



Kilitch Drugs (India) Ltd.

14th June, 2024

To,
The Manager - Corporate Relationship
Dept.
BSE Limited
P. J. Towers, Dalal Street
Fort, Mumbai - 400 001

To,
The Manager - Corporate Compliance
National Stock Exchange of India Limited
Exchange Plaza, Plot No.C-1,
G Block, BKC, Bandra (E),
Mumbai 400 051

BSE Scrip Code: - 524500

NSE SYMBOL: - KILITCH

Sub: Q4 FY 24 Earnings Call Transcript

Dear Sir,

Please find enclosed herewith a copy of the transcript of the Company's Q4 FY24 earnings conference call dated 10th June, 2024.

Request you to take note of the same and acknowledge the receipt.

Thanking you,

Yours' Faithfully,

For **Kilitch Drugs (India) Limited**

Mukund Mehta
Managing Director
DIN: 00147876





“Kilitch Drugs India Limited
Q4 FY '24 Results Conference Call”

June 10, 2024



MANAGEMENT: **MR. MUKUND MEHTA – MANAGING DIRECTOR – KILITCH DRUGS (INDIA) LIMITED**
MR. BHAVIN MEHTA – WHOLE-TIME DIRECTOR – KILITCH DRUGS (INDIA) LIMITED
MRS. MIRA MEHTA – WHOLE-TIME DIRECTOR – KILITCH DRUGS (INDIA) LIMITED
MR. V. S. RAJAN – INDEPENDENT DIRECTOR – KILITCH DRUGS (INDIA) LIMITED
MR. SUNIL JAIN – CHIEF FINANCIAL OFFICER – KILITCH DRUGS (INDIA) LIMITED
MS. PUSHPA NYOUPANE – COMPANY SECRETARY – KILITCH DRUGS (INDIA) LIMITED

MODERATOR: **MR. JAINAM SAVNA – KIRIN ADVISORS**



Moderator:

Ladies and gentlemen, good day and welcome to Kilitch Drugs India Limited Q4 FY '24 Results Conference Call hosted by Kirin Advisors. 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 a touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Jainam Savna from Kirin Advisors. Thank you and over to you, sir.

Jainam Sawana:

Thank you. On the behalf of the Kirin Advisors, I am Mr. Jainam Sawana. I welcome you all for the conference call of Kilitch Drugs India Limited. From the management side, we have Ms. Pushpa, Company Secretary of Kilitch Drugs India Limited. Pushpa ma'am, over to you.

Pushpa Nyoupane:

Thank you. Good Morning Everyone. On behalf of Kilitch Drugs (India) Limited, I Pushpa Nyoupane, Company Secretary and Investor Relation Team of the Company welcome you all to the 4th quarter and FY 2023-24 investors earning call of the Company.

Today, we have with us Mr. Mukund Mehta, Managing Director, Mr. Bhavin Mehta, Wholetime Director, Mrs. Mira Mehta, Wholetime Director, Mr. V. S. Rajan, Independent Director and Mr. Sunil Jain, Chief Financial Officer of the Company to provide highlights of the business and financial performance of the Company and to take questions, if any and Some of them may be forward looking in nature. For ease of discussion we will look at standalone financials. The call recording and call transcript will also be posted on the website of the Company.

We shall now begin with the opening remarks by Mr. Mukund Mehta, Managing Director of the Company followed by Financial Overview by Mr. Sunil Jain, Chief Financial Officer and thereafter, we will have the forum open for Q&A session. You are requested to ask not more than 2 questions in the initial round and if you have more questions you are requested to rejoin the que. If any questions remained unanswered during this call, you are kindly requested to write them us and we shall reply them.

Now, I request and handover the call to Mr. Mukund Mehta, Managing director of the Company for opening remark. Thank you, over to you.

Mukund Mehta:

Thank you Pushpa. Ladies and Gentlemen, a very warm good morning to each and every one of you. It gives us great pleasure to welcome you to the Kilitch Drugs India Limited's Earnings Conference Call for the fourth quarter and financial year ended 31st March, 2024.

