



Date: 12/02/2025

To,
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai- 400 051
Symbol: MOREPENLAB

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001
Scrip Code: 500288

Subject: Transcript of Analyst/ Investors Conference Call – Q3' FY 25

Reference: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

Dear Sir/Ma'am,

Please find attached transcript of Analyst/ Investors Conference Call organized on Thursday, 6th February 2025 at 3.30 p.m. (IST), subsequent to declaration of unaudited standalone and consolidated financial results for the quarter and nine months ended 31st December, 2024.

The aforesaid transcripts is also available on the website of the company viz., www.morepen.com

Kindly take note of aforesaid into your records.

Thanking you,

Yours faithfully,

For Morepen Laboratories Limited

Vipul Kumar Srivastava
Company Secretary
Membership no. F-12148

Encl.: a/a.

Morepen Laboratories Limited

CIN NO. L24231 HP1984PLC006028

Corp. Off.: 2nd Floor, Tower C, DLF Cyber Park, Udyog Vihar-III, Sector-20, Gurugram, Haryana-122016, INDIA
TEL.: +91 124 4892000, E-mail: corporate@morepen.com, Website: www.morepen.com

Regd. Off.: Morepen Village, Malkumajra, Nalagarh Road, Baddi, Distt. Solan (H.P.) -173205, INDIA
Tel.: +91 1795 266401-03, 244590, Fax: +91 1795 244591, E-mail: plants@morepen.com



“Morepen Laboratories Limited Q3 FY25 Earnings Conference”

February 06, 2025



MANAGEMENT: **MR. SUSHIL SURI - CHAIRMAN & MANAGING DIRECTOR, MOREPEN LABORATORIES LTD.**
MR. AJAY KUMAR SHARMA - CHIEF FINANCIAL OFFICER, MOREPEN LABORATORIES LTD.
MR. VIPUL KUMAR SRIVASTAVA - COMPANY SECRETARY & COMPLIANCE OFFICER, MOREPEN LABORATORIES LTD.
MR. NISHANT JAYESH DOSHI - VICE PRESIDENT, CORPORATE FINANCE AND INVESTOR RELATIONS, MOREPEN LABORATORIES LTD.

MODERATOR: **MR. TUSHAR MANUDHANE - MOTILAL OSWAL FINANCIAL SERVICES LTD.**

Moderator: Ladies and gentlemen, good day and welcome to Morepen Laboratories Limited Q3 FY25 Earnings Conference Call Hosted by Motilal Oswal Financial Services 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 the ‘*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Tushar Manudhane from Motilal Oswal Financial Services Limited. Thank you and over to you, sir.

Tushar Manudhane: Thanks, Steve. Very good afternoon, and I welcome you all for 3Q FY25 Earnings Call of Morepen Laboratories. From the Management side, we have Mr. Sushil Suri – Chairman & Managing Director; Mr. Ajay Kumar Sharma – Chief Financial Officer; Mr. Vipul Kumar Srivastava – Company Secretary & Compliance Officer and Mr. Nishant Jayesh Doshi – Vice President, Corporate Finance and Investor Relations.

Over to you, Sushil sir, for the opening remarks.

Sushil Suri: Thank you, Tushar. Thank you very much. Good afternoon, everybody and welcome to the Q3 Investor Call for the Morepen Laboratories.

So, first of all, I would like to compliment the whole continuity of the team and continuity of the stakeholders who have been standing with us and just to update you on the Q3 results, which are already been there on the stock exchanges, I hope many of you might have gone through it. So, but I have the results in front of me, so I can quickly read about what are the key highlights. So, the main highlight is that Pharma industry had been going through difficult time internationally and in the domestic market also, but thankfully as Morepen as a company, we have been doing pretty well. And for the nine months together, our revenue has grown 6.5%, which is again, I would say modest revenue increase. But as we shared last time, our focus had been on increasing the profitability and focus on more profitable products.

Our EBITDA margin for the nine months has increased 21%. And profit before tax has gone up 39% and profit after tax has gone up 44%. So, just to give you an idea, percentages are sometimes confusing. So, our profit after tax, which is PAT, is Rs. 97.71 crores, which is almost Rs. 98 crores for nine months. And just to give you a reference, last year the full year profit was Rs. 96 crores. So, in nine months, we have a PAT, which is more than the last full year profit. So, that's how we have been trying to economize and optimize our operations. So, that's broadly on an overview of how the trend has been. 6.5% revenue increase and revenue is now Rs. 1,359 crores and profit of Rs. 98 crores PAT. Quarter-on-quarter, there is a mild growth as compared to the last quarter, when you say September quarter, we are Rs. 442.71 crores, while now it is Rs. 458 crores. So, this is a nominal 3%-4% increase and EBITDA is also in the same range Rs. 49 crores and Rs. 41 crores. But PAT, because Rs. 34 crores PAT was there last year September quarter. Now the PAT is Rs. 27 crores for this quarter. And earning for the quarter is Rs. 0.49, but while earning for the trailing 12 months, say one year from 1st January to 31st December for the last four quarters, if we see the EPS is Rs. 2.39, so which is on the targeted line, of course we are expecting EPS of Rs. 2.5 for the year as a whole. So, we have our TTM of 2.39, which is again very good. So, overall we are going towards a very positive output.

And if we see now specifically quarter-on-quarter, that Q3 this year and Q3 last year, there is a 2% growth only, that growth is very nominal, Rs. 449 crore to Rs. 458 crores. And in the nine months, the revenue has gone from Rs. 1,277 crores to Rs. 1,359 crores. So, I will not say it's a great growth, but the growth is profitable, and we have been focusing on increasing our share and our footprints in the growth market. So, particularly the US market is a little slow and you know reason they have been multiple reasons in the US market because of the election year, because of instability. We were not expecting many orders. But dear friend, particularly the European market was a bit slow, or I would say rather very slow since last 3-4 years post COVID.

So, for us as Morepen, the European market has started coming up and we have seen 55% jump in the revenue in the European market. So, it is adding to the profitability. And the second main factor is the import from China. So, of

course, the Chinese prices have been going down for the last couple of years, which was impacting our profitability and overall efficiency because last year we had to produce 40% more goods even to get the same turnover. So, now the prices have started going up, so which is a good sign that the China was sitting on excess inventories. So, I hope that they have exhausted their old inventories now.

