Neuland Laboratories Limited
11th floor (5th level), Phoenix IVY Building,
Plot No.573A-III, Road No.82, Jubilee Hills,
Hyderabad-500033, Telangana, India.

CONTACT
040 6761 1600 / 6761 1700
neuland@neulandlabs.com
neulandlabs.com

August 6, 2024

To

BSE Limited
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai – 400 001

Scrip Code: 524558

The National Stock Exchange of India Ltd
Exchange Plaza,
Bandra Kurla Complex
Bandra (E), Mumbai – 400 001

Scrip Code: NEULANDLAB; Series: EQ

Dear Sir/Madam,

Sub: Transcript of the Earnings call conducted on August 1, 2024

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Earnings call for the quarter ended June 30, 2024, conducted on August 1, 2024. Also please note that this transcript of the call has been uploaded on our website.

The weblink to access it:
https://www.neulandlabs.com/en/investors/investor-meetings/transcripts

This is for your information and records.

Thanking you,

Yours faithfully,
For **Neuland Laboratories Limited**

SARADA BHAMIDIPATI
Digitally signed by SARADA BHAMIDIPATI
Date: 2024.08.06 12:28:23 +05'30'

Sarada Bhamidipati
Company Secretary

Encl: As above

“Neuland Laboratories Limited Q1 FY25 Earnings Conference Call”

August 01, 2024

MANAGEMENT: **MR. SUCHETH DAVULURI – VICE CHAIRMAN & CEO**
MR. SAHARSH DAVULURI – VICE CHAIRMAN & MANAGING DIRECTOR
MR. ABHIJIT MAJUMDAR - CHIEF FINANCIAL OFFICER
MR. SAJEEV EMMANUEL MEDIKONDA – HEAD, CORPORATE PLANNING & STRATEGY

Moderator: Ladies and gentlemen, good evening and welcome to Neuland Laboratories Limited Q1FY25 Earnings Conference Call.

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, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ravi Udeshi from Ernst & Young. Thank you and over to you, sir.

Ravi Udeshi: Thank you, Viya. Good evening, friends. We welcome you to the Q1FY25 Earnings Conference Call of Neuland Laboratories Limited.

To take us through the Results and to answer your questions, we have with us the top management from Neuland Laboratories represented by Mr. Sucheth Davuluri - Vice Chairman and CEO, Mr. Saharsh Davuluri - Vice Chairman and Managing Director, Mr. Abhijit Majumdar - CFO and Mr. Sajeev Emmanuel Medikonda – Head, Corporate Planning and Strategy.

We will start the call with a Brief Overview of the Financials by Mr. Abhijit Majumdar and then Saharsh will give you broad highlights of the Business Trends and what he is seeing in the market and post this, we will open up the call for the Q&A session.

As usual, the standard Safe Harbor clause applies as we start the call. With that said, I now hand over the floor to Abhijit. Over to you, Abhijit.

Abhijit Majumdar: Thank you very much, Ravi, and good evening, and a warm welcome to each of you for joining our call. The Financials are as follows for the Q1FY25.We did a total income of Rs. 444.4 crores in Q1FY25, which is Rs. 365 crores in the same period last year, an incremental increase of 21.7%. This has largely been driven by high growth in the CMS business. However, I would like to point out that the inherent nature of our business is uneven on a QoQ basis. And hence, this quarter is not an indication of the full year performance for FY25.Our EBITDA excluding exceptional items of Rs. 20.6 crores excluding that stood at Rs. 128.6 crores with a margin of 28.9%, an increase of 174 bps over Q1FY24. We continue to focus on productivity, which is leading to financial resilience of our company. Now coming to the specifics, the gross margin for the quarter was 66.1% as compared to 55.2% in Q1FY24 and 58.8% in Q4FY24. This gross margin, as always, includes direct costs pertaining to manufacturing and as attributed to the product. The profit after tax was Rs. 98.3 crores as compared to Rs. 62.2 crores in Q1FY24. This includes an exceptional item of Rs. 20.6 crores arising from the sale of surplus or investment property. The quarter EPS stands at Rs. 76.6 per share. At the same time, we continue to focus on cash to optimize our working capital, which stands at 107 days to sales and thereby we have generated a free cash flow in Q1FY25 of Rs. 50.9 crores. We also repaid some part of our debt of around Rs. 8.7 crores. Consequently, our net debt position, which is negative, stands at Rs. 110.2 crores. While we continue to invest in upgrading our facilities, we have invested Rs. 59.1

crores in capital spends during Q1FY25.We continue to be mindful of balancing growth with profitability by continuously working on optimizing cost and processes, which will make us sustainable for the long time.

