



“Indoco Remedies Limited
Q1 FY’24 Earnings Conference Call”
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MODERATOR: **MS. CYNDRELLA CARVALHO – JM FINANCIAL**

Moderator: Ladies and gentlemen, good day, and welcome to the Indoco Remedies Limited Q1 FY '24 Results Conference Call hosted by JM Financial. 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 star and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Cyndrella Carvalho from JM Financial. Thank you, and over to you, ma'am.

Cyndrella Carvalho: Thanks, Zico. Good afternoon, everyone. I'm Cyndrella Carvalho. On behalf of JM Financial, welcome you all on the quarter 1 FY '24 earnings con call of Indoco Remedies. At the outset, I thank the management of Indoco Remedies for giving us this opportunity to host the call. I'm looking forward to an insightful interaction on the earnings of the management.

Today, from the management team, we have with us Ms. Aditi Panandikar, Managing Director; Mr. Sundeep Bambolkar, Joint Managing Director; Mr. Pramod Ghorpade, Chief Financial Officer. I now hand over the call to the management for their opening remarks. Thank you.

Pramod Ghorpade: Thank you, Cyndrella. Good afternoon, all participants. I'm Pramod Ghorpade, CFO for Indoco Remedies Limited. We appreciate all for taking out time and joining this call today. Let me draw your attention to the fact that on this call, our discussion will include certain forward-looking statements, which are projections or estimates about our future events. These estimates reflect the management's current expectation of future performance of the company.

Please note that these estimates involve several risks and uncertainties that could cause our actual results to differ materially from what is expressed or implied. Now I request our Managing Director, Ms. Aditi Panandikar, for her opening comments.

Aditi Panandikar: Thank you, Pramod. I thank you, everyone, for joining us this afternoon. We closed the first quarter of financial year 2023, '24, with a consolidated sale of INR413 crores, of which Domestic Formulations business contributed to INR213 crores. International Formulations business contributed to INR160 crores at 39% of total sales.

API business contributed INR36 crores and the remaining INR5 crores came from contract research and analytical business put together. Our API business has recorded a 170% growth in the first quarter of this year. We recorded for the first quarter an EBITDA of INR63 crores, which is at 15.2% of sales. We are continuously working on various strategies to improve revenues and margins in all our business segments.

On the domestic front, we are focusing on sales force effectiveness, new product launches, exploring new channels of distribution, and increasing our reach in certain areas, which have growth potential. It is worthwhile to mention the following developments in the organization, which are provided substantial impacted to our growth strategy. Number one, the warning letter of Goa Plant 1 was lifted, and we received an EIR from US FDA.

We now expect to launch a few more solid oral products from this site for the US. Number two, our Baddi manufacturing site, Unit 3, received EU GMP certification from the Health Authority of Germany, thus enabling us to supply to the EU nations from one more additional and more

efficient site. Number three, we have been working on gross margin improvement plan across the organization, across geographies and segments.

And last but not the least, as part of our digitization journey, we have given Apple iPads to our field force to help them convey the message more effectively in the doctor's chamber. We have started an AIML project on machine automation. We are working on a document management system as well as an HRMS system for efficiency and effectiveness of human capital.

On the international front, I'm happy to share that Indoco now has a front end in US with the acquisition of FPP, a Florida Pharmaceutical Products, a distribution and marketing company. This is all from me. I will now hand over to Mr. Sundeep to share the financial highlights of the first quarter.

Sundeep Bambolkar:

Thank you, Aditi. Good afternoon, everyone. Hope you all are doing fine. Let me first begin with the business highlights. Net revenues of the company for the first quarter grew by 5% at INR413.2 crores compared to INR394.9 crores for the same quarter last year. EBITDA to net sales for the quarter is 15.2% at INR62.9 crores compared to 18.1% at INR71.3 crores. Profit after tax to net sales for the quarter is 6.2% at INR25.7 crores compared to 9.5% at INR37.5 crores.

Earnings per share for the quarter is INR2.81 compared to INR4.17 for the same quarter last year. The above numbers are on stand-alone basis. We have declared results with consolidation, which includes results of subsidiaries. Now on the Indian pharma industry. The Indian pharma market is valued at INR51,423 crores and has registered a growth of 8.5% during the first quarter of FY '23, '24 against similar first quarter for last year. During this quarter, Indoco registered a sale of INR300 crores with a growth of 2.8%. In the IPM, Indoco ranks 31st in the first quarter FY '24 with a market share of 0.58%. The source is IQVIA April '23 to June '23.