And now they have started raising the prices, which is a healthy sign that, there is a shortage of raw materials now. And of course, the market has not responded as yet. It may be one quarter transition that we may get an upside in the selling prices also, but that's a good sign that, okay, we do not see much price drop anymore. This year also the price drop was enough, but in nine months' time we had only 10% extra production as compared to last year. But in the previous year, full year, we had 40% extra production even to get to 14% growth. So, looks like that, okay, the price drop is halted. So, because if the prices go down, so to get the same level of turnover, we don't get any growth, even though technically we are growing in quantity, but in value terms, we don't get growth. And to produce more goods we have to hire more people, there is more electricity, there are more overheads. So, we always prefer that, for example, if this we are selling something at \$150 and the price comes to say \$80, we have to churn out double the machinery to get to the same volumes. So, those are the two main updates that US market is slow, European market is up and Chinese prices are stabilizing. These are kept very simple in the presentation.

So, particularly talking about two pharma, two business corridors, then we have a pharma corridor and medical devices corridor. So, pharma was Rs. 335 crores in the quarter. And for the nine-month pharma is Rs. 966 crores. So, a little short of Rs. 1,000 crores. So, pharma will be, now we are expecting around Rs 1,150 to Rs. 1,200 crores for the pharma. And medical devices for the Q3 is Rs. 123 crores, but medical devices for nine months is Rs. 394 crores. So, maybe we add another Rs. 80- Rs. 85 crore. So, Rs. 470-Rs. 475 crore is what we are expecting for the medical devices to close. And as we talked earlier, that the share of medical devices in the overall pack is increasing. Last year it was 26%. Now it has become 29% for the nine months. And we hope

that it will keep on increasing as we go forward, because the rate of growth of medical devices may be higher than the rate of growth on the API business or the Pharma Generic Business.

So, friends, if we go further to separate to the dedicated segments, now specifically talking about the Medical Device segment, during the quarter, the Medical Device business has gone up 15% from Rs. 107 crores to Rs. 123 crores. So, there is 15% growth in the Medical Devices business. While in a quarter-to-quarter, there is 15% growth for the nine months. So, the growth is 11%, from Rs. 354 crores last year, so it is Rs. 394 crores. So, in the pharma and medical space, you already know that we have discussed multiple times that more than 90%-95% of the business come from glucometers and BP monitors. So, glucometers is around 78% of the revenue and BP monitors around 19% of the revenue. The rest is 4% is other products. So, basically two products, BP and Gluco they constitute the main business and which is more of a repeat business in glucometers. BP monitors also, we have established our leadership in the market, and we get regular business in BP also.

Coming specifically to the individual products:

If we talk of glucometers, so we have talked in the earlier quarterly presentations also that basically it's like a printer cartridge model. So, we install the meters and then we sell the strips for the rest of the life of the meter. And sometimes the meter get faulty or some defects, so we replace the meter. So, now we have a base of 1.35 crore meters in the market. Last year, March, it was 1.16 crore, so it is 1.35 crore. So, it's 13.5 million meters in the market, which is our solid base. So, we have Rs. 1.35 crore customers in a way. So, they buy the strips regularly. So, not everybody may not be buying, but against every meter there in the market, we are selling the strips on an average basis. So, if we have Rs. 1.35 crore meters, so on an average people buy 100 to 150 strips. So, accordingly the number of strips multiplied, we get around 40-45 crore strips in a year. Last year, we sold 36 crore strips. So, now we have already sold 33 crores in nine months. So, meters, the more meters we sell, the more strips we will be able to sell. That's the model here.

And, finally, just to give you an exciting thing that till date, as a company Morepen, your company has sold 187 crore strips in the market. 187 crore individual tests have been sold. So, much individual tests have been done. So, I am specifically giving these numbers in crores so we can understand that the population of India is 140 crores and we have sold 187 crore strips. So, this meter and strip ratio is very interesting. So, far every meter we sell during any year. So, for example, this year we may sell around 25 lakh meters. So, these 25 lakh meters will end up selling 37, 38, up to 40 crore strips. So, now coming to the BP monitors, BP monitor market had been doing pretty well. Last year in the nine months, we sold 8.5 lakh meters, 8.48 and this year in nine months, we have sold 9.5 lakh meters, 1 lakh extra 8.48 versus 9.48. So, last year we had a revenue of Rs. 64 crores in the nine months period. And now we have a revenue of Rs. 73.5 crores. So, almost 9 crore growth in the revenue against one lakh meter extra sold. And here in the BP monitor, earlier we were not having enough profitability. And since we were importing a lot of stuff, now BP is 100% indigenized. We have all the injection molding done in-house. We have even PCBs made in-house. We only import bare PCBs. We have SMT lines. We are making the circuit on our own. We are doing chip mounting on our own.

So, we have improved on the cost also and the margins are also improving. So, we have 6.65 million meters in the market already, so which is our installed base. So, this installed base doesn't give us any regular revenue but that also speaks penetration of market. So, we have penetrated the market enough that in case, for example, if we assume that, okay, total diabetic population is say 2 million, 20 million people, out of 20 million people, one third of the people are using our BP monitor.

Now going specifically to the project updates:

Since we shared in the last call that we had a QIP issue, a fundraise issue back in August, six months ago. So, we have some fund, CAPEX commitment and working capital commitments. So, we shared last time that we have a 120,000 square feet facility, which is under construction, and it was almost ready last time. So, around 70% of the construction had been finished. And we are told

that it will be finished in Q3. So, I am happy to share that all the civil work of the medical device facility is complete and we are shared the photographs in the presentation. So, earlier we were importing the LED screen, which is there on the top of the BP monitor and Gluco monitor. Now we have set up a full plant in the 10,000 square feet facility which has been put up especially for screen printing. It's a highly sensitive and best proof for the environment with all dehumidification and everything taken together. So, that facility has also been started and in the new building. Then there is an expansion of BP monitor capacity, but that is happening in the existing building. So, existing building gave us an overlap. So, we had some space got vacated when we moved the screen printing into the new building. So, now we have expanded the capacity of BP monitors also in the existing building. And while we did so, so we got some extra space in the existing facility where BP and Gluco were made together. Now the glucose monitor capacity also would be expanded in the existing setup only. So, the new facility will be used for the manufacturing of the strips and for our expansion of the injection molding machine. The new machine, new building will have around 20 injection molding machines extra. So, we are going to move faster now since the building is ready. So, this is a development on the CAPEX side.

