

SEPL/SE/FEB/24-25
17th February 2025

The General Manager,
Corporate Relations/Listing Department
BSE Limited
Floor 25, P.J. Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code: 501423

The Manager,
Listing Compliances Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra – Kurla Complex, Bandra (E),
Mumbai – 400 051
Scrip Code: SHAILY

Sub : Q3FY25 Earnings Call Transcript

Ref : Regulation 30 of the SEBI Listing Regulations, 2015

Dear Sir,

We refer to our previous letter dated 10th February 2025, wherein the Company updated the audio link of Earnings call held on 10th February 2025 to discuss the operational & financial performance of the Company for the quarter and half year ended on 31st December 2024.

In context therein, kindly find attached herewith transcript of the referred Earnings call.

A copy of the same is also available on the Company's website at www.shaily.com at <https://www.shaily.com/investors/compliances-policies/earnings-call>

Kindly take the same on record.

Thanking You

Yours truly,
For Shaily Engineering Plastics Limited

Harish Punwani
Company Secretary & Compliance Officer
M. No. A50950

ENCL: A/a



“Shaily Engineering Plastics Limited
Q3 & 9 Months FY '25 Earnings Conference Call”

February 10, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 10th February 2025 will prevail



**MANAGEMENT: MR. AMIT SANGHVI – MANAGING DIRECTOR – SHAILY
ENGINEERING PLASTICS LIMITED
MR. SANJAY SHAH – CHIEF STRATEGY OFFICER –
SHAILY ENGINEERING PLASTICS LIMITED
SGA, INVESTOR RELATIONS ADVISORS – SHAILY
ENGINEERING PLASTICS LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Q3 and 9 Months FY '25 Earnings Conference Call of Shaily Engineering Plastics 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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Amit Sanghvi, Managing Director from Shaily Engineering Plastics Limited. Thank you, and over to you, sir.

Amit Sanghvi: Thank you very much. Good afternoon, and a very warm welcome to all the participants to the post results earnings call of Shaily Engineering Plastics.

I have with me Mr. Sanjay Shah, our Chief Strategy Officer; and SGA, our Investor Relations Advisors. I hope you've had a look at our investor presentation that is uploaded both on our website as well as the Stock Exchange.

Let me start by giving some highlights on the operational performance of the quarter. We delivered a robust top line growth of 25% to INR197.6 crores in Q3 FY '25 and have improved our gross margin and EBITDA margin, which stands at 47.5% and 23.4%, respectively.

This is mainly due to increased sales from our Healthcare segment, which grew by 62% on a year-on-year basis. In the healthcare space, during Q3 FY '25, we have successfully signed six additional contracts with different customers for pen injectors and auto-injectors for GLP-1 and other therapies.

We have also taken part in CPHI in November of 2024, where we had excellent 3 days of traction and meetings with several potential and existing customers on new projects and new molecules. We anticipate that our medical device business will comprise about 30% of our revenues over the next 3 years, enhancing organizational value significantly.

In January 2025, we have incorporated Shaily Innovations FZCO as a wholly-owned subsidiary of the company in Dubai. Presently, we're extending our reach to global markets through our subsidiaries, Shaily U.K. and Shaily Innovation. We're seeing growth on our IP-led platforms going forward. We are in discussions with customers regarding volume commitments and capacity commitments for the next 3 to 5 years and would be aligning our manufacturing capacities accordingly.

Our focus is in line with expanding our horizons to include contract manufacturing for medical devices and products featuring our own intellectual property. The dedicated efforts invested in advancing our injection system platforms are beginning to show favorable outcomes. Within this industry, we remain committed to continuous growth and innovation.

In the Consumer segment, we've been awarded new business from 2 global retail chains. Supplies for the same will start from Q1 and Q2 FY '26. Secondly, we successfully participated in Cosmoprof in Mumbai to showcase our expertise in specialty packaging as well as decoration.

Despite the ongoing geopolitical challenges, revenues from this segment grew by 20% year-on-year to INR141 crores in Q3 FY '25.

In the Industrial segment, we've unfortunately had a small amount of degrowth by 8% year-on-year to INR12.5 crores in Q3, but we expect the growth to come back at a steady pace.

That is all from my side. I shall now hand over the call to Sanjay Shah to give you the operating and financial highlights. Thank you very much.

Sanjay Shah:

Thank you, Amit. Good evening, everyone. I shall share with you the highlights of our operational and financial performance of Q3 and 9 months FY '25, following which we will be happy to respond to your queries.

During the quarter, we processed 6,308 tons of polymers as against 5,223 tons in Q3 FY '24. For the 9-month period, we processed 18,396 tons of polymers compared to 16,718 tons in 9 months FY '24. Machine utilization rate was at 45% in Q3 FY '25 and 43% for 9 months FY '25. We expect this to increase in the coming year. We expect to increase utilization level to around 80% in the next 2 to 3 years. Exports during Q3 FY '25 and 9 months, FY '25 stood at 79% and 79% , respectively, of total revenue.

I shall now brief you on the consolidated results highlights. Revenue stood at INR197.6 crores during Q3 FY '25 as compared to INR158.4 crores during Q3 FY '24 , a growth of 25% year-on-year.

EBITDA stood at INR46.3 crores during Q3 FY '25 as compared to INR33 crores during Q3 FY '24, a growth of 40% year-on-year. EBITDA margin stood at 23.4% for Q3 FY '25, an increase of 260 bps over Q3 last year. PAT stood at INR25.2 crores during Q3 FY '25 as compared to INR14.5 crores during Q3 FY '24, a growth of 73% year-on-year. PAT margin stood at 12.8%, an increase of 360 bps over Q3 last year.

Cash PAT stood at INR35.9 crores in Q3 FY '25 as compared to INR23.9 crores during Q3 FY '24, a growth of 50% year-on-year. Now coming to 9 months FY '25 consolidated results. Revenue stood at INR569 crores in 9 months FY '25 as compared to INR473.3 crores during 9 months FY '24 the growth of 20%.

EBITDA stood at INR123.8 crores in 9 months FY '25 as compared to INR87.2 crores during 9 months FY '24, a growth of 42%. EBITDA margin stood at 21.7%, an increase of 330 bps over 9 months FY '24. PAT stood at INR 64.5 crores in 9 months FY '25 as compared to INR38 crores during 9 months FY '24, a growth of 70%.