Now, FY25 is anticipated, as we have mentioned earlier, to be a year of consolidation influenced by specific dynamics of our company in the lifecycle of our products, in GDS and CMS portfolios. The future investments that we will make will enable us as we proceed to meet our mid-range plan. And we will make these investments as and when we finalize the suitable opportunities on a risk-return matrix.

FY25, as we have stated earlier, will be a year of normalized revenues and profits as we will be in the investment phase. And we expect our businesses to once again be momentum from FY26 based on our current visibility of our portfolio products. Overall, we continue to be cautiously optimistic of the future potential that our business holds.

With that, I would like to hand over the call to Mr. Saharsh for his remarks. Once again, thank you very much.

Saharsh Davuluri: Thank you, Abhijit. Good evening, everyone. Welcome to the Call. The performance that we witnessed over the last several quarters reflect the transition of our business model from being comprised predominantly of prime APIs to a healthy combination of CMS and GDS APIs. This transition has been driven by the commercialization over the last two years of certain molecules and also the ongoing improvements in R&D project management operations and business development initiatives. This progress is in line with our long-term strategy and is illustrative of the kind of business and the company we want to build. Over many years, we have been consistently positioning Neuland as a pure play API service provider with broad complex capabilities, partnering with both innovators as well as generic pharmaceutical companies.

I am very pleased with the performance of Q1FY25, both in terms of revenue and profit. This was driven by commercial molecules in the CMS segment. But before elaborating more on this quarter, I would like to reemphasize a few comments, I think some of which Abhijit has already made. The CMS business is lumpy in nature, and therefore an annual progression is a better indicator than a quarterly progression. As previously stated, we expect FY25 to be a year of modest growth and normalized margins, and that outlook remains unchanged.

Completion of additional manufacturing facilities in this year coupled with anticipated commercial launch of more molecules, some on the CMS side give us the confidence of achieving higher growth in FY26 and beyond. We continue to see increasing interest in customers looking at Neuland as their CDMO partner. In terms of the macro picture, we are yet to see significant impact of the Biosecure Act by way of active RFPs or orders. But we believe that the environment is very favorable for us in the medium to long term. In terms of our biotech clients being acquired by Big Pharma, we feel the continuity of customer engagement and are actually quite excited about future opportunities and possibilities.

Our business development team continues to identify the right opportunities in line with our long-term strategy. The CMS revenues of Rs. 235 crores were driven by molecules in the commercial segment. The associated drugs seem to be doing well in their end markets, and we expect to continue serving the customers well.

On the GDS front, we continue to focus on developing new specialty products while continuing to optimize processes and increase market share for key commercial APIs. Some specialty APIs which have done well for us this quarter include Dorzolamide and Donepezil. And prime products that have done well for us are Mirtazapine, Levetiracetam, and Escitalopram. Please note that we have transitioned Ezetimibe to the prime segment this quarter, which means that there is a marginal impact on the salience of the specialty segment because Ezetimibe was being counted as a specialty product, but now going forward it will be counted as a prime product. We expect that the segment should perform in line with stated expectations over the short to medium term.

As always, I would like to point out the inherently uneven nature of the business which makes it hard for us to share precise numbers or guidance especially for the short term. However, looking at the order flow, we continue to be confident of the medium and long-term prospects of the business. Another reminder from our previous interactions, we continue to maintain that there are a variety of factors that could influence our projections. These include performance of individual products, fluctuations in foreign exchange rates, volatility of raw material costs, and other dynamic business elements. We are aware of these challenges and continue to remain watchful of these variable factors.

In terms of future capacity building, we are on track to complete new production blocks in Unit-3 by FY25, and we expect to start commercial production by H2 of FY26. Neuland's flexibility and nimbleness are crucial for an effective response to the shifting business landscape. I would also like to highlight that our growing business reputation and favorable macroeconomic conditions are attracting exciting opportunities. We are dedicated to enhancing our customer experience, which we believe makes us a differentiated API provider. Our investments in expanding our capacity and capabilities are also to be seen as a testament to our commitment to the future. By adhering to our core principles, which is customer focus, agility, and operational excellence, Neuland is strategically positioned to harness opportunities and overcome short-term challenges. We remain steadfast on our journey to realize our long-term goals.

So, maybe having said that, Ravi, I request you to open it up for Q&A.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Sajal Kapoor, who is a retail investor. Please go ahead.