And as we have been talking earlier in the medical devices business, we are certainly growing and expanding in the Indian market, but the focus is now to grow in the export market. So, the company is doing a lot of efforts for promoting the business in the international market. So, we have started participating in international exhibitions. So, the team has visited MEDICA, Germany in November '24, and there was a good response for different kinds of products including ortho and contract manufacturing, and of course, some technology updates also available. Then our team was available in Arab Health in Dubai on this 26th January. So, during those dates, 27th, 28th January. So, this was there for 4-5 days. So, I also had a chance to visit that exhibition. So, we are seeing a lot of opportunities coming up for various products and various markets. Of course, by name it's called Arab Health. So, Middle East is already there. So, we already have a product launch in Qatar. Then we had launch of a product in Oman, then other markets like Saudi or even the neighboring market like Turkey, even African markets. So, people are approaching us. So, other

than that, we are seeing good response even from the regulated markets like US and Europe. So, Arab health was a very good success this time. And then our teams are visiting, we shared earlier that we already have launched the products in Thailand, in Bangkok. So, our team is visiting in the next coming week to Thailand, and we are opening a branded store there and only for the medical devices. So, of course the local distributor will be operating that. So, basically like you see the company store, so we want to open a company store in Bangkok to make a so-called grand presence there also. So, we are seeing the good response because people understand as a voted brand. So, that's happening on the medical devices side on the marketing side.

Other than marketing, friends you understand that today the world is changing from a physical world to the digital world. So, as a part of the digital journey and to have a digital database of your health and we have launched an app called Sync, Dr. Morepen-Sync. Through this app, you can sync your data of health, whether it is BP or glucose or maybe weight, everything you can manage and you can sync on this app. So, you can feed the data through your keyboard, or you can scan it directly from the meter or if you don't want to scan, you don't want to type. So, you can even speak also. So, basically it's a very simple app. It just records your reading and start making a graph. So, after 2 days-3 days-5 days you start seeing the graph and then you realize that your BP is going up or your sugar is going down. And of course, at certain level, it will start giving you alerts if your numbers are going too high or too low. And of course, it will give you guidance regarding what to eat and how to cook your food and all that stuff that's too common. But more important is that you get a track of your health in the right in your palm. And we are trying to avoid any further documentation. And even if you can want to store your doctor's report, you can do that. So, that's a good start of the journey. And this is basically a precursor for the Bluetooth model. So, when we have a Bluetooth model through the Bluetooth, so your phone can automatically pick up the data, but till the time people get used to the Bluetooth, so we are saying, okay, the app is already there, you can feed it manually. Even if you don't want to switch on Bluetooth, it's okay, you can feed it manually. But if it's Bluetooth, then the data will automatically come to the graph, it will automatically come to the app. So, that's a digital move which we have done lately. Sync is the name of

the app. You can just search it, Dr. Morepen-Sync, you'll find that. So, friend, that was about the most, I would say, happening business which is our medical devices.

Now coming to our main bread and butter, which is Pharma. So, the Pharma business, as we shared that Q3 to Q3 it was almost flat, Rs. 341 crore, Rs. 333 crores. 5-6 crores up and down, but on quarterly basis in nine months, so it is up 5%, so which is not a big jump as compared to medical devices around 15%, there are 5% growth in the revenue. And particularly for export business, as we shared that there is a 10% increase in the exports. So, particularly, I would say, contribution, primarily contribution coming from Europe market, from Rs. 455 crores to Rs. 500 crores exports in nine months. But Rs. 500 crore export in nine months itself is a landmark. So, we never had a Rs. 500 crore export in nine months. So, this itself is the highest ever in the Morepen history that in nine months you have done Rs. 500 crores, we will be easily crossing Rs. 650 to Rs. 700 crore exports. So, no need to mention that exports have higher margin and thanks to the increasing dollar price and I don't want to see a depreciating rupee but increasing dollar value, so we are getting better realization for our exports though we have impact on the import also but our imports are lower, and our exports are higher so we are a net gainer while we do the exports and whenever there is a rupee depreciation. So, in pharma itself even though we are saying that in general they have been, the numbers have been very nominal but if we go to the little breakup for the 9 months revenue, API business has grown 3.6% in nine months, while the Rx and OTC business has grown 8%. So, the growth in the consumer front business is still high. So, we are seeing that there is a pressure in B2B. So, B2B, there is a pressure because of the China factor. So, China had been very aggressive in the price movement. Sometimes the price is very low. Now they are starting raising the prices. So, the customers are hesitant to keep the high inventories. During COVID time, if you remember, the people were buying left, right, and center. People wanted to build inventories. Now when the prices are falling, customers do not want to build so much of inventories. So, they are shy of keeping high stocks. So, that is why our inventories are going down and consumption is going down and people are not stocking much. But we are seeing that, okay, now China has increased the prices. So, hopefully things should start reversing.

So, another interesting factor is that despite the decrease in the prices, our sale has not decreased, and revenue has not decreased because we had sold 11% more quantity. Last year in the nine months, we had sold 307 tons of material, 307 MT, metric ton and in this nine months we have sold 341 tons. So, there is 11% more quantity sold. Because of this, we are getting a growth of only 3.6%, even though our quantity sold is very high.

Coming specifically to the products and we have been highlighting, and it is just a repeat that our six products are lead products, and we are exporters of the 6 products – Loratadine, Desloratadine, Montelukast, Atorvastatin, Rosuvastatin, Fexofenadine. So, four products are anti-allergic – Loratadine, Desloratadine, Montelukast, and Fexofenadine. Then two are statin which are for cholesterol. So, all these products, we are number one exporter out of India in terms of quantitative. Loratadine, we have got 81% share and Desloratadine, we have got 66% share. Montelukast, we have got 77% share and then rest of the three products, Atorvastatin, Rosuvastatin and Fexofenadine, we've got 30% market share. We are top of the pack when it comes to quantity of exports out of India. So, we continue maintaining that leadership. And all these six products taken together, this contributes around 87% to 88% of the business and rest 12% businesses are the new molecules, which share is increasing. It was 10% earlier, it has gone to 12.4, so 2.5% share of the new molecules has increased.

Going forward, the share of the new molecules will keep on increasing and these growths, there may be nominal growth in the case of Loratadine, Desloratadine etc. and even Montelukast. Montelukast is sold in India more, so we are purposely trying to keep a tab on it. We are trying to supply less quantities in the domestic market because it's not very profitable.

