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To,
Listing/ Compliance Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

BSE CODE – 524348

To,
Listing/ Compliance Department
National Stock Exchange of India Limited,
"Exchange Plaza", Bandra - Kurla Complex,
Bandra (E), Mumbai – 400051

NSE SYMBOL: AARTIDRUGS

Dear Sir/Madam,

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sub: Transcript of Q3 FY25 Earning Conference Call

Please find attached herewith transcript of Q3 FY25 Earning Conference call.

Kindly take the same on record.

Thanking you,

Yours faithfully,

FOR AARTI DRUGS LIMITED

RUSHIKESH VIVEK DEOLE

RUSHIKESH DEOLE
COMPANY SECRETARY & COMPLIANCE OFFICER
ICSI M.No.: F12932

“Aarti Drugs Limited

Q3 FY '25 Earnings Conference Call”

January 30, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 30th January 2025 will prevail

Management: Mr. Adhish P. Patil – Chief Operating Officer & Chief Financial Officer, Aarti Drugs Limited
Mr. Harshit M. Savla – Joint Managing Director – Aarti Drugs Limited
Mr. Harit P. Shah – Whole-Time Director, Aarti Drugs Limited
Mr. Vishwa H. Savla – Managing Director, Pinnacle Life Science Private Limited
SGA, Investor Relations Advisor – Aarti Drugs Limited

Moderator: Ladies and gentlemen, good day, and welcome to the Q3 FY '25 Earnings Conference Call of Aarti Drugs Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Adhish Patil, COO and CFO, Aarti Drugs Limited. Thank you, and over to you, sir.

Adhish Patil: Thank you. Good morning, everyone, and a warm welcome to present our earnings conference call of Aarti Drugs Limited. On this call, we are joined by Mr. Harshit Savla, Joint Managing Director; Mr. Harit Shah, Whole-Time Director of Aarti Drugs Limited; and Mr. Vishwa Savla, Managing Director of Pinnacle Life Science Private Limited; and SGA, our Investor Relations Advisors.

I hope everyone had an opportunity to go through the financial results, press release and investor presentation, which we have uploaded on the stock exchange and on our company's website. We are pleased to announce that Aarti Drugs has recently received approval following a successful inspection by the US FDA plant -- by the US FDA authorities at its API manufacturing facility located at plot number E22, Tarapur Maharashtra.

Now the company is in receipt of the Establishment Inspection Report, also known as EIR. EIR is a report, which includes details of audit terms. Due to this, company can now export products -- its API products such as Ciprofloxacin HCL, Zolpidem Tartrate, Raloxifene HCL, Celecoxib, Niacin in the US market in coming years.

This milestone underscores the company's commitment to maintaining high standards in its manufacturing operations. Additionally, we are excited to share that Aarti Drugs has entered into a share subscription and shareholders agreement with Prozeal Green Power Private Limited and Pro-Zeal Green Power Six Private Limited a special purpose vehicle. The initiative is aligned with the company's commitment to green energy and optimizing energy cost.

As part of this agreement, Aarti Drugs will acquire at least a 26.25% equity stake in the SPV in compliance with applicable electricity laws. The SPV is formed for developing, constructing, operating and maintaining a solar power plant for captive consumption by the company.

This solar plant will give us approximately 8.9 million renewable units per annum, and it is expected to commence the operation by end of H1 FY '26. This can result to a full year annual saving of around INR3.6 crores for our Gujarat plant. This initiative will reduce around 1,000 tons of carbon dioxide emissions due to use of renewable energy. Company remains committed to further take up more such initiatives in near future.

Also, we are delighted to share that our EcoVadis assessment score for current year is 69, 89th percentile globally, and we have fully secured the silver medal for the company as a whole, covering all the locations. The EcoVadis platform helps to manage ESG risk and compliance,

meet corporate sustainability goals and drive impact at scale. This should also help the company in marketing its products in highly regulated markets like Europe and US

Coming to the financial performance for Q3 FY '25, the company reported a revenue of INR568 crores compared to INR607 crores, reflecting a slight decline of 6%. This is mainly due to reduced market prices and weaker demand in Formulation segment and Antibiotics API segment. Although prices remained stable during the December quarter, there was a slight negative price variance when compared to same period last year.

