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21 February 2023

To
Corporate Relationship Department
BSE Limited,
1st Floor, Rotunda Building,
P.J. Towers, Dalal Street,
Mumbai – 400 001.

To
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No.C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051.

Dear Sir/Ma'am,
Sub: Transcript of the Q3 Conference call
Scrip Code: BSE- 530549/ Stock Symbol: NSE – SHILPAMED

In furtherance to our intimation dated 13th February 2023 & 16th February 2023 with regard to the Q3 FY23 Conference Call held on Wednesday, 15th February 2023 at 04.00 PM IST, please find the enclosed transcript of the call.

For and on behalf of
Shilpa Medicare Limited.

RITU TIWARY
Digitally signed by RITU TIWARY
Date: 2023.02.21 13:27:53 +05'30'

Ritu Tiwary
Company Secretary and Compliance Officer

Shilpa Medicare Limited

Q3 FY'23 Earnings Conference Call Transcript
February 15, 2023

Moderator: Ladies and gentlemen, good day and welcome to the Shilpa Medicare Limited Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode, and anyone who wishes to ask a question, may enter '*' and '1' on their touchtone phone. To remove yourself from the queue, please press '*' and '2'. Should you need any assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone telephone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Siddharth Rangnekar from CDR India. Thank you, and over to you, Siddharth.

Siddharth R: Good afternoon everyone and welcome to the conference call hosted by the management of Shilpa Medicare Limited to discuss the quarterly performance for the quarter ended December 31, 2022, and the strategic initiatives that are underway.

The management is being represented by Mr. Omprakash Inani – Chairman of Shilpa Medicare; Mr. Vishnukant Bhutada – Managing Director; and Mr. Alpesh Dalal – Chief Financial Officer.

Mr. Vishnukant Bhutada would lead the discussion with thoughts on the business models and his perspectives on the strategy. He would be succeeded by Mr. Alpesh Dalal, who will spend some time discussing the financial aspects of the performance with you. There will be an opportunity for your queries to get answered at the end of those opening remarks from the management.

Before we begin, I would like to state that certain statements made on today's call could be forward-looking in nature and a detailed disclaimer in this regard, has been captured in the conference call invitation which is available on the stock exchange website.

I would now like to invite Mr. Vishnukant to take this discussion forward. Thank you. And over to you, Mr. Vishnukant.

Vishnukant Bhutada: Thank you for joining us on today's call to discuss the 3rd Quarter performance of Shilpa Medicare Limited and it's operating and strategic development following my perspective. I

shall be followed by our CFO – Alpesh who will share the financial overview. At the end of our remarks, we will take the questions from the participants as earlier mentioned.

We have built Shilpa Medicare to have the presence in multiple segments including API, Formulation, Oral Dissolving Film, and the Transdermal, and Biologics. I shall address each of this business respectively today.

The most important business among all is the commencing of the API. So, we offer a wide variety of the products within the API Oncology, and Non-Oncology, Peptide, Polymer, CDMO and Intermediates. At its core our portfolio companies of complex Oncology products where we are the leaders in this particular products and high end on the Non-Oncology offerings.

As on 31st December, '22, we had about 28 Onco APIs and 13 plus non-Oncology APIs in the market. And we have filed almost 224 Drug Master Files globally. Our products is available in the registered in the U.S, EU and rest of world market like Canada, Japan, Russia, LATAM, and China, including China.

Within Oncology, we are continuously at work to further optimize processes in order to have the best product in the market. To enhance our capability and presence, in Non-Oncology to bring the similar way of the growth like Onco, we have started introducing new molecules in Non-Oncology segments. We are recently commencing the two products Acetylcholine and the Phenylephrine apart from the Ursodeoxycholic acid also has been done.

In the Peptides segments we have completed the two-products plant validation already. And next year almost another three to four products plant validation will be completed. As you know, Peptide is a very complex category. And I am proud of our team for commercializing the plant and scaling up these technologies.

In CDMO, we are partnering MNCs for their high-end API requirement. And our research-oriented approach is providing to be an asset as we grow our influence in the API industry further. In CDMO business we are getting number of inquiries, some of the inquiries has been crystallized and we are getting some repeated order also from our customers. These segments can be future growth segments, very less competition is involved in there.