Sajal Kapoor: A quick question. Slide 10, CDMO project dashboard. Phase two pipeline has improved significantly YoY, is this organic or inorganic? What I mean by inorganic is molecule hitting our space from outside via truck transfer instead of organic progression from Phase-1 to Phase-2.

S E Medikonda: Thank you. So, Sajal, I think there's a combination of both which is happening when it comes to the number of molecules which are there in Phase-2. We have had additions in terms of molecules which our BG team has gotten from customers. At the same time, we have worked with molecules in clinical Phase-1, and they have also progressed to Phase-2, which is the reason why you find the collective number up there. So, it's a mix, but I think if I were to put the number there, I would say that it is almost 60-40, means 60% in terms of progression and 40% in terms of new businesses that we are brought in.

Sajal Kapoor: Thank you. And then the second question is, in a scenario where dollar starts reacting down to higher than in normal inflation in the US. In the ballooning US national debt, there will no doubt be a material impact on our business because we are predominantly US dollar denominated exports. So, how do you guys read into this USD linked fragility which may or may not play out in near term. It's anybody's guess. But in a scenario, if it happens, what sort of strategy, mitigation etc. you have put in place? Thank you.

Sucheth Davuluri: Sajal, at this point, we have discussed this obviously between ourselves and also the board level. And we made a conscious decision that we will leave our hedging position open for now. Having said that, it's hard for us or anyone to predict where exactly the dollar is going to go in the future. So, our view at this point is that we look for movements. I think even the Fed rates came back as uncut for now. Maybe there will be a rate cut in September, at least that's the indication. But we will wait and see how the market plays out and we will take a suitable call at this time. But for us, it's hard at this time to predict whether it's going to weaken or strengthen.

Moderator: Thank you. The next question is from the line of Karan Vohra from GS. Please go ahead.

Karan Vohra: So, firstly, on the US Biosecure Act, just wanted some more clarity in terms of some of our peers have started mentioning that they are getting pilot projects or higher RFQs. So, like, are we doing anything specific to kind of gain the attention of some of these Western innovators? Or what is it that is stopping us from getting more RFQs? So, that's my first question.

Saharsh Davuluri: Yes, so I think the BioSecure Act that's being discussed, I think there's a lot of anxiety amongst the US pharma biotech segment, no doubt, and a lot of companies have started exploratory work involving India. And as I had mentioned in my comments, we don't see any tangible RFPs or business inflow yet. But having said that, there's obviously a heightened level of customer visits, RFIs, meeting requests, things like that, which could be considered as lead indicators of the behavior of US pharma, US biotech. But it would also be premature on our part to deduce that it will lead to a specific increase in new business. I think that's something that remains to be seen. I am sure other companies are also observing the same thing. I think it's very evident in whatever conversations even I've had with US customers that they are looking at an alternative to China, whether or not the Biosecure Act gets implemented in its current draft or not. So, there is business to come. It just remains to be seen how much and when. And that's where I think we also wanted to just caution that don't expect any dramatic increase in new business, at least from our perspective. The other thing perhaps inside I can give you is that we are also, please understand that we are a pure play API company. We don't offer a lot of other services to these

companies. So, obviously for us, given the focused area that we are in, our observations may be very different from what may be a clinical or a biological focused CDMO or maybe med chem focused CDMOs. So, maybe you should take that also into consideration.

Karan Vohra: Also, is it the case that the Biosecure impact is being felt more from a large pharma point of view right now or than some of the biotech and is that the reason why or some of the other guys are seeing more inflows or still it's broad based you think?

Saharsh Davuluri: I think it's a good question and that's what even I would suspect. I think Big Pharma, given their resources, has started to move much faster. They obviously have teams to deploy and partnerships in different countries, so perhaps they are moving faster. I think biotech companies are kind of waiting and watching also. We know that biotech companies have more finite resources when it comes to qualifying redundancy, like second suppliers, third suppliers. Big Pharma tends to do that more than Biotech. So, it could be, but I guess both of us are speculating at this point.

Karan Vohra: My second question is with respect to CAPEX. So, I understand that we are adding more capacity in unit-3, which I think you mentioned will be operational by end of FY26, if I am not mistaken. So, like, since our unit one and two are already being utilized at optimum capacity, and we expect the revenues to inflect from FY26 onwards. So, why are we not trying to put a larger capacity or start putting a larger capacity right now so that when two years down the line, the unit three gets fully utilized, we already have a capacity in place. So, anything on that and also the current small addition which we are doing in unit one, is that for CMS business? Is that for a commercialized molecule? What is it? Maybe some color on that. Thank you.

