



ANUH PHARMA LTD.

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9th February, 2022

To,
Dept. of Corporate Services/
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort, Mumbai - 400 001

Ref: Scrip Code No. 506260

Sub: Transcript of Earnings Call

Dear Sir,

Please find attached herewith the Transcript of Earnings Audio Conference Call held on 7th February, 2022 at 4.00 PM wherein Financial Performance for Quarter ended 31st December, 2021 was discussed.

Kindly acknowledge the receipt and take the same on record.

Thanking you,

Yours faithfully,
For **Anuh Pharma Limited**

Bharat Gangani



Bharat Gangani
Company Secretary & Compliance Officer
(Membership No.: A51420)

Encl: As above



Earnings Call for Quarter-3 of FY 2021-22 of Anuh Pharma Ltd.

Moderator:

Ladies and Gentlemen Good Evening and Welcome to the Earnings Call of Anuh Pharma Ltd. organised by Latin Manharlal Securities Pvt. Ltd. to discuss 'The Financial Performance for the Quarter-3 FY 2021-22.

We will start the call with all participant lines in a listen only mode. There will be an opportunity to ask questions at the end of today's call. If you need assistance during the conference, please signal an operator by pressing * and 0 on your Phone. Now I shall handover the call to Mr. Bhavin Shah from Latin Manharlal Securities Pvt. Ltd.

Thank you & over to you sir.

Bhavin Shah:

Hi, thank you. Good evening, everybody. Trust everyone is well and safe and pretty much back to the normalcy. We all have been facing a little choppy and volatile markets of late since about a week now. Things should settle down in some time. In regards with Anuh Pharma limited, we welcome the management at Anuh Pharma limited today. Mr. Ritesh Shah, the joint MD of Anuh Pharma limited, we have Mr. Vivek Shah also the joint MD and Mr. Darshan the CFO who will be representing and taking us through the earnings of the quarter three. I think we have seen our overall satisfactory performance for the Quarter three added by a smart jump in the top line and with a steady bottom line. I will now hand over the call to the management. Mr. Ritesh Shah at Anuh Pharma limited. Thank you very much. Over to you.

Ritesh Shah:

Thank you Bhavin. Dear Investors, very good evening. I hope all the investors attending this call are in safe and good health. We at Anuh Pharma limited are focused on our part of long-term sustainable growth to achieve revenue of 800 crore in next five years, growing at 15% year on year basis. Compliance is the key factor that will drive momentum towards this goal. Environment safety and GMP compliance will be indispensable in the growth of pharmaceutical manufacturing units for the coming decade. Anuh Pharma continues to focus on these three pillars i.e environment compliance, safety compliance and GMP compliance for sustainable growth. In view of our capacity expansion since 2019, the company is rightly poised to capture opportunities available to penetrate and increase its market share of existing products. With support of our research and development team, we plan to launch at least five new products year on year basis. To reduce the dependency on Chinese intermediate, company has successfully done backward integration in few of the challenging products. This will remain a key focus in order to bring efficiency and increase our margins. To bring versatility in production capabilities, the company plans to do capital expenditure of

approximately 40 to 50 lakhs in the financial year 2023. The Company also plan to expand our business during organic growth and are finding suitable opportunities for the sale. The company has initiated the process of listing on the National Stock Exchange and we hope to get this listing done soon. I'm glad to share with you that Anuh Pharma Limited has achieved revenue of Rs. 132 crores in the third quarter of FY 22. This is an increase of 19% compared to the previous quarter that ended on 30th September 2021. At the same time for nine months ending December 2021, we have achieved revenue of Rs. 361.84 crores which is 5% higher compared to previous financial year nine months comparison which was Rs. 343.79 crores. This is despite the demand fluctuations due to COVID-19. Gross margin for the third quarter of the current financial year is Rs. 28.5 crores, which has increased by 7.8% compared to the previous quarter ended 30th September 2021. EBITDA for the third quarter is at Rs. 12.47 crores compared to 14.38 crores in the previous quarter ended 30th September 2021 in spite of increase in gross margin due to revision in mark to market impact. The top three product groups in terms of contribution amounting during quarter ended 31st December 2021 are erythromycin, gliclazide and sulphadoxine. We are confident to reach our target made for current financial year 2022. Revenue grows at CAGR of 10.79% from 325 crores to 443 crores. The milestones achieved in last 3 year's EBITDA has grown at 17.21% from 34 crores to 55 crores, there is an improvement in return on net worth from 11.35% in last three years to 15% during FY 2021. The net worth has grown from Rs 149. 61 crores in FY 2017-18 to Rs.190.64 crores in FY 2020. The Company is focused on cost reduction that end optimization through various efforts at different levels. We have saved in tune of Rs. 18.36 crores, which most of these are recurring in nature.