Despite this reduction in revenue, the gross profit increased by 7%, reaching INR207 crores up from INR202 crores. Formulation revenue for the quarter stood at INR48.6 crores with 47% of its revenue coming from exports. We are focused on strengthening our export-driven growth while managing the domestic performance.

Now coming back to API segment, the greenfield project at Sayakha, Gujarat for Specialty Chemicals, which is also related to the backward integration, will commence trial production in this quarter, most probably in the month of February itself. With this, the operating leverage is expected to kick in from the subsequent quarter with improved capacity utilization. This will also help us in improving our gross margins.

There had been certain teething issues in Tarapur greenfield project, which are sorted now, and we expect to ramp up the production to 500-plus tons per month by end of March '25. In total, we will have a sequential ramp-up of capacity of 1,600 metric tons per month by end of FY '26. We are further enhancing our formulation capability with the addition of capex by updating facility by the end of this financial year, which will broaden our market reach and product diversity.

Over the years, we have dedicated our efforts in developing niche capabilities by leveraging our expertise and innovative approach. Through continuous research and development, we strive to stay ahead of the curve, pushing boundaries and setting new standards for product innovation in our segment. During 9 months FY '25, the company incurred capex of INR136 crores, mainly towards capacity expansion, backward integration and new product launches.

We anticipate a total capex of around INR200 crores for the full year. This capex would be mainly through internal accruals and partly through term loans. By controlling the entire supply chain from raw materials to finished goods, we significantly reduced our reliance on external vendors. This integration allows us to maintain strict quality control at every stage of production, ensuring that we consistently meet the highest standards.

Although we are currently dealing with some short-term challenges, our focus remains on our long-term growth. We are optimistic that our ability to achieve strong double-digit growth in revenues in the coming years. For FY '26, we are aiming for EBITDA margins between 13% and 14%, which highlights our commitment to maintaining financial health and enhancing operational efficiency.

Despite API pricing pressures driven by fluctuating raw materials, heightened competition and regulatory demands in global markets, we remain committed to achieving growth and profitability by enhancing operational efficiencies and expanding our market presence in regulated markets. We are dedicated to tackling these challenges and emerging stronger in the future.

With this, we can now begin question-and-answer session. Thank you.

Moderator: The first question is from the line of Ankit Gupta from Bamboo Capital.

Ankit Gupta: Congratulations for getting the US FDA approval for our API plant. So my first question is on this -- the approval and the kind of opportunity this opens up for us. So Adhish, if you can talk about how much revenue we can generate post this US FDA approval from this plant? And how do you see the US market opening up for us? What are the plans to go there? What kind of margin improvements we can see from -- once we start production from this plant and sell in the US market?

Adhish Patil: So our current US FDA plant has two main production lines. And in addition to that, it has one small pilot scale line for niche means high-value and low-volume APIs. Now if we go to the full potential of the plant, we can reach to INR70 crores to INR80 crores per annum. But having said that, we had actually, in past, plans to further expand our US FDA block. And we had, in fact, put up 1 building, but we halted that capex because we received warning letter back then.

So two more big production plants can come in. So with that, probably we can double the current potential of INR70 crores to INR80 crores per annum. However, the margins from this plant would be quite different from what we make in rest of the units.

In fact, when US FDA import alert struck us, the product, which we were selling in the US market through this facility was having EBITDA in almost, you can say late 30s EBITDA margin. So we can at least expect 30-plus EBITDA margins coming from this facility. Yes.

Ankit Gupta: Yes. But, Adhish, the market has -- even the regulated markets for the products that we do have become more competitive now. There have been more players, which have gone into and the kind of product that we manufacture currently seem to be relatively pretty competitive kind of products. So when we had US FDA approval, the times -- like the times have changed significantly now. So do you think 30% plus kind of margins from this plant is possible even currently? Or...

Adhish Patil: Yes. Actually, it is quite possible because when it comes to API manufacturing facilities for US FDA, so there are very limited facilities which manufacture APIs for US FDA. In Formulation, it might be slightly different, but in API space -- and the main trick is to manufacture that product year-round. Means if there are more changeovers in the plant, obviously, the EBITDA margins get a hit because of changeover.

It takes a lot of time and you lose around 14, 15 days for each changeover in terms of capacity. So the key would be to keep 1 product in 1 production line and try to run it as maximum as possible. And if we are able to do that, I think 30-plus EBITDA margins should be fairly achievable based on what prices we observe for the APIs. Even in the European markets, the price is quite high.