Saharsh Davuluri: Yes, sure. I think you kind of loaded up multiple questions and try to answer them. The Unit-3 capacity creation will be ready by end of FY25 and will be commercialized in the second half of FY26. That's the comment we had made. The capacities of Unit-2 and unit-1 are more limited given that there is limited space over there. However, in unit-1, as we had previously disclosed, we had acquired a 5-acre piece of land, adjacent to unit-1, which will serve as an extension to unit-1 and therefore make unit-1 a larger facility. There is some CAPEX that was approved today, which will be deployed for expanding capacity in unit one, which is largely for GDS products, just because we have increase in volumes for some of the GDS products, we anticipate increase in the next 2-3 years, and we want to service that demand, and therefore this CAPEX is being deployed for that reason. With regards to your last question, with regards to foreseeing capacity and creating capacity ahead of time, I think we definitely would like to do that, and we continue looking at ways to do that. But also, we believe, I think being a very specialized API company, we are very cautious in what kind of capacity we are going to create and how much capital we will deploy just purely for capacity creation because we also want to make sure that capacity is being created in anticipation of some specific demand rather than create a very large facility and then look for customers. I think that is not an approach that we believe works for the kind of APIs we are pursuing in CMS as well as GDS. So, yes, I think we are thinking well into the future. So, we are thinking about capacity requirements for 3 years, 5 years into the future. And as we make progress on those areas, we will continue to update everyone.

Moderator: Thank you. The next question is from the line of Vivek Rakholiya from Ficom Family Office. Please go ahead.

Vivek Rakholiya: I would like to know the size of opportunity for the following specialty APIs; Paliperidone, Entacapone, Dorzolamide, and Apixaban**.** And I would also like to understand the competitive landscape of these specialty APIs. Thank you.

S E Medikonda: So, I think these are all molecules which are exciting and each of them has a different potential. Some of them have been generic for a while, some of them are yet to become generic. I think say for Paliperidone and Apixaban, we see that there is going to be, even as they have contributed in the past, the molecules which will be going, it's generic in different markets at different points of time and will have significant potential to add to our growth in the future. When it comes to say, Dorzolamide and Entacapone, that's likely older specialty molecules, Entacapone for Parkinson's and Dorzolamide in the ophthalmic area. So, I think we would see less growth, but we continue to add customers even in some of the older molecules too.

Vivek Rakholiya: What would be the competitive landscape in these molecules as well?

Abhijit Majumdar: So, more often than not the competition will say other Indian API companies and European API companies. In some of them, like for example, a molecule like Paliperidone, the competition is limited, but in the other molecules, even in the case of Entacapone, the competition space is limited because of the fact that, colored API, whereas the other molecules, there is significant competition from Indian and European players.

Moderator: Thank you very much. The next question is from the line of Shyam Garg from Ladderup Finance Limited. Please go ahead.

Shyam Garg: My first question is with respect to the capacity utilization during the Q1 and what is the expected capacity utilization and ROA of Unit-3 in FY26?

Abhijit Majumdar: So, currently the capacity utilization in Unit-2 and Unit-3 is close to 90 plus percent. As far as Unit-3 is concerned, this year it will be around 30%-40%. But I am just preempting your question. So, we expect CMS molecules to flow into Unit-3 at different stages. Some of it, as Saharsh has mentioned in FY26, some of it will flow in FY27. So, we have the capacity to meet currently that demand. And we're also increasing the capacity in unit one.

Shyam Garg: And so we have seen decline in manufacturing expense in Q1FY25. So, can you please explain why it is so?

Abhijit Majumdar: So, the decline in manufacturing expenses was predominantly because one of the reasons is our capacity utilization in Unit-3 was 50 plus last year. And that has kind of dropped, is expected to drop in FY25.

Shyam Garg: And sir what is the ROA of the new capacity expansion that is going to do?

Saharsh Davuluri: We have not disclosed any ROA on the new investments. And I think the way we look at it is the product mix in Neuland is quite diverse. And therefore, what may have been the asset turns or the ROA in the past may not be an indicative reflection of what we expect in the future. So, I think that's kind of an evolving metric and we really haven't given any kind of outlook or indication for that.

Moderator: Thank you very much. The next question is from the line of Akul Broachwala from Avendus Investment Managers. Please go ahead.

Akul Broachwala: So, first is on Prime API. Can you just provide a like-to-like growth number for this quarter just to understand the impact of asset in my inclusion in the segment?