Thank you very much. We are now open for question-and-answer session.

Moderator:

Certainly, give me a few seconds. Ladies and gentlemen, we will now begin the question-and-answer session. Participants using speaker phones are requested to use handset when asking questions. To enter the question-and-answer queue please press *1 on your phone now. If you would like to withdraw your question and exit the queue, press *1 again.

Participants who wish to ask question, please press *1 on your phone now.

We have first question from the line of Mr. Vinod Dadlani. Please go-ahead sir.

Vinod Dadlani:

I have a couple of questions. One is that I think we have been talking about NSE enlistment for quite some time. And we have been talking about soon. What is your definition of soon, sir?

Ritesh Shah:

Thank you, Mr. Dadlani. You know, we have already applied for the same. And we have fulfilled all the queries received from the National Stock Exchange. So now the ball is in their court and that's why we are not able to give you a very precise date. We are very confident that we are at the end of all the hard work and we should be really expecting it very soon now.

Vinod Dadlani:

What is really and what is not really, I think you use words which are very loose words you are saying now really you are confident earlier; you are not really confident?

Ritesh Shah:

No, it's not that it's just, I think.

Vinod Dadlani:

We have been talking in a very loose language. I think you're a fairly large company. And I think when you make statements you be very clear about what you want to say is what is really know what is really, I would like to know what is the definition of really as per your English dictionary.

Ritesh Shah:

Sir, this process is not only dependent on me, it is also dependent on the NSE side. So, to give a very precise deadline will be difficult.

Vinod Dadlani:

I understand but I don't know why is it so difficult? I don't know companies are getting born companies are getting listed and all happens in few months. And you're talking about that you have been talking about for how many years now? When you did initiate, I remember it was I think one of the meetings in South Bombay and one of the calls that time you had spoken about NSE listing. Don't you think this is probably not the right thing. Either you being you can keep all things ready get your provisional approval before you will announce to the public. Where is the need to rush up? Why this cheap publicity?

Ritesh Shah:

No, no, there is not any such thing.

Vinod Dadlani:

We are where is where is the need. What you see there are some very good companies which have decided I'll tell you one of the excellent companies. Hawkins Inc Hawkins. Now Hawkins has decided not to go for an NSE listing. But they don't talk about it. My question is that I think based on your volumes you need not have a NSE listing. If you don't want to have, just say don't, we will not have it.

Ritesh Shah:

There is a lot of requests from several shareholders, and we have taken the decision at Board to proceed with NSE listing..

Vinod Dadlani:

In that case, I think but before you announced you should have done most of your work. And after this, you have been every time we have been saying every quarter you have been saying it is. and now this time I'm hearing it is really done. What is now really done that means earlier, it was not really done.

Ritesh Shah:

No, no, I say we are very near to the end of the same.

Vinod Dadlani:

So, say one month, two months, three months, there has to be some time schedule. When you take us somewhere...?What is it?

Ritesh Shah:

The situation is not only on me, it's also on the NSE.

Vinod Dadlani:

I think you have legal as you have legal people who can advise you have a chairman who's connected with the stock market, you have a new company secretary, my only request is that why can't you take it seriously? Or you say that no we have no intention, and we will not do it. And as far as I'm concerned, I have no issues. And second, last, your earlier company secretary, was there any reason why she had to leave in one days' notice? Your earlier company secretary you know she resigned and was relieved on the same day. Now I think is a fairly delicate position was there a such a rush?