Domestic Formulation business. Revenues from Domestic Formulation business for the quarter grew by 6.5% at INR213 crores compared to INR200 crores for the same quarter last year. Major therapeutic segments, namely stomatology, urology, cardiology, ophthalmology and dermatology performed well during the quarter as compared to the previous corresponding quarter for the last financial year. Now on to the International Formulation business.

Revenues from International Formulation business witnessed a de-growth of 9.9% at INR159.7 crores compared to INR177.3 crores. Revenues from REG markets de-grew by 9% at INR134.4 crores as against INR147.7 crores. Revenues from US business for the quarter de-grew by 21.1% at INR81 crores as against INR64.9 crores. Revenues from Europe for the quarter grew by 2.1% at INR79.4 crores as against INR77.7 crores.

Revenues from South Africa, Australia and New Zealand were at INR3.8 crores against INR5 crores and revenues from emerging markets for the quarter, de-grew by 14.7% at INR25.3 crores against INR29.6 crores. The API business revenues for the quarter have substantially grown by 169.2% at INR35.7 crores as against INR13.3 crores.

Revenues from AnaCipher CRO and Indoco Analytical Solutions have grown by 12.8% at INR4.7 crores against INR4.2 crores. That's all about the business highlights for the first quarter, and I now request the participants to put forward their questions. Thank you.

Moderator: Thank you very much. Our first question is from the line of Aditya Khemka from InCred Asset Management. Please go ahead.

Aditya Khemka: Yes. Hi, thanks for the opportunity and good afternoon everyone. First question, Sundeep, sir, on the OAI that we have, is that only on plant 2 in Goa? Or is that on plant 2 and 3?

Aditi Panandikar: Good afternoon, Aditya. Plant 2 and 3 are part of one API number. So as of now, it is for both these plants.

Aditya Khemka: On both these plants. Okay, ma'am. And this FPP acquisition, is it consolidated during the quarter in our numbers? Or is it not consolidated?

Aditi Panandikar: So we got one month in this quarter, Aditya. So a very small amount of revenue is coming, which is part of the consolidated results.

Aditya Khemka: It has been consolidated for a month, if so?

Aditi Panandikar: Yes.

Aditya Khemka: Okay. And given that, we have an OAI on 2 and 3 and therefore, we will not get approval still you resolve this, how do you plan to leverage the FPP acquisition? Would Brinzo and Combigan basically, we launched through our own front end now that we should have it? Or will those products continue to be in partnership with our partners?

Aditi Panandikar: So Aditya, OAI on Plant 2 does not have any impact on current products, which are already being supplied to US, many of which are our own ANDAs. On some products, which we have got back from Teva, we are considering actively front ending them through FPP. We also have a couple of solid orders in US market, which we were currently doing through other partners, which we intend to bring in.

Aditya Khemka: And how much time would it take ma'am to shift the partner from an external partner to internal?

Aditi Panandikar: Not more than three months to four months.

Aditya Khemka: Understood. And regarding the OAI again, how much would be the remediation cost we have incurred in this quarter? And how much do we expect to incur for the full year?

Aditi Panandikar: About INR4 crores is the remediation cost incurred this quarter.

Aditya Khemka: And what is the estimate for the full year now, if you could share?

Aditi Panandikar: About the same per quarter.