Next, I will speak on Formulation, where we have made inroads in the few years back. Over here, we are engaged in the production of the Liquid and Lyophilized injectable sterile dry powder and oral solids for the Oncology, building upon our capabilities in the domain. Our teams are also creating portfolio, the complex products where we have introduced number of new products we have produced, we launched already Pemetrexed RTU injection into the Europe and the Capecitabine dispersible tablet 1000 mg first time in the world, in India. Soon we will be able to register the Capecitabine 1000 mg also in Europe and other part of the world.

Upon launch of the complex products, we are also going to launch Dr. Clot, it is a haemostatic spray in India, by April '23, which is again innovative product, which can be used in various segments including the Army, the dental surgery or any of these parts where the blood hemorrhage possibilities are there. This product is again a unique product, the first time in the world somebody has developed and we have worldwide patent for this Tranexamic acid spray which the name has been given as a Dr. Clot.

Our finished dosage from manufacturing facility at Jadcherla recently received the Health Canada GMP Approval which shows the quality of the unit which consistently we are following. After the USFDA inspection, we have completed the successful inspections of the various authorities including Canada and TGA and the various customers also. We have completed the remediation initiatives and have made the required submission through the authority. And we are waiting from the FDA to come and inspect our facility.

Again, three products we are transferring from our site to the other site, just to have the risk mitigations. And next year probably we should be able to commercialize all these three products in the Oncology segment from the CDMO manufacturing site.

Coming on to the ODF and Transdermal segments:

Our combo line is operational. We have almost 18 to 20 products dealt in ODF and two to three products in Transdermal, we have completed this plant validations already has been done. We are proud to say that in the first instance itself we have received this UK MHRA approval for this ODF and Transdermal plant. And we have as on today we are commercializing now, we have registered our product in the U.S. and the five products we are soon going to commercialize in the U.S. the shipment has been already made to the U.S. And these are the nutraceutical products that all five products we should be able to launch in the coming years there. We are looking for the tapping of the new market in this category, where such technologies can bring in value addition in EU and ROW market.

Within the Biologics we are gearing to launch the Adalimumab within India, recently we have received this SEC meeting approval also from the Government of India to launch the Adalimumab. The inspection is going to happen soon of our plant to give the license for Adalimumab launching. Commercial productions and all is geared up already for Adalimumab. This is the high concentration Adalimumab which we are proud to say that we are the only company during that time when we completed, now Alkem has also launched, but we are the only company where we have completed initially the successful of this in Phase 3 also.

The product development takes a long time here. We believe we have an attractive portfolio here; shall we commercially launch these products in a coming two, three years depending on the regulatory products, including the Aflibercept, Abatacept and some of the like Tenecteplase, Bevacizumab, Darbepoetin, these are the molecules. Aflibercept recently we received the SEC meeting clearance to conduct the Phase 3 study, soon we are going to start the Phase 3 study for the Aflibercept. Abatacept still under the R&D and soon we will transfer to the plant. So, these are the unique molecules where the very few companies have developed these products.

The uniqueness of our model is its differentiation where we are building strong niche in categories where we are dominant, namely in Oncology, our teams are working at developing new drug delivery systems to further drive advantage in the market place. The coming years will see the vastly transferred business mix with higher share of higher margin portfolio as we introduce new products.

I just came to the conclusions of my perspective and shall be happy to invite Alpesh to move the discussion forward. Alpesh, over to you.

Alpesh Dalal: Good afternoon everyone, and we welcome you to our earnings call for quarter and nine months ended 31st December, '22.

I will briefly take you through all the financial performance during the periods that we have just…. So, in Q2 on a consolidated basis, it was a muted quarter for us with overall revenues at Rs. 265 crore as compared to Rs. 267 crore in the previous quarter. However, our business mix along with our efforts on bringing operational efficiencies have helped us improve our gross margins from 56% in the last quarter to 60% during this quarter.

The company also undertook several cost rationalization initiatives which along with the improvement in our gross margin, resulted in improving our EBITDA to Rs. 34 crore which is about 12.8% of our revenue, from Rs. 16.6 crore, which was 6.2% of our revenues during last quarter.