PAT margin stood at 11.3%, an increase of 330 bps over 9 months last year. Cash PAT stood at INR95.6 crores in 9 months of FY '25 as compared to INR63.6 crores during 9 months of FY '24, a growth of 50% year-on-year. Our ROCE and ROE stood at 22.8% and 18% respectively, as of 31st December 2024. The growth in business has been achieved with disciplined use of capital. Our debt-to-equity stands at 0.43x and long-term debt to equity stands at 0.09x as on 31st December 2024.

Now coming to consolidated segmental revenue breakup for 9 months FY '25. In the Consumer segment, revenue stood at INR 412.7 crores during 9 months FY '25 as compared to INR364.5 crores during 9 months FY '24, a growth of 13%.

In the Pharma segment revenue stood at INR108.6 crores during 9 months FY '25 as compared to INR69.1 crores for 9 months FY '24, a growth of 57%. In the Industrial segment, revenue stood at INR47.7 crores as compared to INR39.7 crores during 9 months FY '24, a growth of 20%.

This is all from our side. Now we can open the floor for Q&A. Thank you.

- Moderator:** The first question is from the line of Harssh K Shah from Dalal & Broacha.
- Harssh Shah:** Congratulations on a strong set of results. So a few questions from my side. So firstly, do you envisage any sort of impact on us if U.S. kind of implement certain tariffs considering that USA is a large geography that we cater to, if not the largest. That was my first question.
- Amit Sanghvi:** Harssh, could you repeat your question...
- Harssh Shah:** Yes. So basically...
- Sanjay Shah:** So maybe it's a little too early to talk about it.
- Amit Sanghvi:** We have just as much information as you do.
- Sanjay Shah:** Probably you might have better information.
- Amit Sanghvi:** Okay. At this point, I don't know.
- Harssh Shah:** Okay. Got it. Secondly, on the thing wherein we signed 6 healthcare contracts. So any sort of period in terms of execution by when do we have to complete this? And is it purely related to manufacturing or there are certain projects that would be developed in Shaily U.K.
- Sanjay Shah:** Because it is a combination, Harssh of -- part of it would be development, part of it would be supply. And once a customer basically signs up, he would basically be taking those devices from us on a long-term basis. So these would be contracts that would be long-term.
- And as Amit mentioned in his speech, these are -- some of them for GLP-1, some of it are auto-injectors and some of it for other therapies. So this is basically the basket of offerings which we have. We have contracts across the basket or the portfolio which we have with different customers.
- Harssh Shah:** If you could quantify the size of the orders, if possible in terms of pens?
- Sanjay Shah:** It's difficult, Harssh, to -- in terms of putting in a number right now would be very difficult. A lot of it will depend on how successful is that customer when the drug moves off patent and when he gets his FDA approval and when he launches it. But what this basically represents or

clarifies is that we have a lot of customers who are signing up for devices with us, which is good for us.

Harssh Shah: Got it. Any number you would like to put, say, for the number of pens that you have sold in the first 9 months of this financial year, if you have it handy?

Sanjay Shah: I really don't have that number handy. We'll probably...

Amit Sanghvi: But I don't have it handy, yet at a moment. We will send that number out later on.

Sanjay Shah: Yes.

Harssh Shah: Yes. Last question from my side. So the thing that you mentioned in the investor PPT with respect to the two global retail chains. So are there -- are these completely new customers? Or have we supplied to them earlier also?

Sanjay Shah: So we have not done any business with either of these customers over the last 5 years. With one of them, we have done some business prior to 5 years. So I think we will take it as a new customer.

Harssh Shah: And then related question, how big this can be in terms of offer

Sanjay Shah: So we have been in discussions with them over a long period of time. And so something we were able to close on something. So that's how we would look at it.

Moderator: The next question is from the line of Ritesh Shah from Investec.

Ritesh Shah: First, congratulations on a good set of numbers. Amit, you made in your initial remarks a comment around volume and capacity commitments for next 3 to 5 years. Is it possible to elaborate this? Are we facing any constraints on the capacities when the vendors come to us and they ask for dedicated supplies? How should we look into this?

Amit Sanghvi: There isn't a constraint. You see, there is an X capacity we've built on every product on day 1, which would, of course, be single-digit millions. A few of our products -- two of our products particularly have higher capacity because we've built that knowing the commitment from customers.

Now when you look at GLP-1s and potential Semaglutide launches coming up for '26, '27, '28, etcetera, then we will need to build capacity. And for that, we're working with customers to get kind of volume commitments.

Ritesh Shah: Okay. So you're most positive on Sema followed by Lira and Teri. So you indicated '26, '27, '28 launches are there. I think in the prior calls, you had indicated a capacity that we will be looking at around 35 million tons. Are we sticking around with the same number?

Amit Sanghvi: Yes. Now Teri, I don't -- we don't need any more capacity on Teri, because it is -- from a volume perspective, small product, but value is quite good. Lira, we scaled up the Lira and the insulin pen is the same. So we already did the scale up. We created 11, 12 million capacity last year.

Therefore, we're not looking at any capacity increase on that. So the only capacity increase we're looking at is for the pen and the auto-injector on the Semaglutide.

Ritesh Shah: Okay. So if -- just correct me if I'm wrong, our current pen capacity would be around 40 million, and I think we had indicated a road map to, say, 100 million pens, but we have not given any time horizon over here. So possible like -- so when we say 3 to 5 years, it is like 40 million to 100 million over 3 years, 5 years? And basically, how does one bifurcate this 40 million to plus 35 million, 75 million and the balance and how does the insulin fit in overall on the basket of 100 million pens?

Amit Sanghvi: Yes. Sorry, Ritesh. I think communication we've done earlier is still very much the same plan. Not a whole lot has changed. We -- from having about 35 million capacity right now, we're looking at adding another 50 million to 80 million over a period of time. So between now -- let's say, between now and December '26, we're looking at adding another 50 million to 60 million capacities on pens and auto-injector combined.

And of course, if we're adding capacity, then we should assume that sales should start shortly after the addition of capacity, probably within the 12 months.

Ritesh Shah: Okay. And the question on insulin. So I think 35 million pens right now, I don't have a breakup of how much insulin contributes. You did indicate incremental 35 million will be Sema. So if I assume all of it is -- I don't know how to break it up, if you could help us comprehend that?

Amit Sanghvi: 35 million includes contract manufactured and our own IP, right? The majority at the moment is insulin.

Ritesh Shah: Okay. So insulin percentage will continue going forward? Or is it something that will decline based on profitability? How are we looking at it?

Amit Sanghvi: Look, every year, a lot of these are depending on launch years, right? So launch year, you will obviously have higher volume of another product, which means that insulin could potentially as a share -- percent share come down. But it balances out over a few years. So it's not that every year, you keep seeing a single product continuously grow. You will have -- you'll also reach a stage on a single product where it eventually plateaus out.