To begin with, let us have an overview of the operation of the Company. The Company is engaged in the operations ranging from manufacturing to marketing a host of formulations in all dosage form i.e. Solid, Liquid and Parental with more than three decades of successful pharmaceutical solutions with an extensive presence in Africa, Asia, CIS and Latin America. With a favourable outlook for the pharmaceutical industry and robust products portfolio, the Company is well-positioned to benefit from upcoming trends. Our product range encompasses OSD, Parenteral, Nasal Products, Ophthalmic Products, Nutritional Products, Medical Devices and Cosmetics Products. Our international business strategy has yielded new product approvals and registrations across new markets that includes French West Africa, Philippines etc. With our



strong product portfolio, we are well positioned to leverage our existing customers & markets and targeting new market opportunities.

We are setting up New Green Field Pharmaceutical Project at Khopoli, Maharashtra, India. A facility to produce Oral Tablets having capacity approx. 260 million per year, Liquid Injectable Vials with an capacity approx. 31 million per year, Liquid Injectable Ampoules approx. 47 million per year, Ophthalmic Drops having capacity approx. 21.4 million per year and Nasal Drops with capacity approx. 21.4 million per year. This project aims for Development and Manufacturing of various Pharmaceutical product dosage to meet the requirements of World Health Organization, EU Standard Guidelines, USFDA GMP & other regulatory requirements. By expanding our own manufacturing capabilities, we aim to ensure the production of high-quality products, establish a robust supply chain reducing our dependence on outsourcing and increase in revenue. This move will enable us to make a greater impact in both the domestic as well as international markets.

The commencement of successful operation of the Cephalosporin facility in Ehtiopia which is the largest Cephalosporin facility in East Africa led to positive growth in private markets. The Government supply tender of USD 9.13 million awarded in Ethiopia is another notable achievement of this quarter. These orders are most likely to continue and grow in coming years.

Our manufacturing plant in Mumbai is equipped with a dedicated dry powder section, ophthalmic products as well as the capacity to produce small volume liquid ampoules and vials. With the increase in demand for 2024-25, we have doubled our manufacturing capacity of Ophthalmic products at Mumbai Plant. We also acknowledged a very high retention rate of customers, to name few, Intas, Mankind and Indoco Remedies are among our esteemed clientele.

Our dedicated efforts in product development, market penetration, robust supply chain, regulatory compliance and corporate governance practices are driving our way ahead. We remain very committed to delivering innovative and high-quality solutions while enhancing value for our stakeholders. Thank you all for your continued support and confidence in Kilitch Drugs (India) Limited and for joining us in this journey towards growth.

Now, I hand over the call to Pushpa. Pushpa please.

Pushpa Nyoupane:

Thank you, sir, for your significant remarks on the operation of the company. Now, let us move to financial progress made during Q4 2024 and FY 2024. I request and hand over the call to Mr. Sunil Jain, Chief Financial Officer of the company for financial review. Thank you. Sir, over to you.

Sunil Jain:

Thank you Pushpa, I am just going to highlight the Financial Results for the Q4 of Financial Year 2023-24 versus the Q4 of Financial Year 2022-23. I will also going to highlight the “Financial Results” of 2023-24 versus the financial results of 2022-23 of standalone and consolidate figures.



We start with standalone quarter wise result, the total operating revenue for Q4 of financial year 23-24 is Rs.39.14 crores compared to Q4 of last year is Rs.43.28 crores for financial year '22-23.

The EBITDA for the current Q4 is Rs. 6.11 crores compared to the Q4 of last year, Rs.8.12 crores. The profit after tax for the current Q4 is Rs. 3.64 crores. Compared to the Q4 of last year, Rs.5.13 Cr. Now I'll highlight the standalone Financial Results for FY 2023-24 versus FY 2022-23. The total operating revenue for financial year 2023-24 is Rs.131.60 crores compared to Rs.117.78 crores for financial year '22-23. The EBITDA for the financial fy 2023-24 is Rs. 26.51crores compared to Rs 21.77 Crore for financial year 22-23. The profit after tax for the current financial year 2023-24 is Rs. 17.57 crores. Compare to Rs 15.72 Crore for financial year 22-23.

Now I would like to highlight consolidate financial results for Q4FY24 & Q4 FY23;

- Total operating revenue for current Q4 of Rs ₹ 44.82 crore & last year Q4 revenue was Rs 45.48 Crores
- EBITDA for current Q4 for FY 23-24 is ₹ 7.55 crore & last year Q4 EBITDA was Rs.7.23 Crores
- PAT for current Q4 for FY23-24 is ₹3.68 crore & last year Q4 PAT was Rs 2.90 crores

Consolidate financial Result for FY23-24 versus FY 22-23

- Total operating Operation Revenue for current year FY 23-24 is ₹ 154.37 crore & last year revenue was Rs.139.60 Crores
- EBITDA for current FY 23-24 is ₹28.63 crore & last year EBITDA was Rs.20.48 crores
- PAT for current FY 23-24 is ₹13.58 crore & last year PAT was Rs.8.28 Crores

Thank you.