Now talking about the nine months performance, our overall revenues stood at Rs. 802 crore as compared to Rs. 814 crore during the corresponding period last year, and gross profits stood at about Rs. 475 crore which was a margin of about 59%.

Our EBITDA for the nine months stood at Rs. 79 crore on a consolidated basis that's 9.9% on our top-line.

And I would also like to quickly take you through our CAPEX that we have incurred during the quarter at the group level, since ours is a manufacturing focus company. So, in Q3 we have invested about Rs. 53 crore of CAPEX in various divisions, but predominantly about Rs. 43 crore have been invested in our Albumin facility, and about Rs. 10 crore have been invested as maintenance CAPEX in our API and formulations plants.

So, just a brief overview of our financial performance, I would like to now open a forum for Q&A.

Moderator: Thank you. We will now begin the question-and-answer session. The first question is from the line of Kaustav Bubna from BMSPL Capital. Please go ahead.

Kaustav Bubna: So, could you speak about the future potential of Shilpa Biologics based on the expected launches in the next couple of years? And if you could share some revenue post, that would be great?

Alpesh Dalal: So, see as far as Shilpa Biologics is concerned, that is a business which has been under incubation for a while for us. It obviously is a fairly difficult segment to work in with product launches, the timelines around product launch is also you know are little difficult to determine. Whilst we would have our first product coming in pretty soon, for us to make or provide any revenue guidance would be difficult. But broadly what we are looking at in our Biologics business is that we have a pipeline of our products as Vishnuji had just mentioned a while back in his speech. So, we should launch our first product Adalimumab probably in Q1 or by the end of this financial year or in Q1 of the next year. That would be in the India market.

We also have had an opportunity, or we have partnered with an international company. So, that would provide an additional boost to our efforts on the biological front. But obviously to efficiently use our plant, we also are looking at various CMO/CDMO kind of opportunities and certain discussions are in place for the same. So, I think we are working on various fronts as far as Biologics business is concerned. We are looking at as I mentioned, our own products, our own pipeline development, plus CMO/CDMO opportunities for which we are in discussion with various partners.

Moderator: Thank you. The next question is from the line of Pankaj Pednekar, individual investor. Please go ahead.

Pankaj Pednekar: So, I wanted to know going forward like two, three years down the line when the business stabilizes and we see some growth, what kind of operating margins are you targeting? And if you can give us a broad guideline on where the revenues could be like four, five years down the line that would be nice?

Alpesh Dalal: See as far as operating margins are concerned, as you would have seen across the globe that all the pharmaceuticals companies and especially pharmaceutical companies in India are going through challenging times as far as pricing pressures are concerned. So, that does put pressure on our current operating margins. Having said so, what we are looking at is that we are looking at bringing in efficiencies at plant level for various products that we manufacture, right. We are also looking at introducing various complex products that can improve our margins. And we also are constantly looking at various cost containment measures that we need to work on. So, all these things put together we are trying to maintain the operating margins that we have got and would look for improving the margins based on commercialization of some of our opportunities which we have not yet been able to commercialize.

Vishnukant Bhutada: If you see the currently we are doing only API and some of the formulations we are doing it. Now the shifting of this completion of all of our FDA, what are the compliance and all need to be completed, we have done all these things. So, with this Canada getting approved, various customers are site transfer; in API segments, Peptide is going to be completed, CDMO business is going to start. In the Biologics some of these molecules we are going to launch. In Film Formulations our inspections of the approvals of the line is already completed. Some of the products we are already shipped to the U.S. and the other markets. So, now in each of the segments we have almost at this stage where except the API and the formulation which was a matured business and that also we are trying to see that how effectively we can maintain our margins though there is a price pressure like introducing the new products, complex products in the CDMO, Polymer, Peptides, where there is not much competitions, and the margins can remain --. So, this is what we are trying to -- into the segment.

Pankaj Pednekar: So, four, five years down the line, do you see the company doing like double the revenue that it is doing today and with an operating margin of 30%, is that possible with the kind of new products that we are envisaging?

Vishnukant Bhutada: So, answering your question, the segment which we are there, and the products mix of what we have it including the API, Formulation, and the other all, the possibilities of whatever you are saying is definitely there. Doubling the revenue in three, four, five years is definitely possible, so I don't see that there is any reason why it is not possible. So, possibilities are all there, rather we should do much more than what we are thinking. So, I think to answer your specific question, possibilities are definitely there.