Sanjay Shah: Can I probably rephrase that answer a little bit? So Ritesh, the way we would look at it is as we move forward over the next 3 to 5 years, you will see our own IP-led pen platforms contributing much higher revenue as compared to contract manufacturing. That also -- our IP-led platform also in insulin areas.

Ritesh Shah: Sure. Just a follow-up, a quick one. Do we have the brownfield optionality at the current place in Gujarat? Or will we have to scout for new land building? What will be the capex corresponding to that?

And the second question is what sort of regulatory approvals do we require as we look at the scale up from, say, 40 million to 100 million pens with respect to certain US FDA approvals?

Or are there any other regulatory bodies we need to approve us? Or are you already done with the process?

Amit Sanghvi: I think we will obviously get back to the shareholders in due time on capacity expansion plans, where, how, etcetera. But on the second question, there is no further regulatory approvals needed for enhancing capacity. All the work required to enhance capacity is internal to Shaily and then you just have to file the work that you've done, including design verification and part of your update to the filing.

Moderator: The next question is from the line of Nirali Gopani from Unique PMS.

Nirali Gopani: Congratulations on good set of numbers. So Amit, the first question is on the Dubai subsidiary. So briefly spoke about it in your opening comments, but if you can share some more details that the work we are planning to do there is similar to what we have been doing in our U.K. subsidiary, the opportunity size and the reason why did we choose to do it in Dubai when U.K. is doing so well, briefly on that?

Amit Sanghvi: I mean multiple reasons. We don't -- upfront on day 1, we're not going to start doing any inventive work in Dubai. What we're planning to do is setting up kind of a global test lab where you can run as an independent. So what happens, right? Today, a lot of the -- all the testing we do, we only do up to design verification. Then customers still want us to do their end of the verification, but we often refuse because we don't want to handle drug at Shaily. We don't also have the license to handle drug at Shaily.

This one aspect is also that customers from an agency and regulatory perspective, don't feel comfortable doing design verification at the same site where we've done our engineering kind of or exhibit batches. So this is kind of a start of a plan to create this test lab where you -- which also becomes like a part of the innovation that we do in the U.K.

And also kind of when you actually start shipping product in the market, you will have market complaints, whether it's related to us or not, but oftentimes, devices will be sent to us for analysis. So from a logistics standpoint, it just becomes easier to get things in and out of the UAE.

Even today, we have significant logistics constraints when we -- when customers ship us cartridges, PFS, etcetera. So that was the idea, but it might be something larger than that as of today. But we'll, of course, inform the community when we have more information.

Nirali Gopani: Yes. And then just a new -- 2 new consumers retail chains that we have tied up. So this will be the model of working will be similar to what we are doing with home furnishing, right? This will not be off-the-shelf that we have always avoided to do. And the product will be similar to what we are doing for the home furnishing today?

Sanjay Shah: So product will be similar to the home furnishing customer, but we will be offering them off-the-shelf product of chain.

Nirali Gopani: So then we won't lead to inventory problems and because we have always avoided doing off-the-shelf and hence, we never work with any other retail chains?

- Sanjay Shah** No. So these are fixed orders. So I don't think from an inventory standpoint, there is an issue. We will need to make some minor investments in tooling where we have some agreement with the customer in terms of how do we make the recovery for that. So that's what it is.
- Nirali Gopani:** Okay. So we don't see any negative impact on our numbers because of this model, right?
- Sanjay Shah:** No.
- Nirali Gopani:** Okay. Perfect. And Amit, a few quarters back, you had spoke about working on 3 new sectors. One was consumer electronics, one was telecom and healthcare. So healthcare is for sure doing very well. Any update on the other 2 sectors? Are the talks going on? Any update would you like to share on that?
- Amit Sanghvi:** I mean, we're going through the process of building that business. We unfortunately do not have an additional update apart from the fact that we're scaling up the capabilities that we need to enter that business successfully. As and when we have an update, we'll certainly let you know.
- Nirali Gopani:** And Amit, if I'm not wrong in this call, you just mentioned that the medical devices will form 30% of the revenue in the next 3 years. And in the last call, that number was 25%. So is this because of the new orders or the contracts that we have signed? Or you see that growth ramping up very fast and you're being a bit conservative?
- Amit Sanghvi:** No, no, 30%. 30%. The thing is there is just as much information in the public domain as we have. Having said that, we certainly see a really good opportunity to ramp up over the next 2 to 3 years. And if it's not GLP-1s could be -- I mean, GLP-1 will ramp up. But if GLP-1 is not going to be the only contributor to that share of revenue we're talking about, we will also be ramping up maybe a few other novel molecules on the business.
- It could be some very nice one-off projects, information that we cannot put out in the public domain at the moment, but some potential innovative projects what we're looking at most.
- Nirali Gopani:** And one last question. So Amit, healthcare has been doing very well for the past few quarters, and it is still definitely at an inflection point. So can you talk about how have you built a team on the healthcare side over the last 2 years? Any hiring that you would like to highlight? How is the team build up there?
- Amit Sanghvi:** It's a combination of old talent at Shaily, of course, very good engineering talent at Shaily, probably hired in the last 36 months from the pharma industry to come with a lot of regulatory GMP kind of know-how.
- In fact, our Head of Operations is from the pharmaceutical background and hiring of very high level of engineering talent from countries like Singapore and Malaysia. So this is how we're kind of building up on the capability side. And then all the support staff, which is business development, product strategy, including our R&D in the U.K. We have now scaled up to 14 people in the U.K., and we're looking at adding another 3 to 4 in the current calendar year. So the U.K. scale up is also something that my wife manages, of course, but it's going exceptionally

well. So we're really focused on the business. We're really focused on creating very significant value and always being on the forefront of technology.

Nirali Gopani: That's great. Congratulations once again and it is good to see how the company has shaped up in the last few years. That's it.

Moderator: The next question is from the line of Anant Jain, an individual investor.

Anant Jain: Congrats on a good set of numbers. My first question is on the consumer electronics side. Are there any updates there in terms of the number of customers or the clients that we are working with? Is there a definite agreement that we are looking to sign any time lines around that? I'll come to the healthcare questions later on.

Amit Sanghvi: No. We don't have any contracts in place. We are working on a road map with customers to eventually get there, but we don't currently have any contracts in place.

Anant Jain: Okay. And are we working with multiple customers there?

Amit Sanghvi: Yes.

Anant Jain: Okay. Great. Now on the pen side, we have signed 6 contracts for pen injectors. Would it be possible for you to tell which therapies these are? And are these for GLP-1 or some other therapies?