Pushpa Nyoupane:

Thank you, sir. Now, the floor is open for question and answer session. Thank you.

Moderator:

Thank you very much. We will now begin the question and answer session. The first question is from the line of Kashish Shah from Sushil Finance. Please go ahead.

Kashish Shah:

Thank you for taking my question. Sir, I had a couple of questions from exports angle. First is, sir, how is Ethiopia doing as compared to last con call which we had in June 23? So, are there any major or significant changes other than the big order of INR9.13 crores? My first question is that and second is from a currency angle, has the issue settled or how is it? What is it right now?

Mukund Mehta:

Pushpa, I will answer. Hello.

Pushpa Nyoupane:

Yes, sir. Yes.

Mukund Mehta:

Yes. Regarding Ethiopia facility, I am delighted to note that government has given the first order of this 9.13 crores, I mean, \$9.13 million. Now, in that particular thing, currency risk is also absorbed because government is giving the currency 55% of the order in a foreign currency.



So, there is no risk at all. And we will be able to mitigate all the foreign requirements and that's how. And I am hoping that it will repeat every six to nine months or at least a year same thing, same order for a couple of years or more than that, because we are the only supplier of Cephalosporin in Ethiopia and there is no other thing.

One more thing. Ethiopian government has decided to give incentive and the orders to the local manufacturer as a first preference. So, there is nobody in Syphilis [foreign]. So, we are to get that order for a continuous years together. That is what I hope so. Okay, I hope I have answered your question.

Kashish Shah: Yes, sir. Sir, anything from a private player angle?

Bhavin Mehta: Come again?

Kashish Shah: Sir, any orders or any sales to private players in Ethiopia or is it only to the government right now?

Mukund Mehta: No, no, no. I mean, we are doing very good in private players also. Ethiopian market is divided into two. 70% government supply, 30% private market. Up till now, what was happening due to currency shortages, we were not able to tap the whole private market. But with the flow of this government funds, we will be able to mitigate the differences. And now onwards, I hope that the private market sale also will come. There is no dearth of a sale in Ethiopia. You can say that it's a seller's market. Whatever you produce, there are buyers to take it. Okay thank you.

Kashish Shah: Okay sir. Thank you so much. All the best, sir.

Moderator: Thank you. The next question is from the line of Chirag Jain from Yogya Capital. Please go ahead.

Chirag Jain: Hi, sir. Thanks for the opportunity. And I am new to your company so I had a bit of questions on the Ethiopian side only. So I wanted to understand what is the amount of capex we have done till date to get the facility started? Hello. Am I audible?

Moderator: Yes sir.

Chirag Jain: So should I repeat my question?

Bhavin Mehta: Yes please.

Chirag Jain: So my first question was on the Ethiopian market facility side. So how much capex we have done till date to bring the facility on, get started?

Bhavin Mehta: So we have done a capex of around INR50 crores. This was done till 2021 and after that not much capex involvement has been done because then the facility was put to put for production.

Chirag Jain: So production has started in 2024 only?

Bhavin Mehta: 21.