Pankaj Pednekar: And just a last question, whenever we shortlist the product, does the company have a cutline on the gross margins that okay, we are going to do, we are going to target a specific product only, if the gross margins like let's say more than 60% or something like that, is there some, does the management have some targets as to pick a product on the certain gross margin rate?

Vishnukant Bhutada: See I can tell you that in API, Onco and like Peptide, Polymer, these possibilities are there. When we are launching Non-Oncology molecules, and once we will initially were to launch

it in the India, and the way which we have approvals and the customer reputations what we have it due to that we will be able to launch globally all these molecules, Non-Oncology molecules, and then it get increase. We specifically targeting a 60% gross margins and all, we have to see the case-by-case. But what we are seeing in each of the molecules, whether it is in API or in a Formulation or in Transdermal patches and all, we are trying to see that there is a very limited competitions are there, even if the competitions are there, how we can overcome on that, and what is the -- where our product is differentiated in this and we should, I will give example of Capecitabine --

Yes, I was just explaining, how differentiation we are bringing in each of the product, just classic example, is the Capecitabine, Capecitabine dose is 1 gram, normally the cancer patient takes it, it's 1 gram, but still today, nobody was able to develop this 1 gram tablets as on today. What we have done is, we have not only developed 1 gram tablet, but we have make it dispersible also. So, whenever there is a cancer patients are there, they will be able to take it including either orally or they can just disperse into water and take it. So, each product like Pemetrexed, Pemetrexed also we have made first time in the world, RTU, ready-to-use product. And various products whatever we are making is including the API, Formulations, or in the Film Formulation or Transdermal also whichever the products we are taking it we are seeing that what unique mix we can bring it into the market, where of course the patient compliance and the second one is a cost effectiveness, third one is the acceptability of the market in this. These are all things we are seeing it, then only judiciously we are selecting the product.

Moderator: Thank you. We move on to the next question from the line Badri Vishal from Bajaj. You may go ahead, please.

Badri Vishal: The real picture of what you have given, way going forward for four to five years and your products, clearly explain and your efforts should be materialized as told as expected. But if I go by Q3 and nine months consolidated result, the margins have fallen by almost 10%, revenue segment is flat quarterly, and I doubt as per my auditors, you may be closing this financial year around Rs. 50 crore to Rs. 60 crore loss. So, one thing goes that, is our Board equipped with technical and our segment experts who can guide, because I have seen there are 18 subsidiaries in different places around the world. We have three joint ventures, out of which already your auditor in your audit report has given that 11 subsidiaries are in losses, you have indicated the losses.

So, there has to be some thinking at the Board level, what is the risk management. Your CAPEX, yes it is fine, shareholders has approved, because it is good for the company. But what is the outcome, your market cap has fallen to half from Rs. 4,500 crore to today around Rs. 2,000 crore. Now you have mentioned in your approval, Canadian approval, but you have not mentioned approval after the warning letter 2020 from USFDA, what you have done. There are multiple allegations by USFDA which till date none of the con-call has mentioned what you have done to USFDA for rectifying the shortfall and preventive actions. But nothing is there in that guideline. So, it is a serious matter, okay.

I have asked to Company Secretary, one when you got Canadian approval, but she misguided. I have put specifically how much is the market share, our total revenue expected, after these approvals? Then she referred to some junk related target. So, it is not fair on your part.

Now the thing is, it is a serious matter that our market share is falling and lot of improvement is there, lot of products you are including, but there is some lacking at the Board level, they have to take a serious decisions, otherwise shareholders confidence is day-

by-day decreasing. So, all these says that you have to do the SWOT analysis; just not telling that we are doing this, this, this and all. At least so many joint ventures and subsidiaries you have to think over them and decide on that. Rest all, I wish better future and expect your way going forward what is in pipeline. Thank you.

