Bharat Parenterals Limited

Registered Office & Works:
Survey No.: 144-A, Jarod-Samlaya Road, Vill. Haripura,
Ta. Savli, Dist. Vadodara - 391520 (Guj.) India.
Mobile : 99099 28332
E-mail: info@bplindia.in, Web.: www.bplindia.in
CIN NO: L24231GJ1992PLC018237
(WHO-GMP CERTIFIED ★ STAR EXPORT HOUSE)

Date: 12.05.2025

To,
Secretary
Listing Department
BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400001.

Script Code: 541096

Dear Sir/Madam,

Subject: THE MANAGEMENT DISCUSSION AND ANAYLSIS REPORT FOR THE QUARTER AND YEAR ENDED ON MARCH 31, 2025.

In compliance of Regulation 30 and 33 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company in its meeting held on May 12, 2025, has considered and approved the audited Financial Results along with Management discussion and Analysis report as enclosed for quarter and Year ended on March 31, 2025.

This is for your information and record.

Thanking You,

Yours faithfully,

FOR BHARAT PARENTERALS LIMITED,

SHARMIN NARESHKUMAR SONI

Digitally signed by SHARMIN NARESHKUMAR SONI

____

Sharmin Soni
Company Secretary & Compliance Officer

Bharat Parenterals Limited
Registered Office & Works:
Survey No.: 144-A, Jarod-Samlaya Road, Vill. Haripura,
Ta. Savli, Dist. Vadodara - 391520 (Guj.) India.
Mobile : 99099 28332
E-mail: info@bplindia.in, Web.: www.bplindia.in
CIN NO: L24231GJ1992PLC018237
(WHO-GMP CERTIFIED ★ STAR EXPORT HOUSE)

Management Discussion & Analysis – FY25 and Q4FY25

Bharat Parenterals Ltd. ("BPL" or "the Company") continued to build on its strong foundation in pharmaceutical manufacturing during FY25, delivering robust revenue growth, improving operating metrics at the standalone level, and laying long-term groundwork through strategic investments in its complex generic's subsidiary, Innoxel Lifesciences.

Standalone Performance

The Company reported standalone revenue from operations of ₹318.7 crores in FY25, reflecting a solid 19.8% increase from ₹266.02 crores in FY24. The revenue growth was primarily driven by increasing penetration in semi-regulated international markets, expanded therapeutic offerings, and healthy traction from existing institutional customers.

EBITDA for FY25 stood at ₹48.14 crores, growth of 17% from ₹41 crores in FY24. However, EBITDA margins remain almost flat at 15.9% in FY25 compared to 15.8% in FY24, Net profit (PAT) for FY25 came in at ₹26.58 crores, compared to ₹22.58 crores in FY24, indicating a growth of 17%.

In Q4FY25, standalone revenue reached ₹82.54 crores, up from ₹68.88 crores in Q4FY24 reporting a growth of 20%. EBITDA was ₹6.84 crores, with a margin of 8.5%, compared to 10.6% recorded in the corresponding quarter last year. PAT for Q4FY25 was ₹2.48 crores, compared to ₹2.86 crores in Q4FY24.

Consolidated Performance

On a consolidated basis, BPL reported FY25 revenues of ₹352.28 crores, representing a strong 32% growth over FY24's ₹265.9 crores. This increase was driven by the consistent growth of the core pharmaceutical business and the contribution of milestone payments and R&D service revenues from Innoxel Lifesciences and partly from Varenyam Healthcare's inclusion for 5 months starting November 2024.

Despite topline growth, consolidated EBITDA declined sharply to ₹14.6 crores in FY25 from ₹31.8 crores in FY24. As a result, EBITDA margins decreased from 11.9% in FY24 to 4.1% in FY25. This margin erosion was primarily attributed to a substantial escalation in operating expenses at Innoxel level, which remains in the pre-commercialisation phase.

BPL reported a PAT loss of ₹43.7 crores in FY25, compared to a profit of ₹10.5 crores in FY24. This was due to commencement of operations, including Innoxel's R&D expenses, regulatory filings, and manufacturing scale-up costs as well as Varenyam Healthcare's 5-month consolidation.