- Chirag Jain:** 21.
- Bhavin Mehta:** Sorry, It started on 24th July 2021.
- Chirag Jain:** So how has been the utilization rate over the years for the Ethiopian facility?
- Bhavin Mehta:** Yes. So over the years we've been, the capacity utilization was in the range of 5% to 7% on year-on-year basis.
- Chirag Jain:** So how much are we targeting to reach in this fiscal year and the next upcoming years?
- Bhavin Mehta:** So this fiscal year with the new Ethiopian government tender that we have received, we'll be easily able to get to the capacity of around 60%.
- Chirag Jain:** For the whole year?
- Bhavin Mehta:** Yes, for the whole year because we'll be starting production from Q2 that is next month. So that is why this Q1 we'll have to let it go.
- Chirag Jain:** Got it. Sir also I was trying to understand that we are -- we would be reaching 60% utilization rate and the order size is only INR9 crores so how is that?
- Bhavin Mehta:** So \$0.1 million not INR9 crores.
- Chirag Jain:** I misunderstood. Fair enough. Next on the -- you mentioned some incentives that we are going to receive from the Ethiopian government. So could you give some colour on that?
- Bhavin Mehta:** Incentive is in terms of the -- first is the income tax which we have been getting because it's a 5 years benefit and when you are a local manufacturer you get 25% price advantage when you are quoting vis-a-vis any outsider means if they import example at USD1 then we'll get USD1.25 that's the policy that they have adopted.
- Chirag Jain:** First is the income tax advantage and second is the currency advantage. So we would be getting two advantage?
- Bhavin Mehta:** Second is the price advantage.
- Chirag Jain:** Got it. Next on the investments that we have on our balance sheet part. So we have investments of approximately INR20 crores and we have also borrowing of similar range. So what is the policy behind that?
- Bhavin Mehta:** This is regarding which Ethiopia or this is regarding...
- Chirag Jain:** Consolidated balance sheet. We have a consolidated investment of approximately INR20 crores on our balance sheet according to the recent Q4 FY24 results and we have borrowings of approximately INR30 crores. So why we have investment in hand? So what are we looking at?
- Bhavin Mehta:** Perfect. So the 30 what you see that is the working capital that we are utilizing in order to manage the Indian business. So it is showing up as investment.



- Chirag Jain:** So it is showing up as investment so how it is being utilized as working capital?
- Bhavin Mehta:** You just check it out, but what we understand is that 30 is for the working capital that we are utilizing it. We will just come back to you on this.
- Chirag Jain:** Next on the increasing receivable days. So we have seen some increase in the receivable days. So what is the plan to reduce the cycle forward?
- Bhavin Mehta:** So we have some challenges due to the political, since we are in African market there is a political and situations going on and off. But then we have made some corrections and we have ensured that the risks are mitigated. And henceforth, we plan to reduce or we work only on the advanced business or where we are promoting our own products. That is what the conscious call is so that we are able to ensure that the debtors is minimized.
- Chirag Jain:** Got it. So what I understood was that we would be selling to private players on an advance payment basis only.
- Bhavin Mehta:** Exactly.
- Chirag Jain:** Got it. That's interesting part. Also on the revenue mix. So you mentioned that it almost of the all of the revenue is currently coming from the Indian facility only. So what is the maximum revenue our Indian facility currently can reach and what is the maximum revenue the Ethiopian facility can reach up to?
- Bhavin Mehta:** So the Indian facility in India, we have two kinds of operations. One is outsourcing and one is the production that we are doing from in-house. So I think it will be difficult to put numbers on outsourcing because we are doing manufacturing at various locations. So it just solely depends on the flow of orders and the amount of sales you want to do based on the orders that you have received. Correct. And based on the Ethiopia, what we can foresee is this 9.1 million order that we have received that will be triggering in this year. And hopefully, if we are able to run it more efficiently then we can add some around 20% to 30% to that.
- Chirag Jain:** Okay. Understood. Next on the, what is the long term outlook of the company in terms of growing the African business part and the Indian part?
- Bhavin Mehta:** I didn't get you. I'll just take the last question because I do know people are waiting.
- Chirag Jain:** Okay. So last question before I get back in the queue. Okay. I will come back in the queue.
- Bhavin Mehta:** Thank you so much.
- Moderator:** Thank you. The next question is from the line of Yashwanti from Kojin Finvest. Please go ahead.
- Yashwanti:** Yes. Sorry, I joined a little late. I couldn't log in. So if you're, can you please explain me what is the revenue contribution coming from overseas market, mainly from the Ethiopia? And what is the contribution? We are done it in the domestic market.
- Bhavin Mehta:** Can you come again, ma'am?