So, after that, coming specifically to the markets which we serve and 80 countries we have been serving and of course the number of countries might have gone to 82-83 but sometimes some countries we have not supplied since last 2-3 years. So, we always say let's take a ballpark figure and we don't need to say 81-82-83 and sometimes next year, next time we say 82. So, it's broadly 80 countries and with all the given inputs of the markets and all the pressures

of the market, we have been able to maintain our 70:30 ratio of export versus domestic. So, this quarter also and the nine months also, our domestic turnover is around 30% and 70% is export. So, long as we maintain 70% export ratio, profitability is intact.

Now coming specifically to the continent-wide performance:

As I shared earlier that US market was a bit slow because of the political situation and because of 100 of the reasons they may have. So, US market is 14% down. And of course, we don't know how the next quarter comes up. Maybe we end up having a flat sale in the US. But so far in the nine months, 119 told it was 102 crore, 14% down. The European market as I shared earlier was 55%, up from Rs. 97 crores to Rs. 151 crores. And India market as a part of the strategy we are keeping a little low from Rs. 216 crore to Rs. 204 crores. So, it's almost 5% down. Asia Pacific market was almost flat, Rs. 178 crores-Rs, 177 crores. The South America market was again flat, 30 crores each. So, here if we say these are the five major markets, US is 15%, Europe is 22%, India is 30%, APAC is 26%, South America is 4%, and then after that is South Africa, it's a small market.

So, I know time is short, but I will give you a quick update on the projects which are there for the API. In API, last time we shared that P8 plant where we were doing extension, the civil work had started. Now the civil work is complete. Machineries have been installed. And a day before yesterday, I mean on Tuesday, the plant was inaugurated. There has been Pooja and a reinstall capacity of 60 kiloliters have been installed, 6 big reactors and 2 additional small reactors have been installed. So, one plant is fully commercial, and capacities have been added. Then construction has started in the P9 block. We feel there are three blocks which are next to each other, P8, P9, P10. So, we didn't start everything together. We said, okay, we will do one by one. So, one block is complete. P9 is smaller one, it will act much faster. Then we will go for the expansion of the P10. So, I made the 600 kiloliter capacity which is planned. 510 KL is already complete and ready for production and slowly, slowly within the next six months' time. So, we will have all the 600 KL ready for execution. So, that's an update on the project side. So, then of course, they

have been some addition of QC labs, bought many new HPLCs, bought many new GCs and other digital equipment which are more in their requirements.

Then as we talked about medical devices, in API we already have a lot of exports and we have to travel and visit, we are present in 80 countries. So, we have to visit most of the countries our sales team visits. But other than the visit, our team also goes for exhibitions abroad. So, we had a big conference in CPHI, Milan, where our team had visited and that was month of October, November during the Diwali time, pre-Diwali. And then there was CPHI in India, Noida, this was in November, and there was a CPHI in China. Other than this, there are small exhibitions which keep on happening where team members go over the Russia or Egypt or other small countries. But CPHI Milan is the main. So, here again, we see that a lot of traction come, lot of customer visits are there. And we are seeing a lot of new opportunities coming up other than what API we are doing, we are seeing a big traction for the formulation or the finished dosages. So, we are focusing our efforts on creating new finished dosage, new line of finished dosages, and also an opportunity for the contract manufacturing. So, in the next coming five years, we will see a lot of new opportunities being already engraved in our strategy, and we see that lot coming not only on the API, but lot would be coming on the CDMO side, lot would be coming on the finished dosage side also.

So, then on the pharma side, we have of course, there is an OTC and there is a pharma and the OTC, we have beautiful light news. We had launched a product, LightLife, which is for weight management. And it's a big category, \$23 billion category. We have launched two products here. One is a pre-meal drink, which is like a sachet. You just take half an hour before the meal. And then there is a meal on the go. So, on the go the meal is like a full meal, it's like more like a protein shake, chocolate flavored and cookies flavored. So, that you can take in the evening so that if you want to miss the dinner or you have been traveling and not able to eat around, so you take that product so that makes your tummy full. So, you will not be doing extra snacking. So, here friends, the advantage and uniqueness of this product is that the ingredients are patented. So, there is a Slim Biome from UK, so who has a patented formula, who have been supplying, they have been doing it in the US, and they have

given us this technology, patented technology. So, we are adding that patented powder so that helps in weight reduction.

So, then another formulation from the Intelicaps. Intelicaps is again a patented technology for the probiotics. So, there is a patented probiotic, which takes care of your gut health, and there is a patented weight loss formula. So, these couple together. So, this is a good success, and it was launched just in December. So, next quarter, we will update you with the numbers also, that how is the response. So, mostly in the New Year period, people make these so-called fancy resolutions. But it's known that most of the weight loss exercises happen in the summer period. So, when people are more free to rely to exercise and jogging and walk and running. So, we will come to you about the response of the product. So, Farah Khan has been retained as a brand ambassador and she's doing a great job. And the OTC products. Then coming to the Rx products, we have launched two more products in Rx. Ticaspan which is ticagrelor, which is antiplatelet like blood thinners that is used at the time of heart attack and strokes is used mostly in the hospitals. And UDCA which is our brand name is UdoFix. So, this is also used for liver health. So, most of the people with digestion problem, so they are given UDCA. There is a big demand of this product in the government sector also, even the Janaushadhi, they also buy this product. So, the market needs this product. This is a natural product, again, very safe. So, two new product launches, UdoFix is in 300 mg and 150 mg.

Then of course, friends, we have been working on the various platforms. So, many times our team get motivated through various awards, particularly on the operational front. So, our CEO Anubhav Suri, who is heading the medical devices, he got a visionary entrepreneur award for 2024 for the new age technologies and the new age production facilities in the medical devices. Then our supply chain team got selected for the top 50 supply chain and logistic companies, looking at the kind of distribution, the kind of supply chain we have, and more importantly was the digitization what we have been able to do. So, our Dr. Morepen team got brand icon for 2024. And of course, you all know that we have got iconic brand Burnol which is next to, I would say impossible to forget, so much closely related to the burn. If you talk of burn, it's Burnol.

So, we have iconic brand, but based on our old study, they made Dr. Morepen an iconic brand on the basis of the study they did in Burnol.

So, that's broadly on the business side. Then we have been doing a lot of efforts for the industry interaction. So, we have a monthly chat show. We have done 32 episodes of the chat show. So, far the name is Bubble Chat. So, Bubble Chat, we just completed season two in December and season three just started. So, just to name a few, we had Dr. Ram Charan on the chat show. We have Mr. Shiv Khera, Dr. Praveen Gupta, Mr. Kush Kapoor, Mrs. Shalu Suri and of course, Lt. Rita Gangwani, Mr. D K Bakshi, Brahma Kumari, Sarita Didi, then Ankur Behl , Dr. Bhargav. So, basically we call people from the industry to interact with the team. So, other than the desk work, they are exposed to the industry, whether the hospitals or doctors or motivational speakers or speaking of AI or speaking of technology. So, we keep our people who just completed one season so just little off the track.