Ritesh Shah:

She had followed all the protocol of leaving within the notice period that was given by the company.

Vinod Dadlani:

So, what was the notice period?

Ritesh Shah:

Normally three months.

Vinod Dadlani:

Then if it was three months then why you did not inform this to the stock market that she has already resigned and she'll be relieved by such and such date.

Ritesh Shah:

I will check and let you know.

Vinod Dadlani:

No, I must say I don't know you're running a company or you're doing some of you have, if you're not serious about running the company, you convert it into a partnership company. As such, you're running a company as part of a SK you're not unwise. When you call up the telephone the telephone operator says SK. I don't know why it is so. You are a public company. Why should it be called SK? At least have the courtesy of Keeping the company separate. Why don't you give a separate telephone number? No, no. What is this Thank you? I'm asking when you're saying thank you.

Moderator:

Mr. Dadlani. I will request you to come back in queue.

Vinod Dadlani:

I'll come back but I think I'll come back I'll have to come to Shiv Sagar and then probably talk to them. Frankly speaking I don't know I'm as if sometimes these people are cutting a joke of running a company, I'm sorry to say that I had some amount of respect for them. But this is not a way to run a public company. Now you can go ahead.

Moderator:

Thank you. We have next question from the line of Mr. Ranveer Singh. Please go ahead.

Ranveer Singh:

Yeah, thank you for taking my question and congratulations for giving such a good result even in a challenging environment. Just the few things I wanted to understand from a company perspective as well as industry in general, that pricing scenario and API, have you seen any positive or negative changes from COVID period to now especially in erythromycin, so, the pricing has it gone up or gone down any comment on this.

Ritesh Shah:

The price of erythromycin has gone up in last 2 years that is because of the major reason of key raw material has gone by almost 30%

Ranveer Singh:

So, increase, in raw material has adequately been passed on or it is yet to be passed on?

Ritesh Shah:

We have already passed on the increase in the cost to the customer.

Ranveer Singh:

And in case of other products like you have anti-malarial products also they don't. So, you see change.

Ritesh Shah:

Most of the product we are seeing a very upward trend compared to pre COVID period of use i.e. 2019. In general the basic raw material solvent costs everything has gone up in last two years in general.

Ranveer Singh:

Yeah, so, raw material prices from Q and Q to basis have you seen any indication of softening going forward or you see that price will remain at this level.

Ritesh Shah:

Its difficult to predict for long term pricing but I believe that price will remain stable for upcoming few quarters.

Ranveer Singh:

But that will not affect it because we can pass it on to customers right.

Ritesh Shah:

We have already passed on the increase in the cost to customer.

Ranveer Singh:

Okay, fine. And you see on expansion site also, last year that in FY 20, the expansion you dated, where the capacity utilization we have reached on that expanded capacity.

Ritesh Shah:

So, we are at the capacity utilization of approximately at 17%.

Ranveer Singh:

Okay, Fine. That's it from my side. Thank you, and all the best.

Moderator:

Thank you, Mr. Singh. Next question is from the line of Mr. Ritesh. Please go ahead.

Ritesh:

Yeah, am I audible?

If I look at your revenues, and subtract the cost of goods sold, and not including the other income, which would usually include in your presentation, because other income is something which is also driven by your treasury operations and also with regard to your Forex mark to market losses, so it does not make sense to include other income in your revenues or in your gross profits. So, I'm just looking at your revenue, and I'm subtracting the cost of goods sold and when I look at that, you know, your gross margins have come up from

its historical average, Q2 be to see some bit of improvement, but Q3 again has been a contraction in the gross margin. Now, when you say that you already passed on most of the raw material price increases, then what is driving so much volatility in this gross margin sir?

Ritesh Shah:

The most important part is the mark to market you know, the loss.

Ritesh:

Sir I am not including mark to market the other income is not part of this mark to market, it's part of your other income, that's why I made it very clear and not including other income your revenues or your gross profits, excluding that we are seeing this volatility.

Ritesh Shah:

So, if you will see cost of the goods material cost in quarter two was 75.66% And the cost of goods in the quarter three 74.55%.