Vishnukant Bhutada: Thanks for your honest opinion, whatever you are saying, I will just update you on this, we have never updated on USFDA is wrong. I personally feel we are updating every time what is happening on USFDA. Just to once again reiterate, all this third party inspections from the various USFDA ex-inspectors has inspected our facility, they have seen all this CAPA and whatever we are putting it into the place, the data integrity issues has been all verified by these various auditors. They will see all retrospective review of our all ANDA which has been approved or going to be approved, is there any data integrity, micro, sterility issues are there in our plant or not.

These are all efforts for two years we have completed only. And I am proud to say that none of these inspectors or none of this consultant or none of so-called experts has even given one line about our plant on data integrity issue or recalling of the ANDA or on a sterility compromise or on a micro compromise. So, I can say you one thing that FDA doesn't, you know leave you as it is, they will ask you to do all this retrospective review in detail. And it's a painful points for this, but at least we are happy and we have given all this inspection reports and all we have to submit including full-stop and comma, we have to submit to the FDA whatever the third party is giving the report. So, you cannot edit and submit it to the FDA. We have to submit this whatever third party gives this report including full-stop and comma.

So, answering the question that whatever we are doing on FDA compliance and all, well it cannot be done immediately, see it needs to be done on a very proper way, the scientific way whatever they are suggesting. We are doing all these things and submitted to the FDA.

The second one is on the subsidiary; all the subsidiaries whatever we are putting in various countries, these are required for, because we are putting this our BD guys in that particular country. There we are putting like in Spain, in Australia, Austria or in Dubai or in Canada or in the other market, please note that these are the subsidiaries or these are our companies are if we want to register the product, in this particular country on our own name then you must have your own subsidiary. So, that is the reason why these are all majority of subsidiaries are formed because of this. And of course, there will be loss in that, until and unless once you file it, get registered and launch in that particular market then only there is a profit is bound to come, because till then we are paying our registration fees from that particular entity only and we are making the payments to all our employees, those who are stationed there from that particular subsidiary.

The third thing which you are asking is the, whatever we are saying and it may not, the happening or not happening, please understand the field in which you are working I understand your pain, the market cap has fallen from Rs. 4000 crore to Rs. 2000 crore but trust me that we are making all our efforts to bring the glory of the whatever we have lost it. Of course, I agree that Biologics is the only pain point in our company currently, rest all is there, I personally feel that we will definitely grow. And in this also if you take the, we work it on Recombinant Albumin project is now already under commissioning now. And this is a very unique project we are bringing it to the country. It is a very high value as well as the very shortage products all over the world and lifesaving products required for the country. So, once this project is commissioned into the country by 2024/2025 I think this is also very unique project we are bringing it to the country.

Alpesh Dalal: As far as the Board is concerned, I would request that you have a look at the Board composition that we have got. We have got industry stalwarts as part of our Board. We have got a financial expert as part of our Board, we have got HR expert as part of our Board, and these are professionals who have come and joined us.

As Vishnuji was mentioning you know the ex-Vice Chairman of Lupin Dr. Kamal Sharma has joined our Board, few months back. We have got Mr. Arvind Vasudeva who has got significant industry experience and expertise; he used to be the Managing Director of Aurobindo, before this thing. Then we have got from finance fraternity we have got Mr. Hetal Gandhi on our Board. And we have also got HR expert Dr. Anita Bandyopadhyay. So, these are all Independent Directors who have come and joined our Board recently in last one, one and a half years' time. They are regularly interacting with us, they are obviously guiding us in the right direction and they are also helping us take the corrective measures that we need to take post some of the challenges that we have faced.

Obviously as you would also appreciate that some of these efforts they require time and they don't happen overnight, right. So, we need to provide some time and be a bit more patient with the way things are lining up. And as you rightly pointed out that the Board should be discussing, the Board does discuss the strategy, Board does guide us on way forward and all. And we are taking actions based on their guidance.

Badri Vishal: You are right, your proactive action I appreciate sir, but as far as my thing goes as per the knowledge of your Board level some are including Chairman he is no way connected to pharma, okay. Now there are four Independent Directors, correct. My submission is you can strengthen the Board it is not limited up to 15 you can go. So, you can strengthen the Board, do the SWOT analysis and risk management and accordingly you can strengthen and have it, because it is a slow decay for the past two years, downfall. Somewhere something is lacking, one thing I can tell is, this company depends only on one CEO, MD he his directive and whatever goes is okay, rest all I don't know how they are taken care; it is open.