Amit Sanghvi: Therapies, I mean, majority of the 6 contracts are GLP-1s -- then you have insulin, you also have parathyroid hormone and migraine medication.

Anant Jain: Okay. So these are like well spread over. Okay.

Amit Sanghvi: Yes.

Anant Jain: The next question is like we are looking at expiry of GLP-1 patents in Middle East in middle of '25. We are looking at Canada, rest of the world expiring in Jan '26. Now all of these markets, we need to build the supply chains much before the patent expiry. So is it fair to assume that our Sema, Lira volumes will start building up for these markets from, let's say, Q2 of this calendar year? Is that a fair assumption?

Amit Sanghvi: I think Q2 of financial year for sure. So let's say, an overlap between Q2 calendar and Q2 financial.

Anant Jain: Q2 calendar, Q2 financial overlap.

Amit Sanghvi: Yes.

Anant Jain: In terms of capacities of Sema, I think we were doing 1 line, 40 parts per minute, 12 million capacity. What kind of capex do we expect for Sema ROW demand for next year? And are we looking to add bigger lines like 80 parts per minute kind of 25 million kind of annual capacity per line

Amit Sanghvi: Anant, let me correct you. The 40 parts per minute line we have is for the Protean pen, right? So that's liraglutide and insulin. We have effectively -- we've been running it for some time, effectively about 12 parts per minute line for Sema.

We are building an 80 parts per minute line for Sema and we were building second 80 parts per minute line also in the coming 18 to 24 months. So we're looking at, let's say, creating capacity. I don't know how much of that exactly will get sold in the exact same time frame. But we're looking at about 40 million capacity build up 40 million to 50 million.

Anant Jain: Looking at where we are in terms of our capabilities and devices, do we have -- are we talking to customers in terms of dedicated lines, taking advances from customers for those dedicated lines? Any arrangement of the types of take-or-pay kind of agreements that we are kind of building with clients, because we are putting up large capacity. So are we going to have these kind of arrangements, agreements with the customers? Do we any of them?

Amit Sanghvi: I said yes, we will. That's what I mentioned in the speech that we're looking at basically negotiating volume commitments, capacity commitments with customers.

Anant Jain: And one last question. Capex plans for FY '26 and FY '27, if you could just elaborate on that, because we have more clarity today than we had in the last call.

Amit Sanghvi: See, Anant, it's a very -- it's a right now a very -- it's present changing quite fast. So we're going to consolidate all the information, come up with the strategy and make a decision and probably inform everybody on the next call.

Moderator: The next question is from the line of Mohit Surana from Monarch Network Capital Limited.

Mohit Surana: So I just wanted to ask the utilization has improved this quarter versus last year as well as the last quarter, but our revenue has been flat for this quarter compared to the last quarter. But still we were able to increase our margins. So just wanted to understand how did we execute so that we achieve this kind of results?

Sanjay Shah: Mohit, when you look at utilization number, you're looking at utilization number across the company. You're not looking at -- we don't report individual utilization numbers. There would be pockets where you would have had a better utilization, there would be pockets where you would have the same utilization number. So that's the way to look at it.

Mohit Surana: Understood. So sir, the margin expansion that we saw this quarter, was that really because of the Healthcare segment?

Sanjay Shah: Was mainly because of what you said?

Mohit Surana: Was mainly because of the Healthcare segment, Pharma segment?

Sanjay Shah: Yes.

Moderator: The next question is from the line of Ritwik Sheth from One Up Financial Consultants.

- Ritwik Sheth:** Sir, my question is to understand the opportunity of GLP-1. Sir, you mentioned that we are adding about 35 million capacity for pens and auto-injector for Semaglutide. Is that -- did I hear it right?
- Sanjay Shah:** Yes. What we have said is the total pen capacity which we are adding will be total linked to the number which you talked about.
- Amit Sanghvi:** Yes.
- Ritwik Sheth:** Okay. And sir, so the pen and the auto-injector is for the fill and finish, is that understanding right?
- Amit Sanghvi:** Fill and finish?
- Ritwik Sheth:** Or we are not doing the filling of the API?
- Sanjay Shah:** No, we don't do the filling. We are only a device.
- Ritwik Sheth:** Okay. So we'll be just doing the plastic molding of the pen as it is, right?
- Amit Sanghvi:** No. We will basically be supplying the device as simple, but yes.
- Sanjay Shah:** We will be supplying the device. The fill and finish layer will basically put in the buyer of the drug into the device.
- Ritwik Sheth:** Okay. Got it. So you will be supplying it to the player who will be doing the fill and finish?
- Sanjay Shah:** We will supply to our customer. The customer might have contracted with somebody for the fill and finish, then we might be required to deliver it to the fill finish.
- Ritwik Sheth:** Got it. And sir, what would be the cost of a pen realization? Any sense currently?
- Sanjay Shah:** Very -- so it's very difficult to put in a number. There will be different pens will have different pricing.
- Amit Sanghvi:** Volumes, what is the commitment level from a customer? What are the slabs? What is the MOQ, colors, activities involved? There's a lot of it, but broad range could be something as low as \$2 to maybe \$7.5, \$8 for different therapies.
- Ritwik Sheth:** Okay. Got it. So Semaglutide could be anywhere from \$2 to \$7 per pen.
- Amit Sanghvi:** Yes. All -- I'm not saying just Semaglutide. This could be any therapy.
- Ritwik Sheth:** Any therapy. Okay. Got it.
- Moderator:** The next question is from the line of Aman from Astute Investment Management.
- Aman:** My first question is on Shaily U.K. So did the Teri exhibit batches start in Q3 or we are expecting it to start in Q4? And then do we expect a good bump up in, say, Shaily U.K. numbers in Q4?