Ritesh:

No Sir I say 132 crores your revenues and your cost of materials 103 crores. 132 is a revenue which does not include other income and your cost of goods sold, which is nothing but your change in inventory purchase of traded goods as well as your cost of material consumed is 103. crores. So gross profit is 28.5 crores Oh yeah.

Ritesh Shah:

In quarter three, we have done some trading activity also. So, because of that, you are seeing the cost of material source is a little higher level compared to quarter two.

Ritesh:

what is this trading activities sir?

Ritesh Shah:

Merchant Export.

Ritesh:

No when you see trading, you're just buying the raw material and then selling it outside is it?

Ritesh Shah:

Yeah, some of the opportunities were available. That is the reason we have done some trading activity also in the quarter three.

Ritesh:

Sir it will be very helpful then, if you could share the mix of manufacturing revenues or product revenues and trading them in us then because otherwise it's really hard to understand these numbers, because at one point you say that you have scaled up by 34% you look at a YOY growth. Now, when the growth is coming from trading activity, then that does not make

sense to know to acknowledge this kind of growth right? It makes sense to at least share the product wise revenues if that is the case.

Ritesh Shah:

It will be included in our presentation which is just uploaded today. But I'll be giving you the figure right now. .

Ritesh:

Where is this in the presentation I have a presentation sir where in the presentation is can I look at the trading part.

Ritesh Shah:

Quarter three, if you will see the presentation which was uploaded the manufacturing revenue is 110 crores for the quarter three and the trading revenue is 21 crore this is the total 131 crore while in the quarter two 108 crore was the manufacturing revenue and only seven lakhs was the trading revenue So, total was 108 crores of revenue in quarter three.

Ritesh:

Sir where is this in the presentation I mean in case if just missed it I just wanted to understand where is it in the presentation?

Ritesh Shah:

It would be in the slide number one second, I'm checking and let you know. On page number six. You can come back to us after check.

Ritesh:

Okay and is this trading activity continuously even going forward?

Ritesh Shah:

It was an opportunity.

Ritesh:

Yeah, so are we seeing that in Q4 also such trading opportunities?

Ritesh Shah:

Yes, there are some trading opportunities in Q4 also.

Ritesh:

Okay. And just one last question, when you say you are backward integrated in some of these products, which are these products and what is the raw material where you have built capabilities to manufacture it captively?

Ritesh Shah:

One product which is sulfadoxine, which is our anti-malarial product, we have done a backward integration for the manufacturing of DCMP.

Ritesh:

Sir what is that, what is the intermediate? could you please repeat.

Ritesh Shah:

DCMP Is the short name 46 dichloro. .

Ritesh:

Okay, sure. Thank you. Thank you.

Moderator:

Thank you, Mr. Ritesh. Next question is from Mr. Venkat. Please go ahead.

Venkat:

Thanks for the opportunity. Sir my question is more on the freight charges and hearing that the freight costs started coming down. So, would you have a similar experience or do you have a different experience in the export freight.

Ritesh Shah:

The freight cost has increased that is in the third quarter results is what we have observed in our expensive side, that is in line with the international increase in the freight costs.

Venkat:

The freight costs have gone up every year. So, are we seeing the freight cost coming down? Or is it like continuing to be like whatever it used to be earlier.

Ritesh Shah:

At this point of time the freight cost is the same that is served in the previous quarter results. So, it will be foreseen how it fall down in future.

Venkat:

Okay, thank you very much sir. That was my question thanks.

Moderator:

Thank you, Mr. Venkat. Next question is from Mr. Raju Baxi. Please go ahead.

Raju Baxi:

Good afternoon, everybody. My question is that just as you said Ritesh that in quarter two your turnover manufacturing turnover was 108 crores and in quarter three, the manufacturing turnover is 110 crores and plus 20 crores is of merchant exports right. So virtually there is no growth in the manufacturing activities quarter on quarter basis. Right.

Ritesh Shah:

It is the growth of almost 2%.

Raju Baxi:

But uh, well, the, what you had forecasted was I think it was about 15%.