Second thing is, the MD has told just now, but in his concall even last quarter comes out, there is no USFDA work, CAPA work corrective action and preventive action there is no thing just going on, it is almost two years from 2020 warning letter 320 has come in 2023 came about CGMP. And now lot of allegation in the USFDA file is there that we ignored multiple customer complaints, which should be informed to USFDA. So, all these things, shortcomings may pull down our reputation.

And when I am asking a company as an investor, where I have put my stake in this, that when you got the approval from Canada, how much is the market share, how much is the revenue you are getting, nothing is there, that's how they are keeping silence. Even for this particular concall I have to fight because there is CDR has given wrong link and because of this I have to fight and the Company Secretary has to do. Still they doesn't understand what is the problem. So, please look into that -- Board, take in proactive action and whatever is in pipeline, all the best for you, thank you very much.

Vishnukant Bhutada: We will definitely see that your hard-earned money whatever you have put in the company and keeping your trust on us, we are trying to see that all expectations of our all shareholders even small or bigger, we are committed to see that you should get suitable reward on this.

Moderator: Thank you. The next question is from the line of Ritwik Sheth from Oneup Financials. Please go ahead.

Ritwik Sheth: Just one question, what is the net debt as of December 2022?

Alpesh Dalal: Net debt was Rs. 775 crore at the group level.

Moderator: Thank you. The next question is from the line of Pankaj Pednekar, individual investor. Please go ahead.

Pankaj Pednekar: I understand that Biologics is like a longer gestation period business. If you can just throw light on, once the CAPEX is complete what kind of operating margins we will be able to gain on the Biologics business.

Alpesh Dalal: So, first thing, I think CAPEX of Biologics is completed, it has already been completed. Biologics unit, which is at Dharwad, we are not incurring any further CAPEX over there, this is part I.

Part II as far as the operating margins are concerned see typically it ends up becoming a volume game where the traction that you get in the market, not necessarily volume, but the traction that you get in the market, that determines a lot of things. Products per se have higher gross margin, higher operating margins as well. But these are difficult products to market as well, so depending on the traction that one is able to generate in this field, in the bio-similars also the number of markets where you are able to reach out and partner with various people to market your product, would determine the overall profitability. So, there is, as Vishnuji was mentioning it has been a pain point for us, Biologics, but it also, when it starts doing the right or start getting regular flow of products as well as partnerships in various markets and all, it can also end up becoming lucrative business. So, at this stage to provide any numbers or any guidance specifically, is a little difficult but as I mentioned that from a potential perspective that can go or work

Pankaj Pednekar: Just a question again on the Biologics part, you said that the CAPEX is complete on the biologics business, what is delaying the product to the market? I think I heard that the first product is going to be out in 24/25 so --

Vishnukant Bhutada: '23/'24 only not '24/'25.

Pankaj Pednekar: So, since the CAPEX is complete what is delaying the product launches?

Vishnukant Bhutada: No, nothing there are some government procedures that are involved. Once it is approved then they come for inspection, they issue the license. So, these are only procedural issues are pending, rest all is done. The approval from the Government of India is already received, only some procedural work they are now trying to complete it, which hopefully we should be able to complete within this 31st March and April we should be able to launch the product.

Moderator: Thank you. Next question from the line of Tushar from Emkay Venture. Please go ahead.

Tushar: I joined slightly late so maybe this has been covered before, but if you can give update on the progress of Albumin clinical trial part as well as on the asset monetization side, I believe we had appointed some merchant banker for the API business. If you can update on both these please?

Alpesh Dalal: On the asset monetization part, I will take up. See that's the process that we had mentioned that we have appointed O3 to look at various funding opportunities for us in the API

business. At this stage, I can only say that the work is on, we are in discussion with few people. And it would be a little premature for me to provide further details on that, of the kind of stuff that is going on over there, but the process is on, is what I can say.

Vishnukant Bhutada: The Phase 1 already we have received the government clearance to start the Phase 1 study. I think the batches are under manufacturing and hopefully next year we should be able to start the trials also and we should be able to complete the trials also next year.

Tushar: Next year meaning next financial year?

Vishnukant Bhutada: Yes, '23/'24 I mean to say.