- Amit Sanghvi:** The exhibit batches, Aman, will be supplied from India. So they will start now, but you will see the revenue in India.
- Aman:** Okay. So the platform fees and everything is already as a part of Shaily U.K. already in the numbers. On the manufacturing...
- Amit Sanghvi:** Correct. Portion of it is already captured and portion the balance -- I mean it's all -- it's milestone based in Shaily U.K. So as we execute the project and achieve the milestones, we raise the relevant invoices.
- Aman:** Sure. As now given we have ramped up our team in Shaily U.K., so we have a good growth in this year. But for the next year or next 2 years, what kind of growth should we assume in Shaily U.K.?
- Amit Sanghvi:** Shaily U.K. will focus on 2 things. You'll have a set of teammates or set of the team, which will focus on the life cycle management and scale up of all the products that we're scaling up, right? So there's a lot of development activities still involved when you go from 4, 8 to 16 or 32 cavities and similarly, when you scale up the assembly line. Portion of the team and the focus is going to be doing a lot more with innovators.
- So we want to take on potentially larger -- longer-term commitments, larger projects, longer-term commitments and focus on developing devices for the innovators. And the pipeline -- anyway, our own pipeline is -- we still have about 4 devices in the pipeline, which will happen over the next 24 months.
- Aman:** So from around GBP 5 million run rate, can we expect it to scale to GBP 10 million to GBP 15 million kind of run rate in the next 2, 3 years?
- Amit Sanghvi:** Look, hard to say again, but the short answer is that you should be able to scale it every year. Some years, you will have higher growth, some years, the growth rate will come down. But over a period of time, it should average out and we should expect growth year-on-year.
- Aman:** Sure. Next question is, if you can update on the Teri and the Lira launch, which was expected in this calendar year '25. So any rough time lines, can it happen in the next quarter? It will take 2, 3 quarters? And if there is a delay, is it mostly on the customer side, because there are some other generic companies who are launching these products. So won't our customer miss the bus if it is delayed in terms of launch in both Teri and Lira, if you can talk about both of them individually?
- Amit Sanghvi:** Good question. I'm also constantly engaged with the customer to find out are they going to launch. Let's hope next 3 months or 4 months for both launches. Again, but I'm not giving a guidance that this is -- there's nothing in place as an impediment that prevents launch. So we should hope that they can launch in the next 2 quarters.
- Aman:** Okay. And is it like 1, 2 customers or there are like maybe 3, 4 customers? So if one doesn't launch, then other can launch, both Teri and Lira combined?

- Amit Sanghvi:** I mean, some are in terms of filing than the others. We have multiple customers on both molecules. Some are more advanced, some are not quite as advanced. So we will have to wait in queue until their files are approved.
- Aman:** Sure, sure. Next question is you've talked about we are building this now 80 PPM line for Sema. So any time line when it will be completed? And does that include auto-injector line or auto-injector line will be a separate line? And when can we see a ramp-up in say, auto-injector sales for us?
- Amit Sanghvi:** I think auto-injector ramp-up, you will see some ramp-up because we have a line right now, which -- where we can manufacture about 6 million to 7 million a year. Roughly 6 million to 7 million a year. So we're going to see some ramp-up in the current upcoming 12 months also. But the larger line will come up in '26, middle of '26 to Q3 calendar '26. That line will obviously be a kind of a 25 million capacity line. 20 million to 25 million. I have not figured out the exact math yet, but somewhere around consider 20 million as capacity for the auto-injector, which will come up in Q3 calendar '26.
- Aman:** Okay. And the first line which you are talking about, which we are already building, when will that be coming up? ATTP and first line?
- Amit Sanghvi:** As early as September, October of this year.
- Aman:** Okay. Just a final few questions. First on, so we have a very good spring-based device with us, which I think is, there is no other competitor as such in generic industry. So when can we expect the, say, market launch of that product, whether it can be lira, it can be Sema, but when can we expect and maybe which markets, if you can talk about it?
- Amit Sanghvi:** I think spring pen, the Neo pen will first be launched in Canada, India and Brazil.
- Aman:** Okay. And say, in a year's time, say, Canada's expiry is happening, so say, 1 year to -- around 1 year time, we expect this to be in market?
- Amit Sanghvi:** I'd say, yes, 18 months kind of a window. So we should expect Neo to be on the market in 18 months.
- Aman:** Sure, sure. And we were expanding our capacity in insulin to 8-cavity 2 line. So is this operational or from which month will it be operational?
- Amit Sanghvi:** This is specific to the spring device?
- Aman:** No, no, no. The insulin one, right? We were increasing from, I think, 4-cavity to 8-cavity. We were trying to double our capacity, which you said it might happen in this quarter.
- Amit Sanghvi:** We are under the last phase of qualifications. We're trying to do our best to complete it this quarter. But it could spill over into April. So between March and April, we'll finish qualifications on the increased cavitation.

- Aman:** Sure. And on the patent challenge for our drugs, you said we were expecting something. But will it happen at the time of, say, regulatory launch of U.S.? Or can it happen with ROW launch also in the next 1, 2 years?
- Amit Sanghvi:** I mean, look, Canada, there's always a potential because the innovator supplies into Canada. But the innovator doesn't exist in India, doesn't exist in I doubt very much of the innovators there in Brazil. Some markets, you might see a challenge, some markets you won't. But at this point, there's enough information in the public domain. So the innovator would have figured out a strategy on how to prevent others to enter.
- I think it's different. The sheer size of filers is just too high. So -- and there's multiple devices one can go to market with. So we ourselves have 2 devices which can -- which people can go to market with. So I don't think they can fully prevent it. There might be litigation, but...
- Amit Sanghvi:** It is a little difficult to prevent it.
- Aman:** Sure. One final question on non-pharma side, sir. On the Consumer segment, after a long time, we have seen kind of 20% kind of growth. This segment was like not growing much -- was growing, but much slower than the company level growth. So now with these two retail chains coming up, and I believe we had some contracts won recently in gas knob and everything. Do you expect this Consumer segment this 20%, 25% growth or company level growth will continue for the next couple of quarters?
- Sanjay Shah:** So, Aman, I don't think we should basically look at a 20%, 25% growth -- the two new orders which we have taken on are small orders. We are trying to make a start with these guys, and we'll see how it goes forward. We have seen some growth on the home furnishings business and that was because of some new products being starting and everything. So let's see how that does go in terms of moving forward.
- Moderator:** The next question is from the line of Rupesh from IntelSense Capital.
- Rupesh:** My first question is which all platforms you expect will be commercialized for Semaglutide, I mean Protean, Neo, Toby, Tristan. Can you maybe list that?
- Amit Sanghvi:** Neo and Harmony.
- Rupesh:** Okay. And on auto-injector side?
- Amit Sanghvi:** Toby.
- Rupesh:** Okay. And sir, I mean, you have talked about by December '26, let's say, this 50 million, 60 million of, let's say, GLP capacity comes online and then existing, we have some capacity for lira, some capacity for auto-injector, some capacity for Sema. So let's say, calendar year '27, let's say, December '26, everything goes fine, capacity comes online. Is 50 million number -- I mean, in the realm of possibility or a decent probability number, 50 million devices on GLP?
- Sanjay Shah:** Rupesh, a lot of it will depend on how the market response is there from customers and everything. You need to understand that in the pharma part of the business, you would need to

create capacities upfront. Customers who don't want to come and audit your facilities and everything.