Ritesh Shah:

Ya, if you will see year on year basis, we did 432 crores in.

Raju Baxi:

No sir but you have to you have to segregate merchant trading activities out of these activities only then we'll be able to get a clear picture, because margins on trading activities will be very minimal visa we manufacture get to this right.

Ritesh Shah:

In the financial year 22. We made a top line of 432 crore and we will do and 565 crores of top line.

Raju Baxi:

That will be included into merchant exports.

Ritesh Shah:

So, out of that merchant account only have 20 crores. So, still if you will see the growth is more than 30%.

Raju Baxi:

No but from quarter two to quarter three there is growth only 2%.

Ritesh Shah:

The fourth quarter looks to be going on a positive note at this time.

Raju Baxi:

So, what turnover to expect in quarter four of manufacturing intuitive.

Ritesh Shah:

Same around 130 to 140 crores.

Raju Baxi:

Because this quarter is only 110 crores right.

Ritesh Shah:

Yes 110 crores in the manufacturing.

Raju Baxi:

So, next quarter it will be 130 to 140 crores.

Ritesh Shah:

Yes, this is the expectation.

Raju Baxi:

And another thing is that there is a, as per your projections, the next quarter should be having a net profit of 21.41 crores, So, will you be able to achieve it?

Ritesh Shah:

Sorry, I didn't understand better you mentioned.

Raju Baxi:

There is a shortfall of nine crores in net profit for projections. So, will you be able to make up till the fourth quarter?

Ritesh Shah:

We are expecting EBITDA of around 50 crores at the end of March 22.

Raju Baxi:

And what will be the net profit.

Ritesh Shah:

Net profit we will have to check because there are a lot of factors related to mark to market and other income and all this stuff. So, we always give our prediction in EBITDA at this point of time.

Raju Baxi:

Sir, you will need to gear up your treasury operations because there is always a loss in that area.

Ritesh Shah:

If you will see the quarter ended 30th September there is a gain in other income of one crore 90 lakh.

Raju Baxi:

And in December?

Ritesh Shah:

There is a gain of 33.86 lakh.

Raju Baxi:

Okay, thank you sir.

Moderator:

Thank you Mr. Bakshi. Next question is from Mr. Dinesh. Please go ahead. Mr. Dinesh, please unmute your line.

Moderator:

Yes, sir you can ask your question. We'll take the next question. Sir. Next question is from the line of Mr. Parth Mehta. Please go ahead.

Parth Mehta:

Sir, as you mentioned, in the presentation, in the report, also, in nine months, this financial year, we have done 357 crores of revenue compared to 334 crores. And you are saying that we are expecting 140 crores of revenue in quarter four. So roughly 500 crores of revenue, and 50 crores of EBITDA. So, we are expecting only 10% margin for full financial year.

Parth Mehta: I think in last conference call you had said that for full year we are expecting 13 to 14% of EBITDA margin, and now you're guiding very lower why, so?

Ritesh Shah:

There has been increase in the cost of production because of the compliances as well as the product mix, so the margin expected for this particular financial has been calibrated to 10% of EBITDA instead of earlier expectation of 12 to 15% of EBITDA.

Parth Mehta:

Okay, because you in the last conference call it has been mentioned that you had inventory and the prices have gone up on raw materials. So, you will get the benefit in the next quarter. But in the ledger, it's not showing.

Ritesh Shah:

The operating profit has increased, you know the last quarter 30th September the operating profit was 264 sorry 26.44 crores. In this particular quarter, the operating profit has increased to 27 crores 51 lakhs.

Parth Mehta:

Okay. And what are the expectation for next financial year, the top line and the EBITDA.

Ritesh Shah:

The top line expected for the next financial year is 600 crores and the EBITDA expected is 67 crores.

Parth Mehta:

Okay, thank you so much. That's it from my end.

Moderator:

Thank you. Mr. Mehta. We have Mr. Dinesh on the line again, please go ahead.