Tushar: So, I think the earlier target, the intention was to have the exhibit batches ready by Jan and early February, so we are running a bit behind schedule, you would say in this?

Vishnukant Bhutada: Maybe one or two months not more than that, but I think the complexity of this particular product it is not very far, but we are at the verge of completion of all these things.

Tushar: So, whatever issues if any have been resolved and we are actually manufacturing the exhibit batches already for the trial or is that going to start?

Vishnukant Bhutada: No, we already started it, so you have to complete all this, I will not be able to tell more technicality in this, but I can tell you that the '23/'24 certainly will start and we will complete also the study, that much I can tell you.

Tushar: And on the newer segments Peptides, even Transdermals for that matter, just some more timelines as to the monetization, it was discussed but maybe if you can give --?

Vishnukant Bhutada: The Film Formulations and this one is already we have mentioned that we have registered already some of this nutraceutical products in U.S. and already shipped the goods also there. And the other products whatever we are trying to do it in a Transdermal and all, see our, some of this, the clinical trials also has been started, some of this, very complex products we are taking and some of this has been pilot bio and all has been started. I think next year definitely we should have good revenue in this film formulation and Transdermal plant also.

Peptide as I mentioned that we are completing this validation batches in the plant. And once we complete the validation batch then we will start selling this in a Peptide it is not easy to sell also, because very few people take this particular product, but by seeing drug master file and once we submit all these things to the authorities, we are sure that the peptide business will come in '24/'25.

Tushar: And on the Biologics CDMO side, if you can qualify further some of the opportunities please?

Vishnukant Bhutada: Yes we are seeing all opportunities, it is not only the CDMO or launching on our products, developing some of the, again some complex products and these are all multiple opportunities we are trying to see. Biologics is a very different field where a little long gestation period is there, authorities also taking its own time to approve and then to start, to manufacture, get it you know released, these are all procedural, lot of issues are there in this. Otherwise it is not like normal formulations in the API, where even after manufacturing we need to follow several procedures in this. And these are the initial glitches there. Once we launch one product probably then it will be easy for us also.

Tushar: Just if I may ask one last, quickly on the API business, I think we were facing some pricing pressure on one of our leading Onco-molecule, where are we in terms of the overall competitive scenario on those molecules? Just help me with the non-Onco side also qualitatively what are we doing in terms of new molecules?

Vishnukant Bhutada: Non-Onco portfolio is growing good, probably you are seeing from our presentation also that the molecules which we were able to launch into the market is getting its acceptance though there are multiple manufacturers are there, because of our quality consistency and filing into the now --. Initially now we are selling only in India, till we get the registration in all other global CET, in EU and all, USDMA also we are filing it. So, each molecule will definitely grow once we get this various countries approval, till then we are doing good into the non-Oncology segments. Which are the molecule like Acetylcholine or Phenylephrine, Ursodeoxycholic acid all these three molecules are going good.

Tushar: And on Onco side, because even quarter-on-quarter this time as well in oncology…

Vishnukant Bhutada: These are almost the same flat, but we are not degrowing in that.

Tushar: But when do we start seeing some growth in the Oncology segment or what is the outlook for that segment in say for Q4 and next year?

Alpesh Dalal: So, see as far as Oncology business is concerned see what happens is that a lot of it is tender driven, market in various international places. Now you know typically what happens is that this tenders come up towards the end of December or early January. And based on the tender wins by our customers we end up seeing traction in Q4, right. So, if you look at historically also our Q4 results end up being better than the other quarters. So, again, when you see this maybe going forward in this quarter you should start seeing traction back in the Oncology business. But it will have those cyclical ups and down, that will happen over there. These are for tendered, for non-tendered business and all there is consistency that happens, and that is the business that continues on a regular basis.

Moderator: As there are no further question, I would like to hand the conference over to the Management, for closing comments.

Alpesh Dalal: So, thank you all. Thanks for joining us and for your interest in our company. As we have mentioned during the call also as we have mentioned during the call also that as management team we are trying to look at various opportunities to improve the overall operations and all. And we look forward to your continued support going forward as well. So, with that I would like to end this call.

Moderator: Thank you very much. Ladies and gentlemen that concludes this conference. Thank you for joining us and you may now disconnect your lines.