So there would -- there has to be time lag would mean from the time you create capacity to the time you start manufacturing and supplying. But to -- again, what I mentioned earlier, I again reiterate the same thing is that a lot of it will depend on how does the customer -- as and when the customer gets his approval and how -- what the customer's response in the overall marketplace, that will decide how much utilization will happen.

Rupesh: Sorry, those things I understand. Sorry to interrupt. I understand those things that API challenges, filing challenges, supply chain challenges, all of that I understand. I mean, there are things which are not in our control. But let's say, a customer does a good job, then is -- I mean, 50 million is it possible or it's like completely, I mean, off the mark estimate?

Sanjay Shah: It is possible. I'm not saying it's not possible, but there will be a lot of factors. And the reason why we are creating the business is based on what we are seeing and based on discussions which we are having with customers.

Rupesh: Okay. And then, sir, this -- I mean, another coming to this customer, what I understand, again, is the supply chain is very complicated. API is very difficult to make on both synthesis and on purification. The whole filing process is very complicated. So do you see that this approval risk for customer turning into a customer concentration risk for us?

Sanjay Shah: So we have multiple customers on the same therapy. So if you look at Sema, we have multiple customers on Sema. We have multiple customers on the auto-injector for Sema or other therapies which we are looking at.

Rupesh: But let me say, let's say, top 1, maybe, let's say, out of top 2, maybe 1 customer doesn't get approval, then do your estimates go down by, let's say, 50%? Is that -- or it's not like that in at least your view?

Sanjay Shah: It's a little too early to talk about it.

Amit Sanghvi: I mean, to honest, we don't have the....

Sanjay Shah: We are in discussions with customers, as Amit mentioned earlier, to look at what sort of volume commitments are there and what sort of capacity commitments and take-or-pay, which customers are getting in. So there will be those discussions which we have been having and capacity would be built based on some confirmation from customers based on that.

Rupesh: Okay. And sir, this insulin, I think we had announced this 10 million order. So where are we on that? Because you're saying now qualification will be in April. So this -- I mean, how many we have delivered and then how much do you expect to deliver in FY '26?

Sanjay Shah: We have been supplying these. We will not get into individual volumes, but we have been supplying these from the existing capacity which we have. And once we have the qualified capacity online, we will look at supplying the increased volumes.

- Rupesh:** But you said maybe 4 million, 5 million this year and 4 million, 5 million next year. That is the kind of split we were expecting. So that now has shifted significantly?
- Amit Sanghvi:** It will be a little less this year, a little more next year because I think we want to get the 8-cavity online before we do anything else.
- Rupesh:** Okay. And where are we on the repeat orders, sir, for this...?
- Amit Sanghvi:** It's not just the tooling. The assembly capacity also goes hand in hand. So there's kind of -- you want to make sure you run both at the same time.
- Rupesh:** Okay. But whereas on the repeat business for insulin, I mean, this can insulin business also become, let's say, a 50 million, 60 million kind of number in calendar year '27, 50 million, 60 million pens?
- Amit Sanghvi:** Ritesh -- sorry, Rupesh, from a therapy perspective, all of these businesses, there is enough market size available to become 40 million, 50 million, 60 million. But whether it becomes for us or not, we don't know. And how long it takes is also another question. Opportunity is there, and we're doing everything we can to capitalize on it. But hard to answer a specific question. The business is still in a nascent stage.
- Rupesh:** Okay. And then sir, final question from my side is on the commercial manufacturing of GLP pens. I mean, can you indicate a range of gross margin, a broad range we'll do, sir. I mean I'm not asking any specific number, but a broad range, like, let's say, can our gross margin be between, let's say, 60% to 80%...?
- Amit Sanghvi:** No, it would not be fair for us to communicate that, but you can estimate.
- Moderator:** The next question is from the line of Ashish from JM Mutual Fund.
- Ashish:** Sir, on the GLP-1 capacity, by what time lines do you expect a good 70%, 80% utilization number?
- Sanjay Shah:** Ashish, what we said is you will see improved capacity utilization from FY '25 to FY '26 to FY '27. I think talking about it on a quarter-on-quarter basis or something will be very difficult for us. But yes, if you were to look at from FY '25 to FY '26 to FY '27, you will see utilization levels improve and volumes going up.
- Ashish:** And if I might have heard it correctly, you said the commercialization should start by quarter 2 of FY '26, right?
- Amit Sanghvi:** Yes, we should start manufacturing and supplying by quarter 2 of FY '26.
- Ashish:** Okay. Fair enough. You also made a comment saying that possibly there could be -- you are in discussion with some of the innovators. So are we also exploring something with biosimilar on those biosimilar lines as a therapy?

- Amit Sanghvi:** We're exploring innovative molecules with the innovators. But we're already in discussions with biosimilars.
- Ashish:** Yes.
- Amit Sanghvi:** Yes.
- Ashish:** Okay. So potentially, this could become very big, all the pens and the auto-injector setups.
- Moderator:** The next question is from the line of Pritesh from Lucky Securities.
- Pritesh:** Yes, sir. Just a clarification on all the capacity figures that you said, so just to conclude that the current capacity is 35 million -- and over the next 2 years, you are looking to add 50 million, is this correct?
- Sanjay Shah:** Yes, Pritesh. So the current capacity is somewhere between 35 million to 40 million depending on the pen, combination which is the 35 million -- and we are looking at adding another 50 million to 60 million capacity.
- Pritesh:** Now the other thing in this 35 million, did you mention that about 7 million to 8 million is auto injector capacity?
- Amit Sanghvi:** Right now, we have about 6 million auto-injector capacity. That number, I don't know, but it would be between 6 million and 7 million. I can actually calculate for you just a second.
- Pritesh:** It's okay. You are not way off that 8 million, 7 million
- Amit Sanghvi:** Sorry. 5.9 million.
- Pritesh:** 6 million. And to which you said you will be building a capacity which will take it to 40 million?
- Amit Sanghvi:** No, not only the auto-injector. On the auto-injector, we will add another 20 million. We will add the --
- Pritesh:** So in that 50 million additional 20 million is auto-injector basically.
- Amit Sanghvi:** Correct.
- Pritesh:** Okay. And all auto-injectors, the application as of now is Sema or there are applications in autoinjectors other than Sema?
- Amit Sanghvi:** Yes. There are applications in auto-injector other than Sema also.
- Pritesh:** Okay. There are applications other than Sema. And lastly, sir, in this 6 in your presentation, the 6 -- you sign the 6 contracts. If you could tell us how much -- how many are Sema in this, how are non-Sema? Any indication or therapy areas?
- Amit Sanghvi:** 4 -- sorry, 3 are Sema and others are non-Sema.