Dinesh:

Yes. Good evening. So, what I am listening to is not in this conference call, but since last 3-4 conference calls we are starting with a very optimistic scenario and then it was very a dismal performance. So, how long will it continue and there are certain discrepancies as well as it was stated by Mr. Dadlani. I identified with Mr. Dadlani and then finally, Mr. Raju Baxi and the last one so, we are promising I mean, for 500 crores or 30% growth in top line and then to fulfil that we even put in some trading revenue in that and finally, we show that we had done it and NSE listing and listening since last five quarters and it has not fulfilled or the process

has never been very transparent. So, can I know why it is so, and even you forget your own figures, which you had committed in last conference call or previous to that one, please clarify. Thank you.

Ritesh Shah:

As I pointed out the last financial year, we have done a top line of 432 crores and this year, we will do a top line of 565 crores which is a 30% growth in the top line. The bottom-line target which was expected for the EBITDA between 10 to 12% has been recalibrated to 10% because of change in product mix. Also in this financial year, the demand has been very up down because of the COVID waves. So, certain sector products which are very high profit margin, like our erythromycin have been seeing upside and downside of the demand. Now, we are very optimistic and that's why we have told that the financial year 2023 our top line target is 600 and bottom-line target is 67 crores. As far as the NSE listing is concerned, there were some queries raised by national stock exchange which has been resolved. The whole problem over there is that it is not only in our control, it is also the agency which has taken its own time because of COVID and that is the reason why it has not been possible for us to give a very specific timeline. That's why we are saying that we are expecting it to be done soon.

Dinesh:

But this is what I'm listening or we are listening since last five quarters, second regarding the product mix, I am myself doctor by profession, and we were discussing with some high-end products with some good margins and which has started production from our new facility, but it is not reflecting in the number. So, why it is so, that is my question sir.

Ritesh Shah:

In fact, you know the top three products that has given the contribution in the quarter ended 31st December, one of them is gliclazide, which is produced in our new site and which is a product that we have launched in 2020. This is giving a very high contribution only because of the new site, even the capacity expansion of sulfadoxine has only been possible because of this new site. The entire compliance of zero liquid discharge is only possible because of the new site. The up and down in the product mix which has come because of some erythromycin derivatives anti TB anti-malarial because of the fund allocation at the Global Fund. And you know also the reduction in the paediatric prescription so, some of our erythromycin which were going in the paediatric is seeing a little reduced volumes than our anticipation because of the opening of COVID we are expecting this demand to continue. In fact, we are expecting some pent-up demand in our products, which we have seen once the things have opened up in the quarter three also and we'll continue to see in the future.

Dinesh:

We were planning for some vertical I mean backward integration in erythromycin raw material. So, are we still going for it or not?

Ritesh Shah:

First one of the erythromycin derivatives the higher macrolide called azithromycin we have developed products from erythromycin by ourselves. So, we are contemplating on the

commercial only based on the price. So, if our own manufacturing is more competitive, we use our process if to import is more competitive, we buy from import.

Dinesh:

Thank you. That's it from me.

Moderator:

Thank you, Mr. Dinesh. Next question is from Mr. Sushil Kumar please go ahead.

Sushil Kumar:

Good evening. Am I talking to Ritesh or Vivek?

Ritesh Shah:

We both are here available.

Sushil Kumar:

So, in reply to Mr. Dinesh, you said you will be doing the top line of 565 crores for the current year. Is that correct?

Ritesh Shah:

Yes, this is our anticipation.

Sushil Kumar:

But for the nine months we have done only 375 crores that means for the last quarter you should be doing 190 crores.

Ritesh Shah:

For the nine months we have done 375 crores. We will be able to touch 565 crores we are very confident.

Sushil Kumar:

You have to do 190 crores top line for next three months. Jan, Feb, March.

Ritesh Shah:

190 crores Yeah.

Sushil Kumar:

But while giving a reply to Mr. Raju Baxi, you said you will be doing about 130 to 140 crores for the next quarter.

Ritesh Shah:

No, we have not mentioned that.

Sushil Kumar:

I'm quite sure you mentioned that for the first fourth quarter we'll be doing about 130 to 140 crores of top line.