- Yashwanti:** Yes, I just wanted to know how much domestic revenue we have recorded and what is the export revenue we have recorded for FY 2023-34 ?
- Bhavin Mehta:** So it's 60% is domestic and 40% is exports. Sorry, it is 60% exports and 40% domestic.
- Yashwanti:** Okay. And with our emphasis on the Ethiopian market, what development we have seen in FY '24?
- Bhavin Mehta:** Sorry, can you come again?
- Yashwanti:** What is our development in the Ethiopian market for FY '24?
- Bhavin Mehta:** FY '24, development in the sense that we've been able to keep the facility live by managing the private orders. And we worked on the government tenders whereby we have secured the government tender of USD9.1 million, which we'll be taking care of, which we'll be executing from Q2.
- Yashwanti:** Okay. So FY '24 was completely for the private orders?
- Bhavin Mehta:** Yes, ma'am.
- Yashwanti:** Okay. And how is the outlook for FY '24 from the private players?
- Bhavin Mehta:** Yes, ma'am. The outlook is good because the point was we were not able to get forex allocation, but with the government tender that we are coming in, we'll be able to generate revenue and we'll be turning EBITDA positive by which we'll be resolving the issue of working capital and by which we'll be able to serve the private market.
- Yashwanti:** Okay. So you said that you will start producing for the government tender from the Q2. So the first six months, there will be a stress on the working capital likely?
- Bhavin Mehta:** Q2, Q3, can you come again?
- Yashwanti:** I'm saying that you said you will start working on this government tender from Q2 FY '24. So first six months would be a stress on the working capital because your government tender will start yielding your revenue only from the Q3.
- Bhavin Mehta:** Perfect. So the stress was only on the Q1 because Q2, once we start producing and we deliver, within seven days, we receive the payment.
- Yashwanti:** Okay.
- Bhavin Mehta:** As soon as we produce, the payment cycle is very prompt. So then the bottleneck of the working capital will be taken care of from Q2 itself.
- Yashwanti:** Okay. So when you say that the stress on the working capital is getting eased, so what kind of growth we can see for FY '25? And out of that, how much will come from the domestic and how much will come from the export market?



- Bhavin Mehta:** This is regarding Ethiopia, correct?
- Yashwanti:** No, I'm asking overall FY '25, you are saying that you are getting a good amount of funding so that your working capital pressure can be released. So with the amount of working capital you have to expand your business, how much growth we can see for FY '25? this is number one. And secondly, how much it will be contributed from the domestic market? And how much it will be contributed from the export market?
- Bhavin Mehta:** Perfect. So what we understand is the growth will be around 25%-30% on year-on-year. And we'll be maintaining almost the same ratio of 60%-65% for exports and 30%-40% for local market, domestic.
- Yashwanti:** Okay. So have you added any new clients in the domestic market?
- Bhavin Mehta:** Yes, we've added a few clients.
- Yashwanti:** Will it be possible for you to name in this forum?
- Bhavin Mehta:** I can share the list with you once we are done with it.
- Yashwanti:** Okay. The second is on the vertical wise, can you explain what is the contribution to the revenue? As we have three, four verticals, one is the formulation, we have also the, what do you say, FY '25 and now we also have the cosmetics and herbal product. So how is the contribution to the revenue from this?
- Bhavin Mehta:** So ma'am, almost 90%, you can say, is coming from pharmaceuticals. It's just that the clients and whom we are associated, they ask some of the other products. So you can 90%-94% comes from the pharmaceutical products, which is our core and main forte. So I'll take your last question, ma'am, because someone is waiting on the queue then.
- Yashwanti:** Yes. So actually, I just wanted to know, only two question, one is any product pipeline for the current year? And secondly, for the FY '24, we reported the EBITDA margin of around 18%. So what is your outlook on the EBITDA margin?
- Bhavin Mehta:** What was the first question, sorry?
- Yashwanti:** No, any product and product development in the pipeline, which is expected to be launched in the current year? This is one. And the second is on the EBITDA margin, whether you will be able to maintain or improve from the EBITDA margin of 18% which is reported in FY '24?
- Bhavin Mehta:** So we are continuously developing new products for the export market, because we are opening up marketing avenues in Kenya. So we require some new products. So we are doing that. And we'll be almost maintaining or improving the EBITDA margin of 18%-22% around -- between 18%-22%.
- Yashwanti:** I think the new product you said in Kenya, it will be launched in FY '25?
- Bhavin Mehta:** Yes, ma'am.