- Aditya Khemka:** About INR4 crores, each quarter. Right. One last question. Sundeep sir, on the US business. Sequentially, our revenue was down despite consolidating for a month of FPP, our revenue is down from INR71 crores to INR51 crores. And if I remember correctly, we also must have launched the larger SKU of Brinzolamide, which was supposed to be launched, in April, if I'm not wrong. So what explains the decline in revenue in US despite the launch of a very large product like Brinzo?
- Aditi Panandikar:** Aditya, I'll just briefly answer this and maybe details we could take offline in a call with you separately. But roughly, just to tell you the impact of the OAI on US business specifically has been quite simple. We -- some of the milestones we were to receive from clients for products made at this site. Those have got postponed.
- Also, there were some -- post OAI, you have to communicate with all your customers, and it's a regulatory process in which they do risk assessment and then lift the product. So there has been some supply delay in this quarter, and some of it will come into the next quarter as well. So those are largely the reasons why there was a dip in US. For your other questions, it is not correct for us to speak of it on this call here, and maybe we can take it later.
- Aditya Khemka:** Sure, ma'am. Thank you. I'll get back with you.
- Moderator:** Thank you. Our next question is from the line of Deepan Sankara Narayanan from Trustline PMS. Please go ahead.
- Deepan Narayanan:** Thanks a lot for the opportunity and good afternoon everyone. So firstly on the domestic business. So what is the reason for strong growth in stomatological business? So was it due to new product launch or we have seen market share increase? And do we expect this growth to continue?
- Aditi Panandikar:** So yes, good question. Yes, the increase in market share and robust growth in all the toothpaste as well as most of the products in dental is a welcome sign this quarter. And this is on account of we had shared, in earlier calls that we are exploring alternate channels for distribution in India market. We are -- so there has been a good support through digital media for promotion of some of these products. And we have also set up a direct-to-consumer channel for facilitation and in order to make the products better available across counters. We are seeing early signs of success through these.
- Deepan Narayanan:** Okay. Good to know that. And ma'am, also this anti-infective and respiratory business sales has reached almost closer to pre-COVID levels. So do we foresee growth in these segments in future because excluding these two therapies, we have delivered such a strong growth in domestic business?
- Aditi Panandikar:** Yes, correct. So probably anti-infective and respiratory have been the most challenging two therapies to predict for performance in the last three years or four years. Initially, of course, there was the impact of COVID. After that, they got a huge tailwind when they were used in treatment of COVID. After that, some peripheral antibiotics and other acute products were also used to treat the second and third wave of COVID. So then doesn't seem to be any kind of normalization frankly.

But your question is true, and I feel this is really and truly a pre-COVID. So technically, We have given a 10% growth on a pre-COVID year at this point. And -- but it doesn't take away the fact that in a normal year, if the season comes in, we could have done better. This year, as we know, the monsoons have got delayed by almost a month. And therefore, in the first quarter, we see marginally that impact. If Q2 lives up to its expectations, especially with the signal coming in as it is now, I'm confident, we will be able to show growth on these two categories as well.

Deepan Narayanan: Okay. And also this urology as a segment are now doing quite well over the past year, three times of there so -- are we doing anything special there or the growth run rate could continue well there?

Aditi Panandikar: So we have a very popular brand called Cital, which is a urinary alkalisers, which is used in the summer seasons by people who are prone to burning micturition or kidney stones and specifically as a treatment option and to prevent the problems in extreme heat conditions. So this year, we had a long summer, a tough summer and Cital has done well. But in addition to that, we have launched an extension to Cital, a brand called Cital UTI to be used in urinary tract infection, which has also done exceedingly well.

And I'm happy to share that these two brands have done very well this quarter and in fact, have contributed second only to Cyclopam, the main brand of the company for contribution. We expect both Cital and Cital UTI to do well. But of course, they will have this kind of a seasonal impact and will always do better in the summer seasons other than the others.

Deepan Narayanan: Okay. Thanks a lot, I will come back in the queue.

Moderator: Thank you. Our next question is from the line of Mr. Rajat from InCred AMC. Please go ahead.

Rajat: Ma'am, firstly, on your employee...

Moderator: Mr. Rajat sorry to interrupt. May we request you to use the handset for optimum audio quality?

Rajat: Okay, yes. So just on the employee expenses, they seem to have shorter by roughly INR10 crores on a Q-on-Q basis. Just wanted to understand what is this -- how has this gone up? Like any explanations on that?

Aditi Panandikar: Yes. So about INR3 crores to INR4 crores is on account of arrears. We had an agreement, which got signed off at the Goa site. So that is one time. And some of it is on account of regular increment given during the year. It is becoming a little tougher to keep people with you, especially because of the high attrition at starting levels. And some amount of salary growth has also been taken. So roughly, a base of around INR85 to INR86 is what should be considered as a regular employee cost quarter-on-quarter.

Rajat: Okay. So INR4 crores you're saying is the onetime impact in it?

Aditi Panandikar: Yes.

