terms of MR productivity between one, two, three?
- Amrut Medhekar:** Gynaec will be higher number one, Ortho will be number two, and number three will be Derma.
- Anupam Agarwal:** Got it. Thank you so much, that's it from my side.
- Amrut Medhekar:** Thank you so much, thank you.
- Moderator:** Thank you. Our next question comes from the line of Aditya Chheda from InCred Asset Management. Please go ahead.



- Aditya Chheda:** Hi, just one clarification. The number you mentioned for Jagsonpal of 12% versus the reported number of 7%, this is the lead-lag in the data reported in Pharmarack, that's the only difference there, right?
- Amrut Medhekar:** Correct, correct. You're right. These are the reported numbers in the Pharmarack external audit for the pharma industry as well as Jagsonpal.
- Aditya Chheda:** Okay, great. Thanks.
- Moderator:** Thank you. As there are no further questions 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.
- Nirav Vora:** Yes, thank you all participants for your valuable questions and engagement. We appreciate your interest in Jagsonpal. Should you have any further queries or any requirement of additional information, please do not hesitate to contact our IR team at Go India Advisors. We remain committed to engaging with all of you, fostering transparent communication as we continue advancing our objectives of creating value for our shareholders. Thank you once again for your participation and wishing you a very good evening. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, on behalf of Go India Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your lines.