Ankit Gupta: Which products do we plan to manufacture here in this plant?

Adhish Patil: Yes. So there are certain products where we already have US DMFs. Obviously, now there will be more queries from US to update the DMFs now that the plant is under AI status. So we -- in fact, we have received a few queries and we have been responding to them. So we hope that these old products, if you can run them for a maximum period of time without changeover, then it should get us that 30-plus EBITDA margin in that plant.

Ankit Gupta: Okay. But when do you start selling to the US market post operation of the DMF from here?

Adhish Patil: Sorry?

Ankit Gupta: When do you -- like can we start immediately with the approval...

Adhish Patil: Okay. Understood. So first market, I think, which shall open up should be the European markets for us because we had import alert from that facility. Even though we had EDPM approval, we were not able to sell even in the European markets. So I think the first faster will be in European markets and then US markets as well. But as you correctly pointed out that because this is a highly regulated market, the gestation period is higher. So the meaningful contribution may not come from FY '26 itself. Probably it will start flowing-in in FY '27.

Ankit Gupta: Sure. And on the other markets that we do in our segment, so how is the market scenario currently? Now you have mentioned about the price pressure continuing, although there is some stability in this quarter. But even on a Y-o-Y basis, we have seen, as you have mentioned in the press release and presentation that the pricing pressure on a Y-o-Y basis continues.

So if you can talk about how is the scenario in the market currently for the markets we cater to domestic as well as unregulated markets? And how do you see this scenario panning out for us in next year, although you have mentioned that we should improve our margins to 13%, 14%. If you can talk about the industry landscape currently and competitiveness?

Adhish Patil: So first, let's talk about the December quarter, which went by. So in the December quarter, on a Y-o-Y basis, we have seen a price decline of only around 2% to 2.5% on an average basis. So it is not that much. It was expected by us that on a Y-o-Y basis, the price negative variation should decrease because the decline in the prices had started back in December '23 itself. So -- and the current prices, quarter-on-quarter prices, they have seen a similar trend.

It's only a couple of percent we have seen, the prices have gone down. In fact, in certain products, the prices have gone up as well depending upon the raw material scenario. So what

we see now is that further price decline should not be there. In fact, it is not there in last quarter as well means throughout the 3 months, I'm saying.

And if at all, if the crude starts going up, probably because of the Russian sanctions or whatever, in case it goes up, the prices of API might, in fact, see an upward trajectory. But even if it stays stable and, in fact, I would say that if it stays stable, it is good for us. There should be gross margin unlocking, which might take in coming quarters purely because in a falling trend, because we carry an inventory of around 90 to 100 days and we do FIFO basis for accounting, it always impacts our P&L in the falling raw material as well as selling price scenario. So now that it has stabilized, I think, the margin -- gross margin should in fact improve on a sequential basis.

Ankit Gupta: And 1 question on the medium to long-term basis. With the US FDA approval and our Specialty Chemical plant commencing operations hopefully in this quarter. And over the next 2, 3 years, given how the pricing pressure is currently and let's say, the prices remain for the APIs, our products and Specialty Chemical remains around that, 2, 3 years down the line, how do you see the revenue and the margins standing out for us, let's say, in '27, '28?

Adhish Patil: Yes. So the revenue guidance, what we had given, obviously, we revised it down in last quarter because of the fallen prices to say, roughly around INR4,000 crores of revenue on a consol basis is still achievable in 3 years' time. But as far as margins are concerned, what -- see, we can say that if the situation what is there now, if it remains like that for next 2 to 3 years, we should definitely start inching towards 15% EBITDA margins, frankly speaking.

Now we are basing that estimate based on a few factors like one is backward integration, as we pointed out in the Specialty plant in Sayakha. Second is the higher utilization of the capacities of the second greenfield project, that is the salicylic acid. That should give us a positive impact on the gross margins and EBITDA margins.

And thirdly, based on the regulatory approvals, which we have got. Means US FDA apart, we have also got EDPM approvals for such products. And also recently, we were inspected by ANVISA, the Brazilian authority. A few of them were the renewal. So that is okay. But one was related to the antifungal product of ours, which was the first time. So that -- it has a big market in Brazil, so that will also help us grow more and more in higher-margin markets. So based on all these factors, we feel that we should inch towards that 15% EBITDA margins in 2 years' time.