Rajat: Second one -- just on domestic business again. And so last quarter, if I remember correctly, you were guiding around 12% to 13% kind of a growth versus that you have delivered around 6%.

You said that there was an impact of delayed monsoon. But going forward, do you think you will be able to deliver the 12% to 13% kind of a growth on the overall annual number to cope up in the next quarter? Or do you think we will fall short of guidance?

Aditi Panandikar: So quite honestly, if you had asked me this end of next quarter, I would have feel happier giving you a response because the biggest quarter is underway for us. And if you look at the industry also and its performance, you know the IPN numbers. But if you look at our covered markets, they have not paid very well. So covered markets have grown at just 6% as per IQVIA. So we are in tandem with the covered markets. Domestic business has grown by more than 6% this quarter. And in the -- I'm hoping that we will be able to catch up at least to get to a lower double-digit growth, if not more, for the year.

Rajat: Okay. And ma'am, on the FPP asset [inaudible 0:20:53] -- would be the costs associated in terms of employee costs, which we should work with going forward incrementally from here?

Pramod Ghorpade: Yes. So we have a limited number of employees at FPP in US, which requests for our overall operations there. So overall cost level, which we look for and what we have factored during our due diligence and further during projections, it's about USD4 million on an annual basis.

Aditi Panandikar: USD40 million is acquisition costs.

Pramod Ghorpade: And overall operating...

Aditi Panandikar: So operating costs will be around close to USD2.5 million.

Pramod Ghorpade: USD2.5 million is the running cost.

Rajat: Sure. Okay. That's it from my side. Thanks.

Moderator: Thank you. Our next question is from the line of Abdulkader Puranwala from ICICI Securities. Please go ahead.

Abdulkader Puranwala: Yes. Hi, thank you for the opportunity. Just also on the guidance front, I think previously, we had guided for around 18% kind of a margin for FY '24. So are we retaining those? Or what is our margin guidance now?

Aditi Panandikar: We feel pretty confident that we'll be able to for the full year go up to 17.5%.

Abdulkader Puranwala: Okay. And in terms of US. So because of the OAI, is this OAI going to impact our Allopurinol sales, which is there from Plant 3 because in FY '24, we expect a sizable numbers in terms of revenue coming from that product prism?

Aditi Panandikar: No. As I said earlier, no running products are getting impacted in any way. However, additional to Plant 3 supply, with the VAI on Plant 1, we are able to also get it Allopurinol manufactured at the other site. So in fact, you will get incremental impact on that product sale going forward.

Abdulkader Puranwala: All right. Understood. Thank you so much for answering my questions.

- Moderator:** Thank you. Our next question is from the line of Mitesh Shah from Nirmal Bang Securities. Please go ahead.
- Mitesh Shah:** Thanks for taking my question. Again, I have a question on the US front. So is that any of the revenue we lost because of -- because of this OAI or it would be like normalizing the growth going forward? I mean I just want to know about the guidance for the US for FY '24 from you]?
- Aditi Panandikar:** So as I mentioned earlier, I'll just repeat, there has been a delay in clocking some sales because some customers did not pick up products right away post OAI. But after that, that has been resolved. So there is a delay, certain amount surely. Regarding some milestones to be collected, those have got delayed by a couple of quarters. Consequence of which overall guidance of US for the whole year, we are going to have to take some amount, look at it again. But I feel pretty confident that we will try to do excess of -- in the range of 280 to 300.
- Mitesh Shah:** Got it. Thanks. That's it from my side.
- Moderator:** Thank you. Our next question is from the line of Mr. Vishal from Systematix. Please go ahead.
- Vishal:** Thanks for the opportunity. Yes. So my question is, in the US, do we expect any new launches? And do we also expect Combigan to be relaunched in October as guided earlier?
- Aditi Panandikar:** Yes, I think although his voice was very faint, he was asking about Combigan supply in the next quarter. Is that it?
- Vishal:** Yes. So I was asking whether we can -- whether we -- do we expect to supply Combigan in October as we guided in the previous quarter?
- Aditi Panandikar:** Yes. So consequent to this OAI, there will be probably some amount of back and forth with our front-end partner around this. And we'll come back to you with impact on this launch.
- Vishal:** So just -- so your guidance is about INR280 crores for US in this financial year, and we are at INR50 crores in the first quarter. So that implies we hope to do about INR80 crores in the next three quarters per quarter?
- Aditi Panandikar:** Yes.
- Vishal:** What would kind of help us ramp up from INR50 crores to INR80 crores? So would this be existing products or new launches?
- Aditi Panandikar:** So both, there will be few new launches from the other site on solid dosages. There will be a substantial increase in production of currently manufactured products from Plant 2 as well as the solid dosage being supplied from Plant 1 and the ramp-up from 50 to 80 may not happen immediately in Q2. It will be a slow growth. The guidance is for the full year.
- Vishal:** Okay. So probably we'll see the ramp-up happening more in towards Q3 and Q4?
- Aditi Panandikar:** Yes.