- Yashwanti:** Okay. Thank you, sir. I'll come back in a queue.
- Moderator:** Thank you. The next question is from the line of Kashish Shah from Sushil Finance. Please go ahead.
- Kashish Shah:** Hello. Sir, just a follow up question. I believe the company had a target of reaching a revenue of INR500 crores. So just wanted to know, are we on track? And when are we expected to reach that kind of top-line? And second question is on asset side, any plans to monetize the offset? And what is the approximate valuation of the offset?
- Bhavin Mehta:** So the first question of 500, we are on the way and we are hopeful that with the Ethiopia orders coming in and the new facility going upstream in 2025, we expect to achieve the same by 2027.
- Kashish Shah:** Okay. with INR500 crores of revenue will be, what margins are we looking at, that time?
- Bhavin Mehta:** Sorry, can you come again?
- Moderator:** Sorry, to interrupt Mr. Kashish. Your audio is not clear. May we request you to use your answer, please?
- Kashish Shah:** So I was just asking, with INR500 crores of revenue will be, what margins are we looking at, that time?
- Bhavin Mehta:** It will be almost the same, you can say around 22% to 24%.
- Kashish Shah:** And my last question was on the asset monetization side, any plans to monetize and what is the approximate valuation of the asset? You're talking about the Bhiwandi1?
- Bhavin Mehta:** Yes, we are working on that and hopefully some solution we are expecting in this year. And if that happens, then hopefully we'll be able to monetize either this year or maximum by next year.
- Kashish Shah:** And what is the valuation approximately currently we're looking at?
- Bhavin Mehta:** Around INR50 crores.
- Kashish Shah:** INR50 crores. Okay. That's it. Thank you.
- Moderator:** Thank you. The next question is from the line of Keval from DSP investment managers. Please go ahead.
- Keval:** So first is, how is the capex planning out in Mumbai? Has the construction of the building started and by when should the production start?
- Bhavin Mehta:** So, we have started the building construction. The first floor slab is almost done. By this month end is our target that we'll be completing the first floor slab. And we foresee that with this schedule, May 25 is the validation being planned.
- Keval:** So we see production starting from May 25, right?



- Bhavin Mehta:** May 25 validation after another 3 months.
- Keval:** And is this whole project in phases like in phase 1, phase 2, phase 3, it will pan out or it's a one go whole production which will start?
- Bhavin Mehta:** Yes, it's in phase 1, phase 2, phase 3. Correct.
- Keval:** I've got one more question. So, this is related to Africa business. So if Bhavin bhai or Mukund bhai can help me with this. So, I just want you to understand that if you can throw some light on the whole Africa market, what are the opportunities over there? Also, since we've got a big facility in Ethiopia, so how that facility not only get us to Ethiopia, but do we see an opportunity in the remaining Africa market as well? So demand supply situation?
- Mukund Mehta:** Pushpa, I will answer.
- Pushpa Nyoupane:** Yes, sir, please.
- Mukund Mehta:** Regarding this Africa business, there are only few players. In French Africa, only two or three players are there. So, there are only two, three players. And we are on the top list of whole French Africa market. So many of our products are carrying number one. Regarding Ethiopia, we haven't started yet to export to any other country. There was an exchange, now it has been settled. So we will be looking first to internal markets and then after export markets. We have a capacity to export and the situation has been lined up
- Keval:** So your voice is breaking, I guess.
- Mukund Mehta:** Sorry, I'll just say, as you said that you wish to export from the Ethiopian market. So as you are aware that there was a forex issue pertaining to Ethiopia, which has been getting resolved with the government order that we are getting. We have already filed in the neighboring countries like Kenya, Uganda, Tanzania, Rwanda and all.
- So hopefully, 2025, we'll be able to see some exports from there. But at present, we wish to cater to the government order so that the point is, the faster we give them, we are expecting the similar orders every 6 months. So right now, the whole focus is to ensure that the order that is being received by us, we fulfill and we move forward.
- Keval:** And. Sir, One more question. So how does the margin spend out in the Ethiopia business? So is this like north of 20% to 25% EBITDA margins in this market?
- Bhavin Mehta:** Yes, very much. What you're saying is correct.
- Keval:** Understood. So I believe that if we've got currency supply, then demand is not an issue and margins are not an issue. So I think we are good to go right for the next two to three years. Now, we've seen green jobs?
- Bhavin Mehta:** Yes, exactly. Next two, three, I guess another five years till any new facility comes because we are the only approved facility of Cephalosporin in all of Ethiopia. So, you know, whenever we are in the L1.