S E Medikonda: So, I think in terms of where we are in terms of time, I think Ezetimibe this quarter has completed probably close to around less than 10% of the prime revenue just to give you an idea. Beyond that, I cannot talk about specific product.

Akul Broachwala: And secondly, in terms of our CMS business, the kind of performance that we have seen this quarter, is there first of all some kind of lumpiness due to logistical issues or any sort of campaign related timing because of which we have reported this number?

Saharsh Davuluri: I think the lumpiness, as I said in the comments, is an inherent part of the nature. So, I don't think you should attribute it to any logistics or any other reasons. I think it's better to take it on face value.

Akul Broachwala: And lastly in terms of your comment about normalizing revenue growth, so does that mean that it's going to be lower versus what we have delivered in last 2 years or maybe it's like an average of a couple of years putting together? I just wanted to understand a bit on your guidance for the full year.

Saharsh Davuluri: Yes, I think the normalization means, I guess, last two years were above normal. So, I will leave the deduction to you.

Moderator: Thank you very much. The next question is from the line of Pranjal Mukhija from GrowthSphere Ventures LLP. Please go ahead.

Pranjal Mukhija: So, I just wanted to congratulate the team on the journey that Neuland has been on. A lot of that is now visible in the numbers as well. So, I had a couple of questions. The first question was, sir, in annual report, we're talking about growing interest from customers with larger pipeline. And I think the team also alluded to the same in the concall. So, could you share some color on what kind of customers are we talking about and maybe share some qualitative details about them?

Saharsh Davuluri: So, in terms of our customers having larger pipelines, I think the way we have built the specialty business as well as the CMS business is that we typically start working on one molecule. And I guess what we were referring to in the annual report is that we're seeing customers now who

have commercialized or advanced their drugs with us are coming back to us with additional molecules. And the projects pipeline that you are seeing increase is also not necessarily coming from unique new customers. It's also the same customers giving us more molecules. So, that's the one indication that we have talked about. I guess the other part of it is that as M&A is happening in the biotech space, and this is still very early at the moment, there is also an expectation that as our customers get acquired by larger companies, the expectation is not only to retain the current business, but to also expand and broaden capabilities and perhaps work with other molecules of these customers. So, I think that's the indication and basically, a very high level of focus in this space is what was essential for us to be able to do that. And that's the perspective from which the comment was made in the annual report.

Pranjal Mukhija: Alright, so sir, this interest is from big pharma companies or like the biotech that we usually deal with?

Saharsh Davuluri: I think it's both, but you all know that Neuland has predominantly built its business through biotech companies. So, we are not necessarily seen as a household name for Big Pharma. But I think as these biotechs are getting acquired by Big Pharma, we're starting to see Big Pharma also build familiarity with Neuland. So, yes, so I think it's really more with biotechs, but also the expectation is 2-3 years from now, we expect Big Pharma to have a similar level of comfort with Neuland as well.

Moderator: Thank you. The next question is from the line of Rahul Bharadwaj, who's an individual investor. Please go ahead.

Rahul Bharadwaj: So, as I understand, the last 5-10 years journey for Neuland has been moving more towards complex APIs and ensuring that the name and brand comes as a trustworthy partner. Could you paint a color for us on what you envision will be the journey in the next 5 odd years? And what kind of risks do you anticipate and how are you planning for that journey? And the second question would be more on the lines of, does the board discuss anything on the lines of ensuring participation from the wider community group of investors?

Saharsh Davuluri: It's really difficult to understand what you are saying, Rahul. I think the first part we were able to deduce, you wanted to talk about. Having gone through this journey in the last 10 years with complex molecules, what do we plan to do going forward? That seemed to be the first question. Second question, we were not able to understand at all?

Rahul Bharadwaj: Any discussions with regards to stocks splits by the board?

Saharsh Davuluri: I think with regards to the future, I think as we have mentioned earlier, I think this model that we have built so far, the Pure Play API model, I think it has started to give us results and we're still very excited about what remains for us in the future. Yes, and I think we want to really capitalize on this. We want to enable this business to grow both on the GDS and the CMS side. And we feel that it has a long runway, right. I think even in the annual report, we had mentioned that the API market is over $120 billion. And I think we still are in the early stages of that. So,

we want to capitalize on that. Of course, we will try to diversify capabilities within the API space, maybe expand on certain technologies that we have already built. But the idea is to kind of keep growing on this model and enable drug development and manufacturing. I think with regards to the stock split, the second question, I think that's something that we will definitely take into consideration. I think we have been getting this input, but we haven't really processed it. Yes, we will discuss it at the board level and also talk to other advisors and then probably figure out what's the best way forward.