- Pritesh:** And all the Sema has to be auto-injector, right? Sema is auto-injector or Sema has administration via non injector also?
- Amit Sanghvi:** No, Sema is both pen and auto-injector. It's not just an auto-injector.

In fact auto-injector is only in the U.S. market.
- Moderator:** The next question is from the line of Ankit Gupta from Bamboo Capital.
- Ankit Gupta:** Sir, some of the large generic companies, which are expected to be first to file entries into Canada as well as India and Brazilian market, they seem to be extremely bullish on the prospects of Sema. And it seems that they are -- like they are clear with the regulatory authorities on the pen as well as on the API side. So any indications from some of your customers that how big these markets can be for pen suppliers like us? And what can be the expected volumes from them?
- Amit Sanghvi:** Yes, I think the same question has been answered half a dozen times in various different forms. Market size is very large, could be 40 million, 50 million, 60 million for us. We don't know when that happens. But as we have conversations with customers, get commitments, we are building the capacity.
- Ankit Gupta:** Sure. And will some of our platforms like Harmony be for the Canadian markets as well or it will be for other markets?
- Amit Sanghvi:** Harmony will be for?
- Ankit Gupta:** Canadian market, which is expected to be launched in, let's say, Q4 of FY '26.
- Amit Sanghvi:** Harmony will be for all upcoming launches. It will be across markets.
- Ankit Gupta:** Okay. But okay. We'll be launching in Canada as well through this?
- Amit Sanghvi:** Yes.
- Ankit Gupta:** Okay. And sir, on the new 2 customers that we have added on the consumer side, although as you have been indicated that these are small contracts, but do you think this -- the entry that we have got into these customers, like any potential size that you can indicate how big if you are able to supply to them? And what can be the potential scale from this new customers over the next 3 to 5 years?
- Sanjay Shah:** Both these customers are very large and the potential with these customers is large enough. We will have to see how it plays out over the period of next 1 month -- 12 months to 18 months.
- Ankit Gupta:** Okay. And any update on the carbon steel plant? How is the utilization? How is any new orders that you have got?
- Sanjay Shah:** Plant is steady in terms of business.
- Ankit Gupta:** Any new contracts that we have got? And like how is the capacity utilization currently?

- Sanjay Shah:** We currently continue to -- Yes. So we have orders which we basically currently execute. We talked about commercializing 4 new products, which we have commercialized in the last quarter. We talked about it earlier. So we're looking at basically scaling up that.
- Ankit Gupta:** Sure. And what will be the capacity utilization currently for the plant?
- Sanjay Shah:** We don't give out individual capacity utilization. So it will be very difficult for us to talk about that.
- Ankit Gupta:** Okay. But have we seen increase in the utilization this year and next year?
- Sanjay Shah:** Again, what we look at is if you would look at more from a year-to-year basis, yes, we have seen improvement in capacity utilization.
- Moderator:** The next question is from the line of Manish Verma from Divitiae Analytics.
- Manish Verma:** Yes. I think most of my questions have got answered because I was lost in the queue. I have only one question. Do you see any conflict of interest because you will be supplying the pens to both innovators as well as generic companies? If the device is same, will it create a conflict of interest, or you developing separate devices for them?
- Amit Sanghvi:** No. There's no conflict of interest. We never tell anyone we're going to exclusively work for you, unless there is a very significant commitment given by the person. But otherwise, there's no conflict of interest.
- Manish Verma:** Sure. And in terms of volumes, what would be the breakup between innovator company supplies and the generic companies you are planning to supply after the total pen GLP device?
- Amit Sanghvi:** Innovator companies, except the Allstar that we do for Sanofi, all the other are still conversations. Innovators will take a long time to get to market. It's not something that will happen in 12 months or 24 months, likely things that take over between 24 months and 48 months or 60 months to get to market in the first place. Volumes could be very, very significant, but a lot of it is unknown at the moment.
- Manish Verma:** Sure. No. So what I'm trying to understand is the volumes which you are forecasting for GLP-1 pen, how much of that will be supplied to innovators like Eli Lilly and how much will be supplied through generics?
- Amit Sanghvi:** We don't do innovators, all to generics.
- Sanjay Shah:** So Manish, I think you're confused on your question. Whatever we are talking about with the innovators to be a different device for a different molecule. That's what Amit mentioned. We are trying to see how we can work with innovators on some innovative molecule.
- Amit Sanghvi:** Yes. Novel GLP-1, not the same -- not Semaglutide.
- Moderator:** The next question is from the line of Manjeet Buaria from Solidarity Investment Managers.

Manjeet Buaria: I just wanted to get one clarification again. The generic companies with whom we have partnered right now for trial batches on Semaglutide, are we the sole partners for them? Or do they partner with multiple device companies and then take a call finally as to which one will it commercial?

Amit Sanghvi: Okay. So our partnership with the customer would be a sole partnership. But customer itself, so for example, customers -- not all of them, but some of them, they kind of hedge their own bet. So they could run a program internally. They would piggyback on someone else's program.

They could use in a particular region, a separate file, someone else's file to go forward in that region. There's lots of things happening in the GLP-1 space. I would say that I think with most of our customers, we would be the sole device suppliers.

Manjeet Buaria: So Amit, just following up on this to get the technicality right. The way it should function is, let's say, there's a company A, they would have different filing for, let's say, U.S.A. a different filing for, let's say, U.K., a different filing for, let's say, Brazil. And for each of these countries, they may choose one supplier or they may file with 3 different suppliers. Is that the way to think about it?

Amit Sanghvi: Yes. No, no, that's not how it works. What they would likely do, again, everyone is different, but what they would likely do is say company X is running a semaglutide program with company-wise device, which is not Shaily's device. Now Shaily's customer is running a program also with running a program internally with company X is also the customer could do a deal with company X, look, I'm going to fund some of your development or give you X amount of money, but I will have access to your file to market the product and so and so and so regions. So what they do is they kind of hedge their bet.

I know companies who have on 3 programs that are running simultaneously or companies are only running one program or companies are not running their own program at all and just piggybacking off someone else. There's a lot of variation between customer to customer. But company -- just one company will not take different devices for the program, because it financially doesn't make sense. You have to create all these lines, run all the stabilities, run the verification that again and again. So it doesn't make sense.

Manjeet Buaria: So Amit, what you're telling me is, let's say, a generic manufacturer of semaglutide would choose to partner with one device vendor at the initial stages, basically till they get their approval.

Amit Sanghvi: Right.