Moderator: The next question is from the line of Dhwanil Desai from Turtle Capital.

Dhwanil Desai: Congratulations for US FDA approval. So my question is, if I go back in the history of the company, when we were making this 33%, 34%, 35% gross margin, at one point in time till 2015, '16, we were making 14%, 15% EBITDA margin. While we are now with 66% material cost, which is 34% gross margin, we are now making 12% EBITDA margin with much higher revenue.

So do you think this is because of the under absorption of the cost from the newer facilities and operating leverage itself is good enough to take margin to 14%, 15% even without any improvement in gross margin that you are alluding to. So any thoughts on that?

Adhish Patil: Yes. It's an interesting question and nice observation actually. So yes, what you say is correct. We had last year, since the beginning of the year itself, we start this current year FY '25, we started with the greenfield project of salicylic acid. And frankly speaking, it caused quite a bit of drag as far as profitability is concerned. If you talk about EBITDA level, I can say at least a percent of drag it might have created had it been properly utilized.

And along with that there are certain products. There are certain products, which we have scaled up in terms of market share, but we haven't really put the most efficient process at the plant scale. And there are plans means we have already means done the R&D, made the process ready.

So we'll be going with small brown -- not -- I won't say brownfield expansion, but it's more related to the modification. Some brownfield capex would be there, mainly to the gross contribution profile of certain antibiotic products where we are strong in terms of market share, but we are not that strong in terms of profitability. So I think with those few changes, the profitability will be right on track with a higher utilization of the greenfield facilities, which have come up online and with a few tweaks in the processes of -- in antibiotic space.

And in last particular quarter, our Formulation segment also did not do well, which have created further a bit of drag in terms of EBITDA margin, but that is related to the December quarter. Perhaps for the coming quarter, Vishwa, are you online?

Vishwa Savla: Yes, yes, I am online.

Adhish Patil: Yes. Can you explain the -- from the recent...?

Vishwa Savla: Sure. So for the current quarter, basically, we had a lower sales both -- specifically in the domestic market and also in some of the international markets, we had slightly lower sales. However, going forward over the next 2 quarters, we have a strong order book. So we will be seeing a good growth, especially in the export segment.

Dhwanil Desai: So essentially, so I think our Formulation segment was close to INR300-odd crores, if I understand correctly. So how do -- how should we look at Formulation segment both in terms of top line and margins, going forward?

Vishwa Savla: Yes. So in the very short term in the next coming quarter, we are expecting a flattish growth. But over the next -- for the next financial year, we have pressed up our capacities. So we recently completed a brownfield expansion in the Formulation segment, which has added about 30% additional capacities, for which revenues will start kicking in from Q1. And we have also received the U.K. MHRA and the US FDA approvals for the formulation plant over the last few quarters.

And we are also expecting to launch a few products -- a few new products from that side. So considering all of that we are set for a higher growth with the added capacities and new products and the shift of revenue more from the domestic segment, which is CMO to the international market, we would also see a considerable improvement in the EBITDA.

Dhwanil Desai: Got it. One last question, and I'll come back in the queue. So another question, Adhish, is that, let's say, next year, we are expecting a decent growth and that I assume it is based on -- there is no negative rate variance that we are kind of factoring in that number. So with this new capacity coming in and no negative rate variance, can we look at 20% plus kind of a volume growth next year?

Adhish Patil: Yes. So volume growth, we will definitely try for 15% to 20%, no doubt about that. We'll try to -- with the help of salicylic acid, I hope we'll get to those numbers. However, as far as the negative rate variance is concerned, what I see is, if you see current year on a sequential basis, quarter-on-quarter, so June quarter, then September and then December, I think, there was -- in total, the way we started the quarter and where we are right now, we have seen some 5% to 7% price drop in the current financial year itself.

Now it is not dropping December onwards. But so let's say, 6% and for half year, so probably 3% -- 2% to 3% on entire yearly basis, there might be a negative rate variance for FY '26.

Dhwanil Desai: Okay. So essentially, then we are looking at, let's say, 15%, 20% volume growth and 2%, 3% negative rate variance, then you're looking at 15% value growth over the next year. Is that how we should look with much better margins?

Adhish Patil: Right, right. Correct.

Moderator: The next question is from the line of Rashmi Shetty from Dolat Capital.