Specifically, employee benefit expenses more than doubled, rising from ₹22.8 crores to ₹49.7 crores, while other expenses nearly doubled from ₹52.9 crores to ₹102.5 crores. The reason of increase is primarily due to Innoxel's full year of operations as well as Varenyam Healthcare's 5 months of expenses getting consolidated with BPL. Importantly, this step-up in costs is aligned with BPL's long-term strategy to create a differentiated pipeline targeting regulated markets as well as domestic markets.

Notably, gross profit rose from ₹107.5 crores in FY24 to ₹166.8 crores in FY25, translating to a gross margin improvement from 40% to 47%, indicating the strength of the core business and improving product mix. However, the benefit of higher gross margins was offset by operating overheads, resulting in an overall consolidated net loss for the year — a deliberate and strategic trade-off aimed at building future cash-generating assets within Innoxel.

In Q4FY25, consolidated revenues came in at ₹106.2 crores, up 51% YoY from ₹70.5 crores in Q4FY24. Gross margin for the quarter was 50%, up from 37% a year ago, yet EBITDA improved from ₹3.63 crores, with an EBITDA margin of 5.2% in Q4FY24 to ₹4.43 crores and 4.2% margins in Q4FY25, reflecting similar cost pressures as seen throughout the year. The Company continues to monitor and phase its R&D and regulatory expenditures prudently while ensuring readiness for future monetization opportunities through licensing and supply contracts of Innoxel Lifesciences in Q4 FY25.

Innoxel Lifesciences, BPL's subsidiary, continued to advance its pipeline of complex and specialty injectable products for regulated markets, including the U.S. and Europe. As of FY25, the subsidiary's portfolio includes over 20 molecules, including 505(b)(2) NDAs, complex ANDAs, and long-acting injectables, with plans of adding more in the next 2-3 years.

Innoxel earned ₹26 crores in milestone and licensing income during FY25. It successfully out-licensed eight molecules to MNC partners, generating USD 3.3 million in expected future revenue, with two additional deals signed in Q4FY25 projected to yield USD 6.45 million in the next 24–30 months.

Importantly, the US FDA successfully completed an inspection of Innoxel's Vadodara facility in Q4FY25 with no major observations — a major regulatory milestone that de-risks future filings and paves the way for commercial launch readiness. The EU GMP inspection is expected in FY26.

Corporate Developments

The Company completed a corporate restructuring during the year to align its subsidiaries and operational architecture with long-term strategic objectives. This move is expected to bring greater financial and operational discipline, simplify inter-entity transactions, and improve visibility of Innoxel's performance within the consolidated framework.

Additionally, the acquisition of Varenyam Healthcare was completed in FY25, bolstering BPL's domestic product portfolio and manufacturing capacity. This acquisition is expected to positively impact consolidated revenues and profitability from FY26 onwards.

Outlook

BPL remains confident about its trajectory going into FY26. On a standalone basis, the Company maintains its guidance of 12–14% revenue growth, driven by a strong order book, expanded domestic and export distribution, and continued capacity utilization improvements. EBITDA margins are expected to improve to the 17–18% range, supported by operating leverage and higher-margin institutional business.

For Innoxel, the revenue guidance is to be around ₹65-70 crores in FY26, with a stable cost base of ₹15–16 crores per quarter. Innoxel is poised to achieve operational break-even in FY26, with milestone-based product revenues alone. Management continues to target 40 products in the Innoxel CDMO pipeline within the next 3–5 years. With USFDA inspections successfully completed, and EU- GMP lined up for FY 26, Innoxel should be able to start commercial supplies for the CMO business from FY27 onwards, further boosting revenues and increasing profitability.

Varenyam Healthcare's revenue guidance is to be around ₹62-65 crores in FY26, with growth of 20-21% year over year. Addition of new therapeutic segments will further propel the growth of the domestic business along with better penetration in existing therapy segments.

With a strong core business and a scalable innovation engine in place, BPL is well-positioned to deliver sustainable long-term growth, expand its global footprint, and enhance shareholder value.