- Vishal:** And in Europe, apart from Allopurinol and Paracetamol, which are our -- which are the key products there, do we expect further new launches there? And should we expect the ramp-up from the current run rate of about INR80 crores in Europe?
- Sundeep Bambolkar:** Yes. In Europe, we have got a number of molecules. I'm not at liberty to disclose all the names of the molecules, but there are at least one dozen molecules besides Paracetamol, Allopurinol and Cetirizine, that all which we are selling right now. And definitely Europe annual guidance will be in the range of around INR375 crores to INR380 crores.
- Vishal:** Okay. So the Europe and Europe run rate should also pick up from subsequent quarter?
- Management:** Yes.
- Vishal:** Okay. And on the remediation, would we -- how long will we take to do the remediation for the unit 2 facility?
- Aditi Panandikar:** So that typically depends on how FDA looks at our -- the strategic proposals that we have sent them. We are also, at this time, having constant communication back and forth with FDA, hoping to have a face-to-face or online call at some point to clearly understand their position and concerns because with 4 observations, we had not expected an OAI.
- So given that most of the remediation costs at this stage to give you a full guidance on how long and what would be a little premature because we have to first understand what it is that they're looking at. If our assumptions are correct, then I think they are looking at least till end of this year. three more quarters.
- Vishal:** Got it. Okay. And just one more on emerging markets and API. So emerging markets was quite big this quarter and API was very strong. So how should we look at these two businesses for the rest of the year? Will the -- so will emerging markets revive and API business can sustain the momentum?
- Management:** Yes. I'll talk about the emerging markets. Q1 of this year was a one-off quarter. And emerging markets order book is very strong, and we are very, very confident of turning this around. This was a one-off quarter and particularly because we had done extremely well in Q4 of last year. But from the second quarter, you'll see a dramatic turnaround in emerging markets. And coming to API sales, definitely sustainable throughout the year.
- Vishal:** Got it. Okay. Thank you. That is all from my side.
- Moderator:** Thank you. Our next question is from the line of VP. Rajesh from Banyan Capital Advisors. Please go ahead.
- VP Rajesh:** Yes. Hi, thanks for the opportunity. Most of my questions are answered. Just trying to understand what is your revenue guidance for this year, given this OAIs on one of the facilities?
- Aditi Panandikar:** We can't hear you, I'm sorry.

- Moderator:** Mr. Rajesh, may we request to use your handset for optimum audio quality, as you are not audible, sir.
- VP Rajesh:** Is it better now.
- Aditi Panandikar:** Slightly. We will try and understand your question. Let's see.
- VP Rajesh:** Okay. I am just asking about your revenue guidance for this year in light of the OAI that we have received in one of the facilities. So that's what I was just trying to...
- Aditi Panandikar:** Yes. So the OAI will have some bearing on revenues only from US market and will not impact any other market in any way. So I think we already said on the call that we are looking at close to INR300 crores revenue between INR280 crores and INR300 crores to come from US in total. But other than that, no other market gets impacted, US marginally, that's it.
- VP Rajesh:** Right. So I heard that guidance for the US, I was just trying to understand for the whole company, are you changing anything else? Or if not, what was the original guidance? And what is the current guidance?
- Aditi Panandikar:** So we had not given any guidance this year, especially because we were expecting from the growth perspective, India market to be very topsy-turvy and as we have seen, this first quarter, India has grown at close to 7%, I think 6.6%. And I'm expecting by end of the year to be able to do close to 11%, 12% minimum growth on India business.
- Other than that, Europe, we expect a good robust growth, again, in the lower double digits, at least, API will continue this kind of contribution. So that is -- I hope that answers your question.
- VP Rajesh:** Right. And just to clarify, that twice. Just to clarify, you're saying domestic will be 11% to 12% for the whole year? Is that right?
- Aditi Panandikar:** Yes.
- VP Rajesh:** Okay. Thank you. That's all.
- Moderator:** Thank you. Our next question is from the line of Candice Pereira from Dolat Capital. Please go ahead.
- Candice Pereira:** Hello, Yes, I just had one question regarding the EU market. So for this quarter, the growth was quite low, just 2.1%. So I just wanted to know the detail for that?
- Management:** Yes. This, as I said, was a one-off quarter, and you will see sustained performance of Europe going forward because both the Baddi plants have got approval now from EU besides the UK. So they are free to supply to all the EU countries. That's the first point. Second point is batch sizes are being enlarged in those two plants. And not only will there be effective good top line growth, but effective profitability because of the increase in batch sizes and efficiency built-in. Also, the order book for Europe and UK is very, very strong.