Now to sum up, let's conclude on the numbers and then I will leave it open for the questions. So, as we talked on the quarterly basis, revenue is up 2% and on the quarterly basis EBITDA is down 24% and EBITDA percentage 12% was there last year and this quarter EBITDA is 9.05%. But if we talk of nine months basis, so nine-month basis our gross revenue is up 6.52%. EBITDA is up 21%. And our nine-month EBITDA margin is 10.71%, which is up almost 10% from the last year same month. So, EBITDA numbers are good. And now specifically talking of profit after tax, as I shared earlier that profit after tax is 44% up as compared to our last year same numbers and earning per share is Rs. 2.39 for the trailing 12 months from January 24 to December 24, 9 months. So, January to December 12 months earnings per share is Rs. 2.39. So, that's all coming from the operations side and my side. And I will be able to take few questions. We still have 20 minutes left. But overall growth is that okay, pharma has been a strong pillar of the economy and the country's poised to make a hub for the pharma. There are monthly, quarterly ups and downs, which is okay, because so long as demand is there, we are okay. So, we can always beat the market. Problems do come, problems do go, but we are seeing good opportunity ahead. Thank you very much, friends. Tushar, over to you.

Moderator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question, may press '*' and '1' on their touchtone telephone. If you wish to remove yourself from the question queue you may press '*' and '2'. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Shaurya Punyani from Arjav Partners. Please go ahead.

Shaurya Punyani: Sir, just a clarification. So, you said you had 510 KL capacity for API and you are planning to add another 600. Is it right?

Sushil Suri: No, 600 is the total planned as per the QIP document. So, we will be adding 90 more.

Shaurya Punyani: And in six months you have said, right?

Sushil Suri: That's already planned but the civil work is going, so within six months we will be completing. Maybe 6 months to 9 months maximum.

Shaurya Punyani: Okay and so what are targets to like in terms of topline in terms of FY25 and FY26 like what kind of growth are we expecting?

Sushil Suri: Look depending more on the market where it is today, so we are seeing 10% to 15% growth but overall we are expecting we have been growing at 17% to 18% growth CAGR. So, depending on how the markets open up, if China markets stabilize and prices go up, so the growth may be high, but otherwise 10% to 15% is what bare minimum we are expecting.

Shaurya Punyani: And margins are improved, right? You are saying the medical device?

Sushil Suri: That's right. That's whole focus of the company that we should focus more on squeezing the margins than squeezing the volume. You would appreciate that 60% of the business, which is API business, this is B2B. In B2B, we have always to manage the prices. We just can't keep on reducing prices because it's unending. So, we have to hold the prices. That's why we stopped selling in the

domestic market because the market is very competitive. I will not say competitive, rather very demanding. So, it's better to stay away and focus on exports.

Shaurya Punyani: Okay, sir. Thank you.

Moderator: Thank you. The next question is from the line of Dhaval Jain from Sequent Investments. Please go ahead.

Dhaval Jain: Sir, what is the main reason for the depressed margin in this quarter, if you can explain us?

Sushil Suri: There are two specific reasons of course, CFO Ajay is in the call, he can explain. The broader level is that the prices of the raw materials have started increasing and the prices of the finished product have not increased. So, the margin has temporarily been reduced because the market has not responded to an increase in the prices. That's one reason. Second is that when the prices were down, so of course we had to produce more. So, our operational expenses are high. Our production has gone up 11%. So, that 11% expenses have gone up, but sales utilization hasn't improved because the prices were down. In a way, there is a decrease in gross margins.

Dhaval Jain: This margin which has gone down is mainly pertaining to the medical devices business?

Sushil Suri: No, only for the API. Medical devices is doing good. Medical devices, formulation, everything is good. Only in B2B business.

Dhaval Jain: And if we see nine months FY24 to nine months FY25, pharma business has grown only 5%. Can you give us some guidance how do you expect this business to grow in the next 1 to 2 years?

Sushil Suri: Basically it all depends on the products. So, basically we have got 6-7 products which are sort of saturated. So, the moment we keep on adding new products, for example, next year, now in March, only empagliflozin patent is expiring. Next year, a few more products are expiring. So, Sitagliptin expired in India last year. Sitagliptin patent expiry is happening all over the world next 26 and

27. So, basically we have around 40 products where the patent expires are lined up in next 3 to 5 years. So, more growth will come from the new products which are under patent now. That is one. And second, of course, the major growth would come from the finished dosage side, which I don't want to say that will add to API. But we are seeing lots and lots of people are looking for finished dosages from India. So, while we are trying to sell API, so API, our value addition is limited. If I convert that API into formulation, so I got 10x revenue. Of course, I have to do a little more effort to convert it and to get approval. So, if I jumble up, finished dosage, the API cost is only 10%. Instead of selling API for \$100, if I make a formulation, it will sell for \$1,000. So, that's where our margins will come and the revenue will come.

Dhaval Jain: Sir, what sort of formulation business do you see in FY26?

Sushil Suri: Formulation business, formulation and OTC taken together is around Rs. 300 crores. So, we are seeing at least a growth of 25% there.

Dhaval Jain: The formulation business?

Sushil Suri: Formulation and OTC taken together.

Dhaval Jain: Okay, sir. So, full year guidance or next year should we look at 12% EBITDA margins?

Sushil Suri: EBITDA margin I would say is between 10 to 11 because now it is 10.72 for 9 months. So, I would say 11 to 12.

Dhaval Jain: Sir even if the formulation business goes up, the margins will still remain there?

Sushil Suri: Then initially I think for 1 or 2 years and the numbers are small I don't see because formally as in today if we say Rs. 252 crore in the nine months, Rx an OTC so but still the major thing is coming from API only but you are right maybe up to 12% we can assume once the formulation business also goes up?

Dhaval Jain: Okay, thank you, sir.