- Keval:** Got it. And how does the working capital pan out in the Africa business? Debt or inventory receivable, payables together?
- Bhavin Mehta:** How is the?
- Keval:** Working capital pan out. How many days of working capital in the Ethiopia business?
- Bhavin Mehta:** Ethiopia, the government business?
- Keval:** Yes, government and private both if you can help with.
- Bhavin Mehta:** Yes, so both are advanced. So government is around 30% advanced and balance you receive after seven days of delivery and even private is on advanced basis.
- Keval:** Understood. So that's also not a challenge, right? Working capital over there.
- Bhavin Mehta:** Very much. Not a challenge.
- Keval:** Yes. And last question on the land monetization. So a previous participant asked this question. I just wanted to understand what is the total value of that land parcel? What is the size of that land parcel? And how much is Kilitch is stake in that land parcel?
- Bhavin Mehta:** The value, current value is around INR50 crores and we have around 40% or 45% of that land parcel.
- Keval:** So INR50 crores is a historical value, right? Not the fair value?
- Bhavin Mehta:** It must be around two years back value, I think so. So we've not done after that. So if required, we'll come back to you all with the fair value at present.
- Keval:** Can you help me if possible with the total square feet of land parcel which we have over there? Fine.
- Bhavin Mehta:** I'll get the details and send it across to you.
- Keval:** All right. That's helpful. Thanks. That was my...
- Mukund Mehta:** Hello. On this land parcel, it is 18.67 acres total.
- Keval:** Got it, sir. Exactly. So I'm sure that the value would be higher than INR50 crores, right? If it's 18.67 acres.
- Mukund Mehta:** But I mean, we are not in a mood to sell it off or something like that as of the day. So there is no question of value because nearby project is selling at INR9,000 or INR10,000 per square feet, you know. So there is a huge value.
- Moderator:** Thank you. The next question is from the line of Yashwanti from Kojin Finvest. Please go ahead.



- Yashwanti:** Thank you once again for the opportunity. If I just wanted to understand the development of our Khopoli plant, we are investing around INR100 crores. So where are we currently and what capacity it would have post completion of the project?
- Bhavin Mehta:** Sorry, ma'am, but what was the first question? Khopoli project?
- Yashwanti:** We are developing a plant at Khopoli. So at what stage it has reached? When we can commence the operation? And once it is developed, what is its capacity?
- Bhavin Mehta:** Okay. I just answered to the previous person. Right now, this month we'll be completing the first floor slab and we foresee that May 25 is we'll start with the validation. And this is the first part of the question. What was the second question?
- Yashwanti:** Yes, that is what I'm saying. When it will be completed and what is the capacity? What is the capacity of the production over here?
- Bhavin Mehta:** Yes. So we'll be starting May 25 is the validation. So oral tablets will be producing almost 260 million. Liquid injectable vials will be producing 31 million. Liquid injectable ampoules will be producing around 47 million. This is the planning for currently.
- Yashwanti:** Okay. So have you talked to any of our clients or there may be a new client where supply from this new facility will be initiated in 2025?
- Bhavin Mehta:** Very much. Keeping that in mind, the facility has been designed and thought of and that is how we went for an expansion.
- Yashwanti:** Okay. They will be the existing client or the new client?
- Bhavin Mehta:** companies with whom we are working, they require facilities near to Mumbai because they have a lot of requirements of QA audit and they want the logistics persons to be there and all that. Most of the businesses right now is happening in Himachal and Uttaranchal. So most of the companies, they wish to be near to Mumbai. So that is how it's going to add to our advantage of having something near to Mumbai.
- Yashwanti:** Okay. So my last question is like you told that you were expecting around 20% to 25% growth in FY '25 over FY '24. So how much do you expect the same to be contributed from this new plan?
- Bhavin Mehta:** How much sales do you want to contribute it from?
- Yashwanti:** New plant. That is a properly plant?
- Bhavin Mehta:** Next year, no? This year, I said May 25 is the validation.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. As there are no further questions from the participants, I now hand the conference over to Mr. Jainam Sawana from Kirin Advisors for closing comments.



- Jainam Sawana:** Okay. Thank you everyone for joining the conference call of Kilitch Drugs (India) Limited. If you have any queries, you can write us at research@kirinadvisors.com. So once again, thank you for joining the conference.
- Bhavin Mehta:** Thank you. Have a good day.
- Moderator:** Thank you. On behalf of Kirin Advisors, that concludes this call.
- Mukund Mehta:** Thank you all the best.
- Moderator:** Thank you for joining us and you may now disconnect your lines.