Ritesh Shah:

So, our expectation is approximately 185 to 190 crores. But anyways, I tend to be corrected it is going to be between 185 to 190 crores. We are confident to touch 565 crores top line for the financial year 22.

Sushil Kumar:

Fine, that was my because I had to understand it. And so, I thought there was some discrepancies so better to clarify it. Thank you so much.

Moderator:

Thank you, Mr. Kumar. We have questions from the line of Mr. Ritesh. Please go ahead.

Ritesh:

I think some clarification required because you had mentioned 500 crores for FY 22 and 600 crores for FY 23. So that's a 20% growth there. Now when you say 565 crores is your estimate. Does that include the other income also over here?

Ritesh Shah:

Sorry, can you repeat your question?

Ritesh:

When you say 565 crores probably you close the year at will that include your other income also?

Ritesh Shah:

No, we are talking of total revenue only right now.

Ritesh:

For nine months, what you have done is 357 crores you have done right for the nine months?

Ritesh Shah:

375 to 376 crores we have done.

Ritesh:

That 375 also includes your other income then 362 crores is what it adds up sir. Okay, fine. Let me just check on this. So at least on the margin front, are you confident of holding these margins is that the gross margin level 21.7 what we have done in Q3, at least will that hold? Or would you see some bit of RM inflation hitting us in Q4 also?

Ritesh Shah:

The margin, you know, expectation in EBITDA is between 10 to 12% on the pessimistic side.

Ritesh:

So very simple question over here. And I am just looking at your revenues and your raw material cost all the time I'm asking for is last quarter we had an impact, you know, q2, we did 24.3% gross margin, which became 21.7. What I understood is as bit of trading income involved over there now, in case there's no trading income, at least this 24% of gross margin, can we hold?

Ritesh Shah:

No, I don't think so.

Ritesh:

Okay. Thank you.

Moderator:

Thank you, Mr. Ritesh. Next, we have in queue Mr. Vinod Dadlani. Please go ahead.

Vinod Dadlani:

Yeah, I'm sorry for you. I'm back again. I don't think frankly speaking, you are giving replies which are making much sense. First, I think you're there's a lot of contradiction in your figures. ok? Me I think my fellow shareholders have been very kind to you talking about only five quarters of NSE promise? I think it is more than five years that you have been promising NSE. I don't understand it first you learn to run the company and then you can put it on NSE as I told you some of the bluest of the blue chips are only on the BSE, I see no reason why you want to go for NSE and what kind of volumes you have, why you want to incur additional expenses please.

Ritesh Shah:

I discussed and answered to your question. So, if you have any additional questions, please?

Vinod Dadlani:

Yes, I want my fellow shareholders to probably understand and appreciate what is happening in this company. AND frankly speaking, I feel this company needs a good professional MD. I am sorry, this kind of a monopoly of a family I don't think is doing good to this company frankly speaking. First of all, most of your people, most of your directors are Shahs. I have no nothing against Shahs All I'm saying is can you not have diversity? You had one or two good directors and having unfortunately he died. I don't think there have been many great people connected with your company. Why don't you take it seriously sir? It is in your interest we're holding 74% if I'm not wrong, if you if you're a company that does well you will prosper. As far as we are concerned, we can always sell it off and go to another company. But I am sure that you will be proud if this company does much better than what it is doing and I thought that you had a potential I have met you couple of times and I feel that first of all be consistent, be consistent, be truthful. And can you put all these recordings on the on your website please? So that we know that what last four or five times you have made some statements whether there has been consistency or there has been inconsistency? Can you do that please? Can you do that? Your recording can you put on your website or can you at least...

Ritesh Shah:

All these transcripts are available with BSE and have been submitted to BSE, the minutes of all our investor call has always been available on our website's sir.

Vinod Dadlani:

Fine. I think I will definitely wait. My advice to you is you also have a look at it and ensure that you don't make statements which are contradicting each other, please. I don't think this speaks very highly of a company if you make statements and contradict the next thing, please don't do that.

Ritesh Shah:

We are making our best efforts to achieve our targets.