Manjeet Buaria: And after they get their approval, how easy it is for them to sort of use another device supplier or it's practically then only us they can use for all practical purposes?

Amit Sanghvi: I mean, look, every market is different. You have ROW markets where it could be -- I mean it's never simple. But complexity-wise, low complexity to change. You have some ROW markets where it is still very difficult to change. Some that follow the same EU or the U.S. standards, we have to conduct trials again, especially human factors or usability studies or formative studies to change the device.

In the U.S., I would say -- it's practically looking at essentially looking at running the whole program again. So -- or at least a significant portion of the program again.

Manjeet Buaria: Got it. And last question, Amit, we would have visibility as to which country we are being tied up for, right, by our customers when they take trial by from us or we don't have that visibility?

Amit Sanghvi: We have that visibility.

Manjeet Buaria: So you had mentioned a few calls back that probably 60%, 70%, I think, of players may have tied up with us. So this 60%, 70% is all U.S.? Or were you referring to across all geographies?

Amit Sanghvi: I mean most partners -- I mean, most customers that are working with us will go to the U.S., but we also have partners that don't intend to go to the U.S.

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

Dhwanil Desai: Sir my first question is, I think this discussion around volume tie-up. But I think the dynamics that we are describing is that customer also may not have a line of sight in terms of volume that they may be able to generate in a market. So given that, how does this dynamics work in terms of giving commitment to us? And is our incremental second line on semi contingent upon those volume tied up? How should we think about it?

Sanjay Shah: Dhwanil, could you probably repeat your question? I think we lost you somewhere in between.

Dhwanil Desai: Sure. So essentially, what we are saying is that the consumer also when, let's say, our customer, they may not have a line of sight in terms of how much volume they may be able to sell in a particular market. But we are looking for some kind of a volume commitment from them, right, for the semi and other products.

So how will they do that volume commitment in first place? And second, is our incremental semi line, which is going to come in FY '26 is contingent upon those volume tie-ups coming through? That is how we should think?

Amit Sanghvi: I mean all these guys have various business scenarios, right, from start of launch through, let's say, 3 years on the market or 4 year -- kind of a 4-year plan or a 5-year plan. When we ask for commitment, it's not that we're telling them that you commit whatever your best case scenario is.

But customers can certainly commit that, okay, we'll buy x million pens over the next 24 months or over the next 36 months. All kinds of options are on the table. There are aggressive customers who want to put the capacity upfront. So they will commit to a higher volume upfront and take that risk also.

Dhwanil Desai: Okay. And is our capacity addition contingent upon those commitments?

Sanjay Shah: So our capacity will basically be contingent on, (A), the type of commitments which we hear from customers and based on our discussions, what we think is the capacity which we should be created. So it will be a combination of that.

- Dhwanil Desai:** Got it. Sir, second question on health care, I think whatever incremental revenue, 50% growth that we have seen from INR70 crores 9-month basis to INR178 crores. So large part of that is coming from our own IP insulin and contract manufacturing insulin growth, right? Is that the right way to look for this growth? And --
- Sanjay Shah:** Large part comes from our own IP business.
- Dhwanil Desai:** Got it. And on the base business, I think you mentioned that 20% growth is probably too much to kind of factor in going forward. But on a 9-month basis, we have done around 13% growth. Should we be in that range of 13% to 15% kind of a number on base business, especially, I think we were -- we had bid for some large RFQs for our consumer customer. So have they come through? And how should we think about that?
- Sanjay Shah:** Yes. I would say more from a 3- to 5-year perspective, we can look at that sort of a growth. The global geopolitical situation what the change of leadership in the U.S., I think we need to get a little more clarity in terms of how things are moving across the world.
- Dhwanil Desai:** Okay. So there is no clarity yet from your customer side as to how the FY '26 may pan out, right? That's how we should look at it?
- Sanjay Shah:** I would say, we have clarity in terms of how FY '26 will pan out because we have that sort of visibility, but this is more in terms of a long-term view or a medium-term view.
- Dhwanil Desai:** Got it. And any -- no significant updates on the consumer electronics side, right? I think you said you'll come back to us.
- Sanjay Shah:** I think Amit already mentioned that.
- Moderator:** The next question is from the line of Nirvana Laha from Badrinath Holdings.
- Nirvana Laha:** So my question is regarding the U.K., the Shaily U.K. revenues. So there was a thought amongst some of us that the U.K. revenues could eventually sort of drift off as the GLP-1 development slows down and molecules get commercialized. But I think from what you've said to an earlier participant, not only do you expect the revenues to hold, but you're actually expecting some kind of Y-o-Y growth to continue for several years. So this will come from new programs that we are doing outside of GLP-1 and GLP-1, right? So that's the right way to think about Shaily U.K. revenue?
- Sanjay Shah:** Yes.
- Nirvana Laha:** Okay. Thanks. And did I hear you right on insulin that you have paused the current contract supplies of insulin till the 8 cavity line comes online?
- Amit Sanghvi:** Yes. So not significantly paused, but we have to pause because there's an X volume we can supply from the 4 cavities, which is not enough for them to meet even a requirement of, let's say, one of their lines. So we need to finish the 8 cavity program before we restart supply.
- Nirvana Laha:** I see. So in Q4, it's possible there can be like some temporary volatility due to this changeover?

- Amit Sanghvi** I don't think so, but will be something else which would make it up. Yes, yes, yes. There's enough that makes up for it.
- Nirvana Laha:** Sure. And last question on the GLP-1 Sema space, I think for Toby, you mentioned that the Toby device is right now getting supplied only into regulated markets, and we are expecting to ramp-up Toby significantly to 20 million. So does this mean that whether directly or indirectly, we are -- we have visibility into supplying to the innovator at this point, therefore?
- Amit Sanghvi** No, we are not going to innovators. Toby is going to the generator who will eventually take it to whichever market they would like. But the innovator has an auto-injector semaglutide only in the U.S. So it would just make sense that Toby goes to the U.S. There could be companies who do Toby outside of U.S. also. It's not something we control.
- Nirvana Laha:** Okay. And would it be possible for you to confirm whether Toby is for Sema or for some other molecule?
- Amit Sanghvi** We have multiple molecules in Toby. So Sema so obviously will take the chunk of the volume.
- Moderator:** Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for closing comments.
- Amit Sanghvi:** Thank you, everyone, for joining the call. I hope that we've been able to answer your questions adequately. For any further information, I request you to get in touch with SGA, our Investor Relations Advisor. Thanks once again, and have a great evening.
- Moderator:** Thank you. On behalf of Shaily Engineering, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.