- Candice Pereira:** Okay. And I just wanted to understand why was just this quarter, like what was the one-off? Which you are saying that was a one-off quarter is the one...
- Aditi Panandikar:** We just come back and look at it, possibly if it was anything to do with the base of last year, okay?
- Candice Pereira:** Thank you.
- Moderator:** Thank you. Our next question is from the line of Mr. Rajat from InCred AMC. Please go ahead.
- Rajat:** Yes. Thanks for taking my question again. Ma'am, just on the India business, again, could you guess some sense on how recently launched products are doing especially on the chronic, sub-chronic side of the same?
- Aditi Panandikar:** Yes. So this quarter, we were really rescued by our sub-chronic and chronic businesses, to be honest. Among the smaller businesses, Ophthalmology Excel Division is doing exceedingly well, consistently growing at 11% to 12%. The two dental divisions are also growing at higher double digit, 17%, 18%. And your way of question on new launches, if I have to tell you, new introduction contribution to first quarter, we got sales in excess of INR6.5 crores, which is more than double of new introduction contribution last year.
- First quarter, which was only INR3 crores. So on all fronts, other than...Yes, I think I was replying to a question. I'm not sure how much of it came through, but I think we were on contribution of new launches, if I'm not mistaken. So for the first quarter this year, we have got INR6.5 crores coming from new launches as against INR3 crores in the first quarter last year.
- Rajat:** Yes. So ma'am, that bring you to my second point. On a quarter-on-quarter basis for the past so many quarters, we have been either growing at the industry rate or below the industry rate, this is despite the price hikes, we would have taken new product launches and storing into a chronic therapy. But again, we are not to grow above the industry rate.
- We would expect Indoco to [inaudible 0:35:39] above the industry rate given that we are in this, you already have good product portfolio, good brands in our portfolio. So what -- I'm just trying to understand what is -- and is it -- does it [inaudible 0:35:55] your productivity? Or is there a lot of attrition? Or is it that -- is it that your competition is itself getting very strong and you are not able to go for the...
- Aditi Panandikar:** It's a very long question. So I lost you actually. What is the question specifically?
- Rajat:** I was asking you, ma'am, that for so many quarters, we've been either growing at par with the industry or below the industry rate. This is despite the fact you would have taken some price hikes with the NLEM portfolio, you have parade into chronic therapy...
- Aditi Panandikar:** We are talking about Q1 right now. So I would be happier concentrating on these numbers and what they say. I will have to dig out and go back into all my quarters when I might have not met your expectation. So the quarter 1, as I explained, it is only about anti-infective and respiratory.

For the industry, these are de-growing by 26% and 25% on quarter-on-quarter basis. Compared to that, we are much more stable. I hope that answers your question.

Rajat: Yes. And ma'am, secondly, on your EBITDA margin guidance. So you said 17% to 18%. So you have been factoring the USD2 million of incremental costs from the FPP and the INR16 crores?

Aditi Panandikar: Everything.

Rajat: Okay. Thanks. That it from my side.

Moderator: Thank you. Ladies and gentlemen, that was the last question of our question-and-answer session. I now hand the conference over to the management for closing comments.

Aditi Panandikar: Thank you, everyone, for joining us this afternoon, and thank you for a very interesting question. All of you have a good week ahead. Thank you.

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