Moderator: Thank you. The next question is from the line of Avneesh who is an individual investor. Please go ahead.

Avneesh: I have one question. What kind of risk do we see in near to medium term on the business?

Sucheth Davuluri: Avneesh, we have talked about some of the risks in the previous calls as well, but currently there are about two or three risks that we are actively managing. One is this whole alternate sourcing, bringing our supply chain closer to home, having an alternate supply to our Chinese partners. That's one thing which is an active strategy that we continue to pursue. In the past, we were impacted by this whole Russia, Ukraine situation because some of the metal prices went up, catalyst prices went up, there were some short supplies. We have de-risked that as well. The third is the overall currency risk what's happening overseas in terms of the whole geopolitical instability. So, right now we have estimated our entire risk register has about 116 risks overall, which is both internal risk as well as external risk. And we do discuss them on a continuous basis. We also have a task force internally for risk management. So, this is kind of the overview.

Avneesh: I have one more question. You talked about normalizing margins in the current year. So, our past margins have been in range of 14%-15% and last one year around 28%-30%. So, are we talking about going to that 15% range or it could be somewhat in between those two numbers?

Saharsh Davuluri: I think we have left our commentary using the same words, right I think normalized margins and moderate growth. I think it's something that we intentionally are using words and not numbers and we are not intentionally referring to any past performance. I think as analysts, investors, we would request you to make your own deductions in terms of what you deduced this to be. But I think for us, we intentionally don't want to spell out any numbers. And at the same time, we don't want to point towards the particular year saying that the numbers are going to be this year. So, at the expense of repeating ourselves the margin profile of the business, what we have seen last year, I think has been something that really shows the direction in which the business is evolving. But we had also indicated that there were several favorable factors, such as raw material costs, prices of products, exchange rates etc. which also optimized our margins last year. What we had clarified post that is that expect margins to normalize, but what that would be is something perhaps you should be able to deduce, but I think our margins are definitely moved away from where we were a few years ago. And that's more because the profile of the business has changed. I think 7-8 years ago, we used to be 70% prime products. Now it's less than 30% prime products. So, obviously you will also be able to gauge that the fundamental

margins of the business have changed, but how, it will be something that I think we not tried to even hint or guide.

Sucheth Davuluri: Just to add to that Avneesh, there's obviously several other people listening in on the call. I think the reason we made that comment is because year-to-year we grew 30%. And the year before that, the growth was about 24% year-on-year. So, I think for us, it was important to come out and say that that's the kind of growth that we cannot expect year-on-year. So, it was to be able to create more transparency to our stakeholders as well as investors. And that's the intent with which that comment was made, that those kinds of growths over a long period of time are not sustainable. And fortunately, or unfortunately, our business cycle doesn't necessarily coincide with the financial year or the calendar year. So, I think as long as that is understood, I think we continue to take a robust view about the overall business.

Moderator: Thank you. The next question will be from the line of Pranjal Mukhija from GrowthSphere Ventures LLP. Please go ahead.

Pranjal Mukhija: So, sir, I just wanted to highlight some qualitative data about the new peptide DMFs that we are planning to file. And along with that, like the 6, 7 DMFs that we are planning to file this year, just some highlights on, some description on what are the areas, what kind of products are we filing for. So, just some information would be really helpful. Thank you.

S E Medikonda: So, I think in terms of the peptide molecule, I think we have discussed in the past that this is a molecule called **Difelikefalin,** which is more used for chronic kidney disorders and is also in development for other indications. Having said that, I think we will be filing, but the commercialization will happen only post 2030. So, I think this is more I think making it part of our pipeline and also enabling any customers who are looking at for their filing. And if we look at the remaining six molecules also which we have mentioned in the annual report as the target, I mean there are molecules which have a good mix of, or most of them would be under what we call the specialty category. Some of them will have a shorter time cycle in terms of commercialization, whereas probably around 50% or more will be more for the long term as we continue to look at products, not just for the immediate short term, but from the long-term perspective too.

Moderator: Ladies and gentlemen, as there are no further questions, I would like to hand the conference over to the management for closing comments.

S E Medikonda: Thanks. Once again, we would like to thank everyone for joining the call and asking us some important questions regarding the business. We appreciate your interest in the event. Good evening, everyone.

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

(This document has been edited to improve readability)