- Sushil Suri:** Okay, Mr. Jain, thank you very much.
- Moderator:** Thank you. The next question is from the line of Rajesh Jain from RK Capital. Please go ahead.
- Rajesh Jain:** Good afternoon. I have a question on your medical devices business. You have incorporated a new subsidiary where the promoters have a 20% stake. So, will the promoters be putting in money and if yes, how much money you will be putting in? That's my first question.
- Sushil Suri:** I would say it's an intelligent question, but you have understood very clearly. When you say 80:20 basically, the company has been incorporated in a way that, okay, promoters and the both have to contribute equally. So, if promoters do not contribute, their share will go down. If companies do not contribute, company share will go down. But we have put up a condition in the shareholder agreement that Morepen share cannot be reduced. So, even if promoters do not contribute, promoter share will go down. Basically now since you have to buy an asset into this company from Morepen, Morepen is coming up with the hiring of plan. So, this company has to pay for it. So, we need to have a capital base. So, it all depends on what are the terms of the BTA, but of course promoters will have to pay for it.
- Rajesh Jain:** Okay. The second question is on your guidance that you have answered to the previous participants. But if I remember correctly, did you not guide for around 20% CAGR over the next few years, FY26, FY27 on a blended basis considering all your businesses of medical devices, API and pharma? So, was the earlier guidance not of 20% CAGR growth, earlier on?
- Sushil Suri:** We maintain that, that's a CAGR, that's over a period of long term. But I think Dhaval had asked specifically for 25-26.
- Rajesh Jain:** Okay, so you are saying that the growth will ramp up over a period of time, initially it will start slow in the range...
- Sushil Suri:** That's right, because now we are putting up additional machineries, we are installing plants for finished dosage, we are increasing capacity of medical

devices. So, once everything comes, and as we shared in our earlier call, that devices export will start in 2 to 3 years, finished usage export will start. So, then the numbers will be multiple, but I always say that you have to take an average. In one year we grew 40%, but that doesn't mean every year we will do 40%. So, CAGR would be 20% which we stand by.

Rajesh Jain: Okay. And how many new glucometer customers you have added in this quarter?

Sushil Suri: In this quarter, I don't have a quarter number. I have a nine-month number that I can quickly substitute. Ajay, you have the number with you.

Ajay Kumar Sharma: Yes, for the quarter we have sold 13 lakh, 12.74 for the 9 months. For the quarter, it is 6.42 for the quarter.

Rajesh Jain: Sir, I could not hear you.

Ajay Kumar Sharma: For the quarter, it is 6.42 lakh meters.

Sushil Suri: For nine months, it is 9.48.

Ajay Kumar Sharma: For the quarter, 36.42; for nine months it is 24.29.

Rajesh Jain: Okay. And so the last thing is, in the results I could not find the cashflow statement. So, have you not published it or am I looking at, because there are 2-3 filings, I've gone through only one of the filings. So, cashflow statement.

Ajay Kumar Sharma: That filing is six monthly.

Sushil Suri: September and March usually there is a detailed one where we have ratios and everything. Honestly Rajesh, I was also checking that I don't see ratios. They say the ratios are built only when the balance sheet is published. The balance sheet is published only in 6 monthly, September and March.

Rajesh Jain: Okay sir, thank you so much.

Sushil Suri: Thank you, Rajesh.

Moderator: Thank you. The next question is from the line of Rupesh Tatiya from IntelSense Capital. Please go ahead.

Rupesh Tatiya: Hello sir, thank you for the opportunity. My first question is, sir, this 9 monthly selling and distribution expenses, they are Rs. 75 crore. Would you be able to give a split between how much we spent on medical devices and how much on the RX plus OTC formulation business?

Sushil Suri: Whether you have it or you have consolidated, but medical devices is nothing much other than some TV advertisement of that we had the KBC in this period. Other than that, there isn't much. So, but selling distribution, Rupesh, includes our distribution channels, C&F commission, freight inward, freight outward, not inward, basically freight outwards. Selling and distribution is not only marketing.

Rupesh Tatiya: So, roughly can you give us splits or...?

Sushil Suri: Ajay, you have the numbers with you?

Ajay Kumar Sharma: Yes, for quarter three for device business, we have Rs. 8 crores of selling and distribution.

Rupesh Tatiya: Quarter 3, the number I see is Rs. 19.27 crore sir.

Sushil Suri: Yes, so that's devices.

Ajay Kumar Sharma: Yes, 8 crore is devices, and 7 crores is for API and rest for the OTC and formulation.

Sushil Suri: API, there is an exhibition.

Rupesh Tatiya: Can you give me entire nine months? Because the number is down quarter-on-quarter. It was Rs. 32 crore roughly last year Q3 and now it is only Rs. 19 crore. Q3 is not representative. Maybe you can give me for nine months, sir, Rs. 75 crore.

Sushil Suri: Ajay, do you have nine month details?

Ajay Kumar Sharma: Yes sir, we have nine months as well. For nine months, for devices, that is Rs. 28 crores and for API, it is Rs. 21 crores rest for the...

Rupesh Tatiya: That 28 plus 22 that is around 50 crore more. That is the rest 25 crore?

Sushil Suri: Rest is formulation and OTC, pharma.

Ajay Kumar Sharma: 50 crore is medical and 25 crore is API. API plus devices together is 50 crore, rest is for formulation and OTC.

Rupesh Tatiya: Okay, I got it sir. And then can you also give the strips revenue for this quarter sir? Out of this Rs. 123 crore in medical, how much is the strips revenue?

Ajay Kumar Sharma: Strips revenue for this quarter is Rs. 73 crores.

Rupesh Tatiya: Okay. And then sir, you have last question from my side, you have given this 15% margin guidance over the long term. So, can you maybe tell me what are the top three things that have to happen for us to reach that 15% range?

Sushil Suri: Broadly, we are going forward for more consumer front business and our further growth plan, I am not saying we are reducing our focus on API, but our growth plan will be more towards finished dosages, where the gross margins are higher to the tune of maybe 20%-25% EBITDA margin but even if I assume 20% now we are at 12% so average will increase. The finished dosage focus both in domestic also and export also. And in domestic, of course, it will be a bit slow, but in export, as we shared in our last report that we have established a full-fledged facility, which is up to international standards. So, that facility is only operational. The two new product launches are coming from that facility only. So, that is one focus and the second was the export of the medical devices. So, medical devices export also may start in 12 months' time or 18 months' time. So, there also we are seeing large volume also and increase in profitability also. So, in both angle, there is more focus on the consumer-front business and export business. And we are trying to reduce our exposure to the traditional APIs, where which is we'd get large volumes, but we do not get good profit margins.

Rupesh Tatiya: Okay, understood sir. Thank you.

Sushil Suri: Thank you, Rupesh. Thank you very much.