Rashmi Shetty: Just a bookkeeping question on the other expenses. This quarter, it seems to be pretty high compared to the -- on a Y-o-Y basis, if I just compare. Is it that it is taking up all the new facility cost also or there are more to come yet? Is this a new base that is what need to be understood from a quarter-to-quarter perspective?

Adhish Patil: Actually, this year -- sorry, this quarter, we have additionally provided around 1 Cr. of doubtful debts. So there was a slight bump because of that. And certain cost was related to the CPHI fares, which took place in the quarter of December and because of the Diwali expenses. So because of that there was slightly higher other expenses in this quarter.

Rashmi Shetty: So these are nonrecurring in nature, you mean?

Adhish Patil: Yes.

Rashmi Shetty: Okay. And the cost -- the fixed cost related to the newer facilities of the two greenfield facilities, that cost is expected to come in the coming quarters or it's already been expended?

Adhish Patil: Yes. So, for the first greenfield projects, which was in Tarapur, so that we have done put to use. So, all those costs are being expensed out, including the interest as well as depreciation as well for the first greenfield project. For the second greenfield project, where the trial production will be starting now, once the trial production is successful, once we are sure that, at plant level, there are no teething issues, then immediately we'll do. And then after that, the additional cost of the second greenfield projects will start coming in.

Rashmi Shetty: Understood. And your Specialty segment quarter-on-quarter has improved. This is basically from the existing products only or from the new brownfield plant or from the new Sayakha plant, if you can elaborate on that part? And how should we see the Specialty segment revenues in quarter 4 as well as in FY '26?

Adhish Patil: So the second revenues mainly was because of the campaign-based products. There are certain products, which are old, old products itself, but there are campaign-based requirement. So that is why this last quarter, we did well. Having said that, the chlorosulfonation line expansion, what we had done, actually, there was -- there is a slight update in that.

So we were planning to have that 300, 400 tons per month capacity with a different continuous process. However, what we have seen is that in that -- because of that new process, the quality of that particular raw material is causing lower rates in the derivatives. So because of that, the acceptability in the market of that product may not be high with that -- the newer process.

So that is the reason why we have taken a call to roll back that process to the old one where, in fact, last 9 months, we have been suffering losses because of the quality issues for that chlorosulfonation -- the newer chlorosulfonation line, which has been rolled back. And now all those losses have been already curtailed. In fact, now it is running more efficiently with -- in a batch format.

So there will be slight improvement in gross margins on the immediate basis from March quarter onwards. But as we scale up that with the old process, the margin should improve. And we are taking steps to increase that capacity to the original planned levels with the older process as well. That might take some time, means 3, 4 months to come up with that capacity.

Rashmi Shetty: So, the brownfield plant for the chlorosulfonation line, that is rolled back? And is it going to start again or you might look at Dahej greenfield plant for this chlorosulfonation line?

Adhish Patil: Yes. So that -- it was some 300 to 400 tons per month. So it has been rolled back to 100 tons per month. And now it is operational at 100 tons per month as of now, but we will be again...

Rashmi Shetty: This will be continued, right? At 100 tons, it will be continued at the same capacity?

Adhish Patil: So this is a new fresh plant we are talking about. So it will continue with 100 tons and not with that 300, 400 tons. But anyways, we never reached that mark. We were operating that plant only at 40 to 50 tons per month.

Rashmi Shetty: Got it. So just to understand, this quarter was mainly driven by the ex sulfonation products and you are expecting similar sort of revenues in quarter 4 also?

Adhish Patil: Yes. More or less, that should be a correct way to look at it.

Rashmi Shetty: Okay. And any plans for your greenfield project for chlorosulfonation line at Dahej, anything which you are planning or it will get further delayed?

Adhish Patil: No. So that project is almost done. So we are starting -- we also -- we got all the necessary permissions, pertinent permission and the exclusive permission. In fact, that was the main reason for a bit of delay, but we got all that. We also procured the raw materials. So anytime soon, we will be starting the trial production in that plant. Very soon, means...

Rashmi Shetty: In the Dahej plant, you meant?

Adhish Patil: No, this is the Sayakha plant. Dahej plot, we haven't started the project yet. We have the land parcels, but we haven't started a project yet in Dahej. What I was talking about was of Sayakha, which is again...

Rashmi Shetty: Okay. So just to clarify, Sayakha is ex chlorosulfonation product, right? And Dahej...