Vinod Dadlani:

Sir you are making a politician statement. Every politician talks like that. You're making best statement but best statement is not showing, sir. And I told you last time also, I told you, you feel that you are done, that there are companies which in five years have become a billion-dollar company. And you are of I don't know, how many 35 years 40-year-old company and yes, I'm not saying that you're not done great. But you think that you are God's gift to this country, please, please don't do that. There are companies which are doing far, far better, and they are not talking about it. And please get out of this that you have to have a more broad-based board of directors and more professionals in your company. Just to be a Shah should not be a qualification to hold a good position. I'm sorry to say that.

Ritesh Shah:

We noted all your points and we will take this with our board.

Vinod Dadlani:

No, as I said it is for your good as far as I'm concerned, I hold shares, I can always sell it off in a day and move out to other companies. But if at all I want while I'm here, I'll ensure that I give my piece of mind whenever this necessary. And I'm sure you must be feeling I'm sure tonight at the end of the day, you will feel that what I said was right. And I'm sure my fellow shareholders will say the same thing. I have nothing personal against you.

Ritesh Shah:

No, we are taking all your points positively Sir. Thank you.

Moderator:

Mr. Dadlani you can send feedback on our email ID should I give you the ID?

Vinod Dadlani:

Yes, please do that. I would like to say I am not very good at sending messages. Can I get somebody's phone number so that I can pick up the phone and talk to him or her? I would prefer that.

Moderator:

Yes, I will give you the number it is 022.

Vinod Dadlani:

That number. I don't think that is SK number, right? The moment you call it say SK. I don't know why a public company should have this kind of fear of address. Anyway, yeah. You give me mobile number.

Moderator:

Sir, I have the landline number 40824082. Okay. And the email id is business@lmspl.com.

Vinod Dadlani:

I'll try and do this, but I would have preferred a mobile number. Anyway, you don't want to keep that's okay. I have been there to the Company earlier. And in fact, that time I thought it was a great company. I'm no longer under that illusion that is a great company. But I hope that you are at least average company please do that.

Moderator:

Thank you. We have our next question from Mr. Raju Baxi. Please go ahead.

Raju Baxi:

Ritesh Bhai, I just wanted to confirm that the manufacturing turnover of the last quarter will be 190 crores, right?

Ritesh Shah:

Is the anticipation yes.

Raju Baxi:

That is anticipation because already more than one and one month and 10 days have passed for the last quarter also. So, now you must be having a clear picture also of the anticipated turnover. So, you expect a turnover of 190 crores that is manufacturing what I'm talking about not the merchant exports.

Ritesh Shah:

We call it our total operating revenues. And that is the anticipation that we will be able to touch.

Raju Baxi:

But sir if you sprinkle it with a trading turnover, then the credit turnover won't be giving you that great margins, right.

Ritesh Shah:

That is true.

Raju Baxi:

So, in that case, it won't be giving us a clear reflection of what your profitability will be. So, I am what I'm asking is that whether your manufacturing turnover will be 190 crores?

Ritesh Shah:

The anticipation is yes.

Raju Baxi:

Ok Sir and thank you very much.

Moderator:

Thank you Mr. Baxi. Ladies and gentlemen, for any further questions, I request you to press *1 on your phone now.

Since there are no questions, I will read the disclaimer. This presentation may include certain forward-looking statements based on current expectations within the meaning of applicable laws and regulations. Actual results may differ, and the company does not guarantee realization of the statements. The company also disclaims any obligation to revise any forward-looking statement, the reader may use their own judgment and are advised to make their own calculations before deciding on any matter based on the information given herein, no part of the presentation may be reproduced, quoted or circulated without prior approval from Anuh pharma ltd. Any closing comments sir?

Ritesh Shah:

Bhavin, you want to close it?

Bhavin Shah:

Thank you very much to the management to Anuh pharma limited for sparing time and answering it patiently to all the questions that were asked and raised by investors. Thank you very much and we look forward for the coming quarters and coming years together. All the best. Thank you very much.

Moderator:

Thank you, Ladies and gentlemen. This concludes your conference call for today. We thank you for your participation and for using iJunxion conference service. You may disconnect your lines now and have a pleasant evening ahead. Thank you