Moderator: Thank you. The next question is from the line of Subrata Sarkar from Mount Intra Finance. Please go ahead.

Subrata Sarkar: My question is from the exclusively on the medical device side. So, our medical device growth is quite muted basically. So, my question is, is it because the industry growth rate has flown down or we are not being able to ramp up because of our capacity constraint? Because already one of the major player in this BP machine, they are supposed to be out of the market. So, that should create bigger opportunity for the existing player. So, can you highlight this area?

Sushil Suri: Mr. Sarkar, you have rightly guessed that okay, in case one of the player has gone out, so opportunity should be much bigger. But I would say there is already inventory in the market but the major point is that the demand had been slow though in the first quarter we had a problem of capacity. So, we were even though demand was there we were not able to service but now capacity constraint has been done because our new lines have been laid and we are fully ready with the capacities. So, usually this third quarter, third quarter and fourth quarter a bit slow in the medical devices but no doubt as compared to last year same quarter we have grown 15%. The only point is that that's what I was telling earlier that every year we cannot go 30%-40%. So, sometimes we have to do market corrections. So, I don't think 15% growth is less. In Q3, we have grown 15% in terms of the new installation of meters and new strips sold. But here you would see that the whole game is that okay, we are installing new meters and those new meters will yield new strips anyways. Even if I didn't do any advertisement, if somebody has bought a meter, he'll buy the strips. So, basically, it's a very simple strategy. We keep on planting more and more machines in the market. The more machines we keep, more sales will keep on coming. So, we are very happy and our ratio is that, okay, how many meters you have sold and how many strips you have sold. So, that ratio is increasing. That ratio till last year was 150 per meter sold during the year and the number of strips sold. So, this is very high by now, but we will see at the end of the year what is the average. It's more than 150, it had gone up to 165-167. So, we

are okay with the growth part, but going forward we will always see that okay if the markets are better, if the customer has more money, the customer is buying, only then we try to push schemes. We do not unnecessarily try to trigger the market if the market environment is low because we sell an advance payment. Only if the advance DD comes, then only we dispatch product. So, we better stay put.

Subrata Sarkar: Got it sir. Sir, on the consumer medical device side basically apart from these two products, do we foresee any big opportunity in terms of revenue? Any other product that is comparable to this and what is our strategy? Do we have plan to get into those devices basically?

Sushil Suri: Yes, Mr. Sarkar, other than this, the major product what we see is this ortho supports wherein we have ortho support for your neck, for knee, joint pains. So, wherein there are now we have simple models that in the coming time, we will have some heating pads also. Earlier we had heating pads were imported. So, in the ortho support, now the country is going for so-called sports revolution and the kids are playing in the open. So, we are seeing a lot of traction in the ortho and more importantly in India, we are seeing a lot of export opportunities also. I don't know if you have heard of a brand Tynor, that's already like a Rs. 400 crore brand. Rs. 400 crore brand only on ortho. So, that's a big segment which we are working.

Subrata Sarkar: But sir, that requires a totally different kind of set-up and manufacturing facility. So, do you have any plan to diversify it into those areas?

Sushil Suri: We already have it. We have the product, we have the factory, we have manufacturing. In our last presentation, if you see, we had shared the pictures of the plant also. So, we have an ortho manufacturing facility. In our Arab Health exhibition in Dubai this time, there were a lot of queries on ortho. Basically, ortho is such line that anybody can have it and it has lesser medical or regulatory challenges. In BP and glucose, there are regulatory challenges because you are dealing with the blood. You are entering the blood of the person; you are invasive or non-invasive. But in product like ortho, these are only help and service. These are only support systems. So, we are seeing a lot

of opportunities, other than that, weighing scale is there, and of course, thermometer, but those are not, those can't be big categories.

Subrata Sarkar: Yes, sir. From the big category or revenue perspective, ortho can be a big opportunity you think?

Sushil Suri: Ortho is, on the table it's a big opportunity, but as a company, we are very clear that so long as I keep making money in Gluco and BP and I can expand geographically instead of doing vertically slicing, if I can grow horizontally and I can keep on growing more into by having a better geography, I am okay. But sometimes in business, it's not that I want to sell BP monitor and I will not talk about Gluco monitor. Sometimes you have to have a basket, you never know what customer comes up with. And I shared this example earlier that we were talking to one of the US big chain, so we were discussing about BP monitor, but they say, can you give me a massager? So, we don't know what customer wants. So, if the customer wants a massager, okay, we will make a massager for you. I have machines. I have the assembly line, we have got injection molding, we have got digitization, we have got everything.

Subrata Sarkar: Okay, so last question, since you are long time into this area, so have you done any estimates, sir, what can be the potential market for BP and the glucometer and what is the penetration percentage as per your...? Sir, can you throw some light on this, like what is the total size of the market for BP and glucose, means what is the penetration percentage and how much can it grow, sir, from an India's perspective?

Sushil Suri: Mr. Sarkar, basically I would say these are the questions which we all have on the table and unfortunately our data and statistics department, the country is very poor and I would say it is still improving. So, it's a WHO estimate that we have 100 million, 10 crores diabetic patients. So, out of 10 crores as I shared our number, we have only 1.35 crores. And I would say there may be another 1.35 crore or 1.65 crore others, it's only 30% penetration. So, it is estimated that 50% of the population is still unsolved or unaddressed or un-addressable. Either they don't know it or they are not able to reach it. Now, thanks to the internet, thanks to Instagram, thanks to WhatsApp, many people know about it, but in the tier 2 cities, tier 3 cities, tier 4 cities people do not have even

enough doctors. And when we talk to our, sometimes our servants and maids, so there villages there may be one doctor in one village or there may not be a doctor in one village. So, the doctor may be 10 miles away. So, basically that reach and access to the medicine is still very far away. So, I am seeing at least for another 10 years, we are seeing an open platform, open canvas and the story would be written year-after-year and coupled with the technology, thanks to mobile then connected devices and telemedicine. So, this is a place where we will be there for life. And of course we have to keep alive and agile to the technology. For example, we have launched the app, now maybe some AI would come, so we will have the data building. So, penetration of the market is important. As in today, according to the best estimate, we are not more than 50% penetrated in the country. So, 30-40 would be a good guess.

Subrata Sarkar: Thank you.

Sushil Suri: Mr. Sarkar, thank you.

Moderator: Thank you. The next question is from the line of Mr. Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri: Good evening sir. A lot of my questions have already been answered. So, just wanted to have 1-2 clarifications. So, in FY25, we will be looking at kind of like a flat growth rate like revenue in terms of revenue rate because you are saying around Rs. 1200 crores for pharma and Rs. 550 crores for medical devices, right?