Adhish Patil: No, Sayakha one is mainly for backward integration for antidiabetic line. And along with that, it will have, which I can say, by-products, which will be spec chem products, which we'll be selling outside.

Rashmi Shetty: Got it. So basically, we just have 1 new line of chlorosulfonation only that which is a brownfield plant, right?

Adhish Patil: That is in Tarapur, correct.

Moderator: The next question is from the line of Nilesh Ghuge from HDFC.

Nilesh Ghuge: I have a question on the Slide number 33 where you have mentioned that product under development on the product under pipeline. So can you just explain which products you are planning to launch maybe 15 months from now or maybe by end of FY '26? This is my first question.

Adhish Patil: Okay. So Vishwa, would you like to highlight on the formulation part?

Vishwa Savla: Sorry, I was disconnected. I just joined back.

Adhish Patil: So what they want to know is what products are we planning to launch in the next 15 months, 1 to 2 years?

Vishwa Savla: Right. So we have -- in the Oncology segment, we have 5 products where we are either filed or will be filing very soon in the US as well as Europe. So these are the latest oncology-led products, so products like dasatinib and lenalidomide, abiraterone, these are some of the

products that we are planning to launch both in North America and in Europe and, of course, in some of the emerging markets as well as we are launching some of our antidiabetic portfolio in the DPP-4 inhibitors and SGLT2s. We have about 6 or 7 products in that category that we will be launching over the next 1.5 years' time.

Adhish Patil: As far as this API and the spec chem line is concerned, so we have now a dermatology product. So we are ready with a few derivatives of that product as well. So it all depends on how quickly the sales of the dermatology product picks up. If it is normal, then we can -- we also have the option to manufacture the derivatives of that, which goes in cosmetic and skin line. And the methylamine-based products, what we are talking about is actually the greenfield project, which is happening in Sayakha.

So that will be mainly because we'll be going for backward integration. There will be some sister products or by-products you can call, which will come out. So we'll have to sell that. So those products. And antifungal, we recently have launched fluconazole, since last few months. And now you can already see that the antifungal contribution to the sales has already increased by 3% year-on-year. So that was the other one.

Nilesh Ghuge: Okay. And just one clarification, sir. You mentioned that all these products will be launched, particularly, the greenfield product, greenfield plant, will be launched in this month itself or the commissioning will start in this month, right?

Adhish Patil: So, you can -- greenfield products will start this quarter itself actually. So let's say, by Q1, you can start seeing the results of those sales in the financials.

Nilesh Ghuge: The products from your Sayakha facility will start...Q1

Adhish Patil: Correct, correct.

Moderator: The next question is from the line of Neha Kharodia from Abakkus.

Neha Kharodia: So my question was regarding the negative price variance in the API. So is there any particular API that you would want to highlight wherein the price decline may be higher as compared to the other general APIs?

Adhish Patil: Mainly what we have observed mainly, it is the antibiotic segment, the ofloxacin, where the price decline was more than other products. In some products, it was in fact positive as well, but it was mainly due to the antibiotic segment.

Neha Kharodia: Okay. And any comments on the metformin prices?

Adhish Patil: Harit bhai, would you like to answer this?

Harit Shah: Metformin prices are very stable now. As of now, there is no change.

Neha Kharodia: Okay. Understood. And in the anti-diabetes portfolio, as of now, which are the other contributors other than metformin?

Adhish Patil: Yes. So we have another product called pioglitazone, which goes along this metformin in our antidiabetic category. And we have teneligliptin as well. And vildagliptin is another product, which gives -- there is not a meaningful contribution yet, but we have that -- we have taken commercial batches of that product as well.

Neha Kharodia: Understood. And also in terms of revenue contribution from metformin for overall APIs, how much would it be?

Adhish Patil: So antidiabetic on stand-alone basis, I think, it was almost around 12% to 13% now, the antidiabetic segment. Yes, it is around that level for the stand-alone company.

Moderator: As there are no questions from the participants, I now hand the conference over to the management for closing comments.

Adhish Patil: Thank you. So thank you, everyone, for joining us today in the earnings call. We appreciate your interest in Aarti Drugs Limited. If you have any further queries, please contact SGA, our Investor Relations adviser, or us directly. Thank you, and have a nice day.

Moderator: Thank you. On behalf of Aarti Drugs Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

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