Sushil Suri: I think overall we are Rs. 704 crore. I think Ajay, you have the estimate for the full year. Of course, we do not give any guidance but..

Ajay Kumar Sharma: In fact we have grown around 7%. So, we should be touching around Rs. 1,900 this fiscal.

Darshil Jhaveri: Okay, 1,900 crore is the target.

Sushil Suri: 10%-11% but this is not official guidance so we do not give guidance.

Darshil Jhaveri: Okay, no worries. Fair enough. I just wanted to know in terms of like a margin right now, we've seen a dampener right now. So, is it possible that this will kind of continue in Q4 like a lower margin or we see that in Q4 also there'll be recovery like how do we see the margins going on?

Sushil Suri: The way I look at it that okay these margin profile is temporary because prices in B2B things come up and down very fast and frequent. So, because one supplier changes one price and our whole costing goes up and down. That doesn't mean that the margin has gone down or up. It may go up for one quarter, it may go down the next quarter. I always see that is there any demand of the product? So, long as the product is there, so long as the requirement is there margin will go up and down and adjust itself. We are in businesses that if we buy costly, it doesn't mean that I will sell cheaper. And similarly, if I am making good margin, my customer is not going to give me higher margin every time. So, customer also comes to know that how much margin I am making. So, that way I would say broadly speaking, what we say in API is talk of 40% gross margins. And in other formulation, everything there is 60%-65% gross margin. So, far we have been able to maintain. So, I don't see margin is going down.

Darshil Jhaveri: Correct. But in terms of increasing like how has the January month been sir? Like it's been good. Like I don't want any exact statement but qualitatively, how as it been?

Sushil Suri: Qualitatively, I would say the prices are forming up which is good, but of course it needs some time for the demand to come up because last quarter typically in the trade business in the finished dosage also and the medical devices also. In the trade, they do not try to have heavy inventories at the end in the March quarter. People have a lot of pressure to pay income tax and GST and everything. So, last quarter is usually quiet for the trade businesses, but API is usually good for the last quarter because international customers, they give orders in January, February after the closing. So, in the new year, we start getting good new orders. So, but too early to comment. So, I would like to keep quiet on guidance for the current quarter.

Darshil Jhaveri: Fair enough sir. That's it from my side. Thank you so much sir.

Sushil Suri: Thank you, Darshil.

Moderator: Thank you. The next question is from the line of Mr. Ayush Jain from Xquity Advisory Services.

Ayush Jain: A quick question on CDMO part. So, what you are looking forward in the CDMO business?

Sushil Suri: Basically, Ayush, the way we look at it is, okay, in most of the CDMO businesses, if you understand the way it works, people are having big labs and R&D scientists and everything. So, we are able to communicate with the innovators for making some products, but they do not have facility to build and manufacture at large scale. So, they are looking for partners like us to make the capacities, who have large capacities. So, on the other hand, we have found some innovators that they are working with the CROs. They are okay, they work with the CROs, contract research organizations, and get the product made. And then they say, okay, Mr. Morepen, can you do it for me? I want to get this product made. Or maybe we are seeing opportunities, for example, Loratadine. We are making this last 30 years. Now we know how to make the best Loratadine. We are the largest producers since last three decades. Now if there wants to get Loratadine made outsourced, then we will be contract manufacturer for them. Or maybe there is a XYZ company, say it's sitting in Europe, any place, and they acquire some company, they have some product to manufacture, so we can make it for them. The whole idea is that we don't need to be always going to the market for B2B, we can go to the innovator also. And this work was earlier being done from China. So, it's basically China plus one model. So, people are in a way when it's a public secret that people are fed up from China and China had been behaving very erratic. So, we are seeing opportunities on the table where people want high end manufacturing from India because we have got FDA approved facilities. But ultimately, if we find that we can get good three customer and we need to put up a scientific lab so we can put up the lab also, we have already started working on those things also. Maybe another one year we will come up with that plan also, but still not on the cards.

Ayush Jain: Okay. Thank you. And the second question is around how the QIP played, people who participated in the QIP in August? Are they helping you out in getting foreign business, abroad businesses? Like you mentioned, will they help you around the US market or Europe market?

Sushil Suri: So, typically, Ayush this thing happens when we have PE players. So, in a private equity, the person sits with you on the board and they discuss all those stuff. But QIP investors are mostly public investors and they do not have day-to-day interaction. But certainly, we keep on getting feedback from them on our quarterly results and other stuff. But we certainly have more guidance from them on the overall business, but not any particular customer. But having large, beautiful people on your investor on the cap table itself is credibility to the company.

Ayush Jain: And just a quick thing from you. So, we come from the Northeast. We are presently at Guwahati, Assam. There is a lot of opportunity in Northeast, right? We can get it on the ground and all that. But the marketing campaign is not happy to that level. And previously one colleague of mine, Mr. Darshil or so, I don't even know his name, he also asked about that selling and distribution expenses part, right? The advertisement is not going that up or we are not doing focusing on much marketing right now?

Sushil Suri: Any particular state, any particular city, any particular district?

Ayush Jain: Medical devices. I want to just know what about your marketing plan in medical devices sector because right now we are seeing that the medical devices sector is a booming one right now.

Sushil Suri: Yes, there is a big opportunity coming up.

Ayush Jain: Yes. So, if we ante the game or up the game in the marketing part, can we have suppose a multiple growth in the sector?

Sushil Suri: We would love to have that. We would love to have. So, we will certainly connect with the marketing team and share your thoughts on that, Ayush. Thank you very much for your feedback.

Ayush Jain: And thing is, LightLife is basically you are going with that Obesity Management Plan, right?

Sushil Suri: That's right, weight management.

Ayush Jain: Okay, Thank you.

Sushil Suri: Okay, thank you very much, Ayush.

Tushar Manudhane: So, this was the last question. I now hand over the conference to management for closing comments. Thank you very much.

Sushil Suri: So, thank you very much, everybody, for a nice, intuitive question, and more importantly listening patiently to the whole commentary. So, we seek your guidance and support for quarter-on-quarter, year-on-year, and always giving our gratitude and shukrana for your support all the way. So, looking forward for a lovely quarter ending, and of course a year ending. Thank you very much. Have a wonderful evening and a nice weekend ahead. Thank you very much.

Moderator: Thank you very much. On behalf of Motilal Oswal Financial Services Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.